IJM CORPORATION BERHAD

Building Resilience Developing Opportunities

ANNUAL REPORT 2020

BUILDING RESILIENCE DEVELOPING OPPORTUNITIES

The financial year ended 31 March 2020 provided an opportune time for IJM Corporation Berhad to take stock of its business and adjust to an ever fluid marketplace. The resilience we built over the years is fortified by our ability to capture opportunities in the wake of challenges that come our way.

The top portion of this year's Annual Report cover design reflects IJM's standing today and our contributions to the economic and social landscape. The clear skies indicate our clarity of focus on sustainability. The bottom portion reflects how we are embracing and adopting innovation, technology and digitalisation across our global operations as we continue to deliver inspired solutions.

VISION

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

MISSION

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

CORE VALUES

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

INTEGRITY

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

TEAMWORK

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

INNOVATION

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

CUSTOMER FOCUS

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

IJM CHARTER

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

INSIDE THIS REPORT

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2 ORGANISATION & STEWARDSHIP

3 SUMMARY OF INFORMATION FOR SHAREHOLDER

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

36TH ANNUAL GENERAL MEETING IJM CORPORATION BERHAD

Tuesday, 22 September 2020, 10.00 am

Virtual Meeting through live streaming
from the broadcast venue at
Multipurpose Hall
3rd Floor, Wisma IJM, Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Developing opportunities beyond borders as an internationally competitive builder

Backed by a solid track record, IJM's Construction Division is a recognised cornerstone of the Group. Widely acknowledged as a builder of choice, we take pride in our ability to deliver solutions with the best balance of quality, cost, function, efficiency and maintainability. We continue to build our reputation as a thought leader – one that works with governments, customers and partners to shape the industry, change skylines and connect communities.

1

FRAMEWORK & COMMITMENTS

OUR GLOBAL PRESENCE

Headquartered in Selangor, Malaysia, IJM's international aspirations have seen it establish a presence in 8 countries, with primary focus in Malaysia, India, China and Indonesia.

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

Legend:

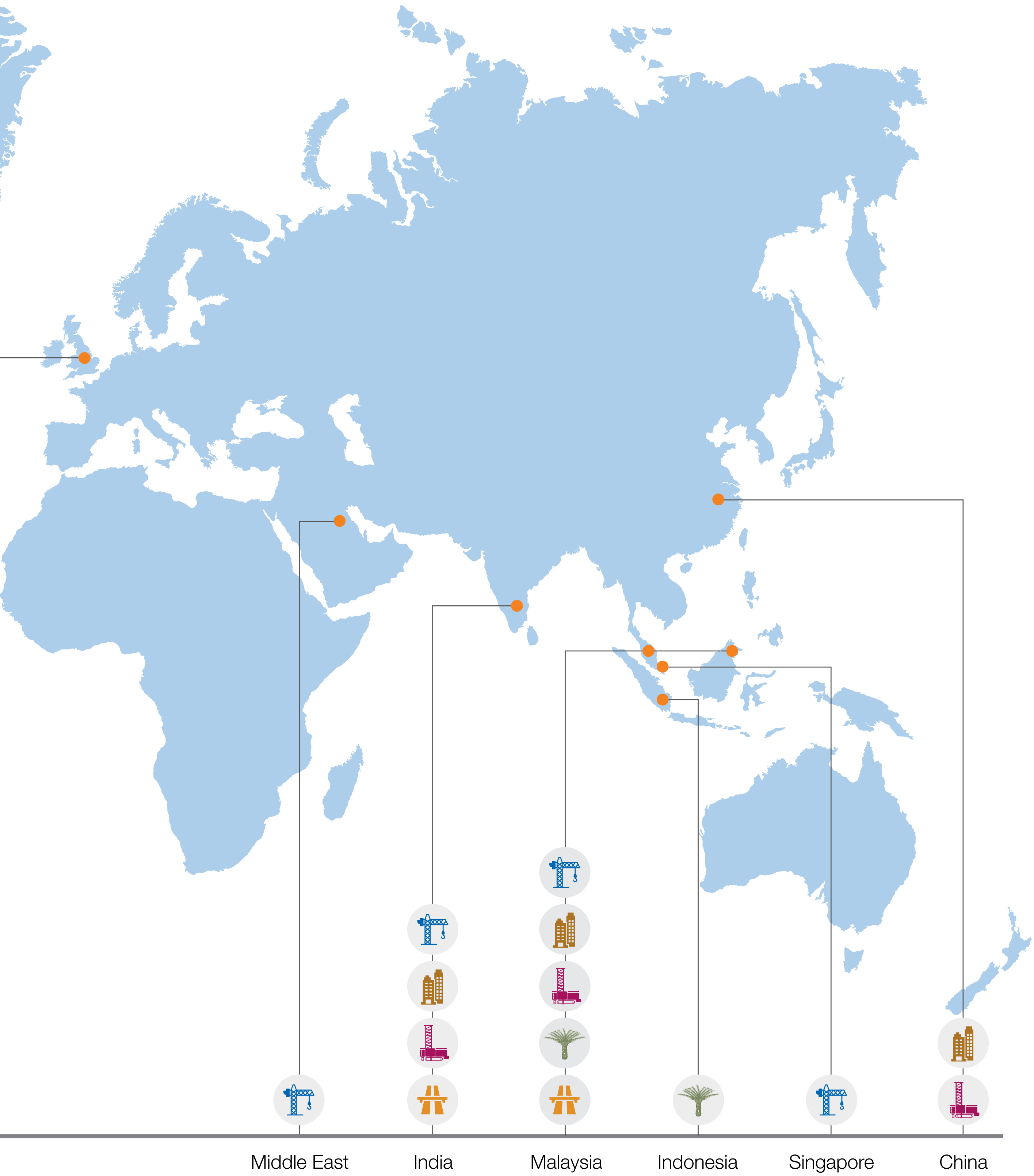
Construction

Property

Industry

Plantation

Infrastructure


Middle East
India
Malaysia
Indonesia
Singapore
China

CORPORATE PROFILE

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

Equatorial Plaza, Kuala Lumpur

The Club @ Bandar Rimbayu

IJM was formed in 1983 as a merger between three medium-sized local construction companies – IGB Construction Sdn Bhd, Jurutama Sdn Bhd and Mudajaya Sdn Bhd – to compete more effectively against bigger foreign contractors in Malaysia at the time. In the years following its formation, the Company quickly established itself as a professionally-managed construction group.

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

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

Initially supporting in-house needs, the Group's Industry Division grew its operations into scalable core activities focused on catering to demand of building materials from outside the Group. IJM continued to expand this division with strategic acquisitions such as Industrial Concrete Products Berhad, a market leader in high strength pretensioned spun concrete piles, in 2004 followed by successful market diversifications into China and India.

Leveraging on its construction expertise, the Group also owns and operates infrastructure concessions to create long-term recurrent income streams. In Malaysia, the Group owns and operates the New Pantai Expressway, BESRAYA and LEKAS expressways as well as Kuantan Port. IJM also owns a stake in the West Coast Expressway that is currently being constructed. IJM's involvement in overseas infrastructure privatisation Build-Operate-Transfer schemes, namely in India, met with considerable success. Amongst the Group's present investments in major overseas


BESRAYA Highway, Kuala Lumpur

infrastructure projects are the Chilkaluripet-Vijayawada Tollway, Dewas Bypass Tollway and Vijayapura Tollway in India as well as the Western Access Tollway in Argentina.

The Group ventured into oil palm plantations in 1985 as a source of steady income to cushion the cyclical nature of its core construction business. Listed on the Main Market of Bursa Securities, IJM Plantations Berhad has since grown to become a mid-sized planter with a land bank of 61,000 hectares in Malaysia and Indonesia.

By focusing on our core competencies, we have diversified into strategically related businesses and tapped into new markets to support and sustain our progress. Today, IJM holds leading positions across all its business divisions; our growth over the last four decades is a direct result of our unwavering dedication to good governance, quality delivery and a team of committed employees.

For more information, go to www.ijm.com.


ICP pile being lifted using a vacuum lifter


Aerial view of Desa Talisai South Estate

IJM IN THE NEWS

IJM Corp secures RM530m construction contract in TRX

BY SYAFIQAH SALIM

KUALA LUMPUR: IJM Corp Bhd has won a RM530 million contract for the construction of The Exchange TRX's residential component in Tun Razak Exchange (TRX).

In a filing with Bursa Malay-

TRX Residences is a great fourth addition to IJM's portfolio of iconic projects in TRX.

edgement of our extensive e… tise in high-rise building con… tion projects," IJM Corp group… executive officer and man… director Liew Hau Seng sai… statement.

IJM is currently undertaki… construction of HSBC Mala…

IJM Land's Savio at Riana Dutamas 90% taken up, plans to launch Phase 2 in 1Q2020

BY HANNAH RAFEE

city.country@bizedge.com

Savio at Riana Dutamas in Segambut, by IJM Land Bhd, has now registered a take-up rate of 90% since its official launch in November 2017.

"The multi-generational suites of Savio (Phase 1) of Riana Dutamas is currently 90% taken up. The steady momentum of take-up of Savio indicates continued buyer interest in…

On the right track

Possible revival of HSR project driving up construction stocks

Approximately 9,000 Participants Race To The Finish Line On The NPE Highway At the IJM-Allianz Duo Highway Challenge

It was a thrilling… the very first leg… morning. With the… challenge had part… The IJM Allianz Du… opened an interna… organizers welcom… Kong, China, Japa…

IJM Corp 4Q profit jumps 13 times as infra division returns to the black

BY JUSTIN LIM

KUALA LUMPUR: IJM Corp Bhd closed its financial year 2019 with a 13 times jump in quarterly earnings on significantly stronger contributions from almost all divisions — in particular infrastructure — except investment and others.

The group's net profit for the fourth quarter ended March 31, 2019 (4QFY19) jumped to RM240.81 million from RM17.86 million, as its infrastructure division swung to a profit before tax (PBT) of RM171.44 million…

怡保工程Q2净利涨2倍 IJM种植亏损大幅改善

（吉隆坡26日讯）怡保工程（IJM，3336，主板建筑股）宣布，2020财政年次季（截至9月30日止）净利按年飙升逾2倍，从去年同期的2192万令吉，增至7010万令吉；营收从13亿零917万令吉，按年增20.25%，至15亿7423万令吉。

Liew to replace Soam as IJM CEO, Krishnan Tan made chairman

Transition part of a robust succession process, says group

BY JUSTIN LIM

KUALA LUMPUR: IJM Corp Bhd announced yesterday that Datuk Soam Heng Choon is set to retire as chief executive officer (CEO) and managing director of the group, and will be succeeded by Liew Hau Seng effective Sept 1.

Liew said he is incredibly privileged and humbled to have the opportunity to lead IJM.

"I want to thank the board for the confidence they have placed in me. I look forward to upholding the delivery capabilities that IJM is known for and to sustaining its positive momentum.

Flashback: July 15, 2019

IJM WINS BEST MAJOR PROJECT AWARD AT MCIEA 2019

KUALA LUMPUR, IJM Corporation Bhd's unit, IJM Construction Sdn Bhd has recently won the Best Project award for major buildings above R… 2019 (MCIEA).

The award was for IJM Constructio… Hotel Equatorial site, located in th…

IJM Corporation chief executive off… recognition of IJM's impressive bui…

For more than 35 years, IJM Consti… face of the nation and beyond — p…

We are delighted to be working wi…

"The MCIEA award that we receive… rise projects in the city centre, he said in a statement.

Organised by the Construction Industry Development Boa… celebrate the excellence and achievements of the industry… Malaysia's construction sector.

Source: BERNAMA (News Agency)

IJM LAND ANJUR ANUGERAH PEREKA DALAMAN IJM LAND 2019

IJM LAND DESIGNER AWARDS '19

CNY toll discounts at Besraya, NPE, Lekas

IJM Corp eyes RM1.5b new construction orders in FY20

IJM Land revising plan for The Light City

Construction work to start by second quarter next year

By DAVID TAN
davidtan@thestar.com.my

GEORGE TOWN: IJM Land Bhd is expected to start the construction work for its RM4bil The Light City project by the second quarter of next year.

The property group had earlier planned to start construction for the integrated mixed development scheme, which is located near the Penang bridge, sometime this month.

Senior general manager (north) Datuk Toh Chin Leong told *StarBiz* that the group is pushing the project to next year because there is a need to revise its plan, in particular for the 1.1 million-square-feet retail mall.

"The plan is currently being revised to accommodate more food and beverage outlets and possibly, an experiential themed park."

He added that The Light City project is targeted for completion in 2024.

The Light City comprises a 1.1 million-sq-ft retail mall, two international class hotels, a convention centre, an office tower and two

New landmark: People viewing a model of The Light City. The project is targeted for completion in 2024.

prising a 400,000-sq-ft mall, we w... market conditions first before m... sion," Toh added.

According to Toh, the retail m...

IJM Plantations posts improved 3Q with higher sales volume, commodity prices

BY ARJUNA CHANDRAN SHANKAR

KUALA LUMPUR: IJM Plantations Bhd posted a third-quarter (3Q) net profit of RM20.06 million, in contrast to a net loss of RM1.99 million for the year-ago quarter, thanks to higher sales volume, improved commodity prices and foreign exchange gains.

The improved earnings for the three months ended Dec 31, 20... on the back of a 66.5% y... jump in revenue to RM2... RM142.87 million, its fi... exchange yesterday sho...

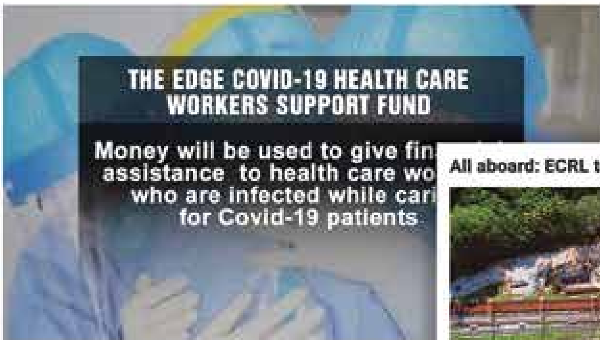
In particular, it noted... fruit bunch (FFB) produ... sian operations grew 33.... in cropping patterns.

For the cumulative n... Dec 31, 2019, the planta...

"FFB production was higher than that in the [corresponding nine-month] period of FY19 due to peak crop cycles of both the Malaysian and Indonesian operations. Despite fair value losses on crude palm oil pricing swap contracts, the impact of higher FFB production, coupled with the strengthening of the rupiah against the US dollar and the yen, resulted in a significant improvement in the overall financial per-

IJM Land准备系列精彩节目．2月8元宵团圆约定你

The Edge Covid-19 funds touch RM19.2m



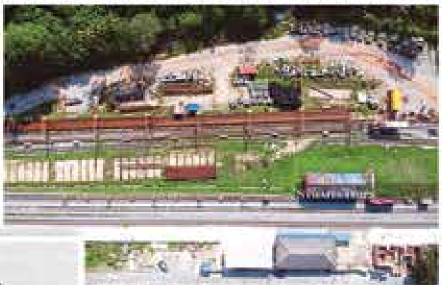
The Edge Covid-19 Health Care Workers Support Fund

6. IJM Corp Bhd: RM1.0 million

IJM Plantations sees FFB production hitting one mil tonne milestone in FY20

IJM Plantation sees FFB production hitting one mil tonne milestone in FY20

All aboard: ECRL to boost activities at Kuantan Port



IJM Corp 2Q net profit triples; company pays two sen dividend

KUALA LUMPUR: IJM Corp Bhd's net profit more than tripled to RM70.1 million for the second financial quarter ended Sept 30, 2019 (2QFY20) from RM21.92 million a year ago, on improved earnings from the property development, manufacturing and quarrying, plantation and infrastructure divisions.

Its quarterly revenue rose 20.2% to RM1.57 billion from RM1.31 billion a year ago.

The group declared a first interim dividend of two sen per share for the financial year ending March 31, 2020 (FY20), payable on Dec 27.

The strong quarterly performance lifted the group's net profit for the cumulative six months (1HFY20) by 53% to

RM5.1 billion," it said in a filing with Bursa Malaysia yesterday.

Also, although consumer sentiments have improved, key issues of price affordability, overhang of high-rise properties, rising cost of living and tight financing arrangements will still have a dampening effect on the local property market, said IJM Corp.

Nevertheless, IJM Corp managing director and chief executive officer Liew Hau Seng viewed the group's property division is expected to sustain its performance on unbilled sales of RM1.9 billion.

For its industry division, the group expects a challenging year, given a competitive domestic and overseas environment in which it operates.

IJM Land lancar The Club@Rimbayu

Oleh Nasuha Badrul Huzaini

IJM Corp upgraded to 'buy', target price maintained at RM1.95

KUALA LUMPUR: MIDF Research has upgraded IJM Corp Bhd to "buy" from "neutral" following the recent weakness in its share price and after the infrastructure company bagged a RM530mil construction job.

"We maintain our target price (TP) of RM1.95 (pegging the financial year 2021 book value per share to 0.7 times). Our TP implies +11.11% upside," the research unit said in a report.

IJM has bagged a RM530mil contract from LQ Residential 1 Sdn Bhd, a joint venture between international property and infrastructure group Lendlease and TRX master developer TRX City Sdn Bhd.

IJM will build the superstructure of the proposed two blocks of serviced apartments, namely TRX Residences at Tun Razak Exchange. The completion period of the project is 36 months.

"We understand that TRX Residences, the first contract bagged by IJM Corp in financial year 2020 (FY20), is a fourth addition to the group's portfolio of iconic construction projects in TRX.

"It is an acknowledgement of its extensive expertise in high-rise building construction," it said.

MIDF Research said IJM Corp is also building HSBC Malaysia's and Affin Bank's new headquarters in TRX.

Construction is scheduled to be completed by the end of this year.

As for TRX's Menara Prudential (developed and owned by IJM Corp), it was completed in May 2019 and currently 81% tenanted.

"Current order book is estimated at around RM5bil. We note that as at end February FY20, IJM Corp's order book stood at RM4.5bil – consisting of 32% building projects, 11% infrastructure works and 56% road works.

"The new contract award will add RM530mil, for a total outstanding order book of around RM5bil," it said.

AWARDS & ACCOLADES

MSWG-ASEAN Corporate Governance Awards 2018
– Excellence Award for Corporate Governance Disclosure

MSWG-ASEAN Corporate Governance Awards 2018
– Industry Excellence Award (Construction)

MSWG-ASEAN Corporate Governance Awards 2018
– Industry Excellence Award (Plantation)

Malaysian Construction Industry Excellence Awards (MCIEA) 2019
– Best Project Award for Major Project (Building)

Putra Brand Awards 2019
– Property Development Category (Silver)

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

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

CONSTRUCTION

- **Royal Institution of Surveyors Malaysia (RISM) Awards 2018**
  – Outstanding Contribution Towards Sustainability Award
- **Master Builders Association Malaysia (MBAM) Long Service Awards 2018**
  – Jade Service Award for 30 years of service
- **Construction Industry Development Board (CIDB)**
  – 5-Star SCORE Rating Award in 2018 and 2016
- **Malaysia Canada Business Council (MCBC) 25th Anniversary Business Excellence Awards**
  – Excellence Through Quality Award
- **RAM Ratings Blueprint Awards**
  – Project Finance Landmark Deal in 2015
- **PAM Awards for Excellence in Architecture**
  – Silver Award in Public and Institutional Category (SOCSO Rehabilitation Centre) in 2015
- **Utusan Business Awards**
  – Industry Excellence in Construction Sector in 2015
- **National Occupational Safety and Health Award (OSH) Construction Category for Puteri Cove Residences, Johor in 2017 and The Light Collection IV in 2014**
- **Malaysian Construction Industry Excellence Awards (MCIEA)**
  – Best Project Award for Major Project (Building) in 2019, 2018, 2016, 2015 and 2013
  – Builder of the Year Award in 2015, 2002 and 2001
  – Best Infrastructure Project for Major Project in 2016
  – Contractor of the Year Award in 2012 and 2009
- **Construction Industry Development Board (CIDB) – Safety and Health Assessment System (SHASSIC)**
  – 5-Star rating in 2019 for the HSBC, WCE Section 3, Kuchai Link 2 and Seremban 2 project sites

PROPERTY

- **Putra Brand Awards**
  – Property Development Category (Platinum) in 2019
  – Property Development Category (Silver) in 2018
  – Property Development Category (Bronze) in 2017
- **Property Insight Prestigious Developer Awards**
  – Top 10 Developers Award in 2018, 2017, 2016 and 2015
- **StarProperty.my Awards**
  – All-Star Award for Best Overall Champion; Long Life Award (Excellence) and Neighbourhood Award – 500 - 2,000 acres (Honours) for Bandar Rimbayu; and Skyline Award (Merit) for Secoya Residences at Pantai Sentral Park in 2020
  – All-Star Award: Top Ranked Developer of the Year and The Poseidon Award Category (Excellence) Best Waterfront Development) for The Light Waterfront Penang in 2018
  – All-Star Award: Top Ranked Developer of the Year, The Family-Friendly Award (Excellence) for Seremban 2, The Skyline Award (Excellence) for Seri Riana Residence and StarProperty.my Readers’ & Voters’ Choice Award in 2017
  – All-Star Award: Top Ranked Developer of the Year, The Family-Friendly Award (Excellence) for Bandar Rimbayu, and The WOW Award (Excellence) for The Light Waterfront Penang in 2016
- **The Edge Malaysia Property Excellence Awards**
  – Top 10 Property Developers Awards in 2019, 2018, 2017, 2016 and 2015
  – Property Development Excellence Award for Seremban 2 in 2016
  – Notable Property Achievement Award for The Light Waterfront Penang in 2015
- **BCI Asia Top 10 Developer Awards (Malaysia)**
  – 2018, 2016, 2015 and 2014

Malaysia Green Highway Index 2018
– Lebuhraya Bertol (Beroperasi) (Silver)

Construction Industry Development Board (CIDB) SHASSIC Achiever
– 5-Star SCORE Rating Award for Office Block at Tun Razak Exchange

The Edge Malaysia Property Excellence Awards 2019
– Top 10 Property Developers Awards

Construction Industry Development Board (CIDB) SHASSIC Achiever
– 5-Star SCORE Rating Award for Terrace Homes Development by Road Builder

Construction Industry Development Board (CIDB) SHASSIC Achiever
– 5-Star SCORE Rating Award for Taiping-Banting Phase 1-Section 3

- **Construction Industry Development Board (CIDB) QLASSIC Excellence Awards**
  – Highest QLASSIC Achievement Awards for Saujana Duta Phase 2L in 2019
  – High QLASSIC Achievement Awards and Best QLASSIC Achievement Awards for Residential, Category B (Project Value RM20 mil – RM100 mil) for Seri Riana Residence Phase 2B in 2018
  – High QLASSIC Achievement Awards for The Light Collection III, Seri Riana Residence, De'Bunga Residensi, Saujana Duta and the Fairway Golf Villas at Sebana Cove, and Best QLASSIC Achievement Award in the small (less than RM20 million) residential category for De'Bunga Residensi in 2017
- **FIABCI World Prix D'Excellence Awards**
  – World Gold in Master Plan Category for Bandar Rimbayu in 2017
  – World Silver in Master Plan Category for The Light Waterfront Penang in 2015
- **FIABCI Malaysia Property Awards**
  – Master Plan Category Winner for Bandar Rimbayu in 2016 and The Light Waterfront Penang in 2014
- **International Property Awards (Asia Pacific) 2015**
  – Highly Commended for Condominium Malaysia for Seri Riana Residence and Architecture Multiple Residence Malaysia for DeBunga Residensi
- **MIP Planning Excellence Awards 2016**
  – Place Making and Public Space Award for The ARC at Bandar Rimbayu and Merit in Design Excellence for Bandar Rimbayu
- **Malaysia Landscape Architecture Awards**
  – Honours in Landscape Design for DeBunga Residensi in 2015 and The Address in 2016
- **The Malaysia Book of Records 2015 for The Light Waterfront Penang**
  – National record for being the first marine ecosystem in a residential precinct

PLANTATION

- **ACCA Malaysia Sustainability Reporting Awards (MaSRA)**
  – Finalist in 2016
- **Malaysian Palm Oil Board Industry Excellence Award**
  – Best Kernel Crushing Plant (IJM Edible Oils Sdn Bhd, Kernel Crushing Plant) in 2016
- **Asia Money Best Managed Company (Small Cap) in Malaysia in 2015**

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

GOVERNANCE, REPORTING, INVESTOR RELATIONS AND CORPORATE SOCIAL RESPONSIBILITY

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

WORKPLACE AND DIVERSITY

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

IJM GROUP STRUCTURE

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

Note: Non-operating or dormant companies are not included

Construction

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

Property

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

Industry

- Industrial Concrete Products Sdn Bhd
  - Durabon Sdn Bhd
  - ICPB (Mauritius) Limited
    - IJM Concrete Products Private Limited
  - ICP Jiangmen Co. Ltd
  - IJM IBS Sdn Bhd

Plantation

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

Infrastructure & Others

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

- IJM Investments J. A. Limited
  - IJM Construction (Pakistan) (Private) Limited
  - IM Technologies Pakistan (Private) Limited
- Jurutama Sdn Bhd
- Prebore Piling & Engineering Sdn Bhd
- IJM-Norwest JV

- Hexacon Construction Pte Limited
- Integrated Water Services (M) Sdn Bhd
- Highway Master Sdn Bhd
- BSC-RBM-PATI JV
- IJMC-Gayatri Joint Venture
- IJM-LFE Joint Venture
- IJMC-Zublin Joint Venture
- IJM LFE Sdn Bhd
- IJM Sunway Sdn Bhd

- ISZL Consortium
- Shimizu-Nishimatsu-UEMB-IJM Joint Venture
- Kiara Teratai-IJM Joint Venture
- IJM-CHEC Joint Venture

IJM Construction (Middle East) LLC

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

IJM Engineering (Mauritius) Limited

- Radiant Pillar Sdn Bhd
  - Bandar Rimbayu Sdn Bhd
- Valencia Terrace Sdn Bhd
- IJMP-MK Joint Venture
- Larut Leisure Enterprise (Hong Kong) Limited
  - Jilin Dingtai Enterprise Development Co. Ltd.
- Cekap Tropikal Sdn Bhd
- Good Debut Sdn Bhd

- RB Land Sdn Bhd
  - Aras Varia Sdn Bhd
  - Casa Warna Sdn Bhd
  - Dian Warna Sdn Bhd
  - Ikatan Flora Sdn Bhd
  - RB Property Management Sdn Bhd
  - Seremban Two Holdings Sdn Bhd
  - Seremban Two Properties Sdn Bhd
  - Seremban Two Property Management Sdn Bhd
  - Shah Alam 2 Sdn Bhd
  - Titian Tegas Sdn Bhd
  - Tarikan Abadi Sdn Bhd
  - Murni Lapisan Sdn Bhd
  - Unggul Senja Sdn Bhd
- Sova Holdings Sdn Bhd
- Emko Properties Sdn Bhd
  - Emko Management Services Sdn Bhd
- ERMS Berhad
- RB Development Sdn Bhd
- Mintle Limited
  - RMS (England) Limited
- OneAce Global Limited
- Asas Panorama Sdn Bhd
- Kuantan Pahang Holding Sdn Bhd
- Elegan Pesona Sdn Bhd
- IJM Management Services-Giat Bernas Joint Venture

- IJM Properties-JA Manan Development Joint Venture
- Nasa Land Sdn Bhd
- 368 Segambut Sdn Bhd
- Sierra Ukay Sdn Bhd

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

IJM Lingamaneni Township Private Limited *

Swarnandhra-IJMII Integrated Township Development Company Private Limited *

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

NPE Property Development Sdn Bhd *

Kuching Riverine Resort Management Sdn Bhd ▲

Bionic Land Berhad

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

Kemena Industries Sdn Bhd

Cofreth (M) Sdn Bhd

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

- IJM Rajasthan (Mauritius) Limited
- IJM Rewa (Mauritius) Limited
  - Rewa Tollway Private Limited
  - Vijayapura Tollway Private Limited
- IJM Trichy (Mauritius) Ltd
- IJM Vijayawada (Mauritius) Limited
  - Vijayawada Tollway Private Limited
- IJM Dewas (Mauritius) Limited
  - Dewas Bypass Tollway Private Limited

Swarnandhra RoadCare Private Limited *

IJM International Limited

IJM Investments (L) Ltd

IJM Highway Services Sdn Bhd

Emas Utilities Corporation Sdn Bhd

Grupo Concesionario del Oeste S. A.

WCE Holdings Berhad

Lebuhraya Kajang-Seremban Sdn Bhd

IJM Shared Services Sdn Bhd

CORPORATE DIARY

2019

APRIL

3 **Royal Mint Gardens London Briefing @ ICE Gallery, Pantai Sentral Park**

Our Property Division hosted the Royal Mint Gardens buyers' pre-completion briefing at the ICE Gallery. Besides being a delightful evening of networking and great food, buyers were updated on the construction progress of the project and Knight Frank shared their insights of the London property market.

10 **KSIJM Bowling Tournament 2019 @ Sunway Pyramid, Selangor**

Staff competed against each other in a bowling match organised by Kelab Sukan IJM ("KSIJM") to promote friendly competition amongst staff and a healthy lifestyle.

17 **Blood Donation Campaign @ BESRAYA Office**

Our Toll Division held a blood donation drive at the Sungai Besi Highway ("BESRAYA") office themed *1 Pint Saves 3 Lives* in aid of blood supply shortages at the local blood bank and to raise awareness on the importance of blood donation.

30 **UBS Corporate Day @ Kuala Lumpur**

IJM presented to local institutional investors in a large group setting.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MAY

1 **Opening of The Club @ Rimbayu**

Our Property Divison's Bandar Rimbayu township saw the opening of The Club. The exclusive club house is equipped with various amenities and facilities dedicated to providing full family entertainment, relaxation and recreation to the township's residents.

9 **Maybank Invest Asia @ Singapore**

IJM participated in one-on-one and small group meetings with fund managers.

16 **Safety Campaign 2019 @ Sabah**

Plantation Division organised a safety campaign to promote safety and health awareness among its employees.

23 ***Memasak Bubur Lambuk Mega* @ Toll Division**

Our Toll Division's staff prepared and distributed *bubur lambuk* to road users in collaboration with Persatuan Bekas Polis Malaysia in conjunction with the fasting month before Hari Raya.


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JUNE

21 MOA Signing Ceremony @ Kuantan

Kuantan Port and University Malaysia Pahang signed a Memorandum of Agreement (MOA) to increase awareness on the importance of practicing integrity within the organisation and individual work circles.

26 Handover of Keys @ Secoya Residences

Our Property Division handed over keys to purchasers of Secoya Residences, comprising 243 units of residential condominiums, at Phase 2 of the Pantai Sentral Park development.

28 IJM Hari Raya Celebration 2019 @ Dewan Sivik MBPJ

IJM staff and guests were treated to a sumptuous spread of Malay cuisine and lively performances to celebrate the Hari Raya festival.

30 Tree Planting @ Indonesia

Our Plantation Division is committed to its *Sejuta Pohon* tree planting project at rehabilitation plots in all its Indonesian operations.


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JULY

2 Groundbreaking Ceremony of Lin Xiang Xiong Art Gallery @ The Light Waterfront, Penang

As a proud supporter of local art communities, IJM Land collaborated with Space Arts and Culture (M) Sdn Bhd to invest and develop the RM88 million Lin Xiang Xiong Art Gallery that is set to become the state's art and cultural attraction.

14 IJM-Allianz Duo Highway Challenge 2019 – NPE Challenge @ Sunway Pyramid

The event kicked off its first leg of the duo run on a fully-closed New Pantai Expressway ("NPE") highway with more than 8,000 runners taking on the 10 km and 21 km routes.

27 RHB Shimano-Highway Ride @ LEKAS 2019

IJM was the venue sponsor for the cycling event. With the theme *Unleash Your Power*, 4,500 cyclists converged at Malaysia's only night cycling event held on a fully lighted up and closed Kajang Seremban Highway ("LEKAS") highway.

31 MSWG–ASEAN Corporate Governance Awards 2018 @ Majestic Hotel, Kuala Lumpur

IJM received three awards in recognition of its governance practices: Excellence Award for Corporate Governance Disclosure, Industry Excellence Award for the Construction industry and Industry Excellence Award for the Plantation industry.


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CORPORATE DIARY

AUGUST

8 Retirement Dinner for Dato' Soam Heng Choon @ Holiday Villa Subang

IJM hosted a retirement dinner for its outgoing CEO & Managing Director, Dato' Soam Heng Choon with a line-up of festivities at Holiday Villa Subang.

8 IJM IBS Pusat Bina Bestari Groundbreaking @ Bestari Jaya, Kuala Selangor

IJM breaks new ground with a ceremony to mark the start of construction of its industrialised building system (IBS) facility.

23 IJM's Annual Scholarship and Academic Excellence Award Ceremony @ Holiday Villa Subang

At the annual event, 14 deserving students selected from a total of 816 applications were awarded IJM scholarships to pursue tertiary education while 45 students of IJM's employees' children received the Academic Excellence Awards.

24 IJM Duo Highway Challenge 2019 – BESRAYA Night Run

The final leg of the duo run saw the BESRAYA Highway Challenge's first night run with more challenging distances of 13 km and 26 km with participation of more than 7,000 runners.

28 35th Annual General Meeting @ Holiday Villa Subang

IJM held its 35th Annual General Meeting and the shareholders approved resolutions to receive the audited financial statements, reappointment of Directors and auditors, among others.

SEPTEMBER

10 Menara Prudential Opening Ceremony @ Tun Razak Exchange (TRX)

Together with its anchor tenant, Prudential Malaysia, IJM celebrated the opening of its real estate investment, Menara Prudential in TRX – Malaysia's first dedicated international financial district.

18 Concrete Show South East Asia @ Indonesia

Our Industry Division participated in the expo to showcase the quality and innovation of its concrete products to South East Asia's construction players.

21 IJM Annual Dinner 2019 @ Sunway Resort, Hotel & Spa

IJMers dressed to the nines for IJM's *muhibbah* themed – *Malaysian Night* annual dinner. Directors, staff and guests were treated to great food, live performances and lucky draws at the fun-filled event.

27 Putra Brand Awards 2019 @ Kuala Lumpur

IJM Land received the highest accolade, the Platinum award in the property development category at the 10th Putra Brand Awards 2019. This is IJM Land's fifth and highest accolade at the prestigious awards.

OCTOBER

4 CIDB's MCIEA 2019 @ W Kuala Lumpur Hotel

IJM Construction bagged the Best Major Project Award for its Equatorial Plaza project at the Construction Industry Development Board's ("CIDB") Malaysian Construction Industry Excellence Awards (MCIEA).

26 Fire Drill and Emergency Simulation Programme @ Sabah

IJM Plantations organised a fire drill and emergency simulation exercise to enhance the effectiveness of emergency response teams at its Sabah plantation.

30 Supporting the 49th Cobra Rugby 10s 2019 @ Best Western Hotel, Petaling Jaya

IJM presented a sponsorship cheque in support of the tournament as part of its community investment programme. IJM has been an ardent supporter of non-mainstream rugby sports as well as a main sponsor of the tournament for more than 20 years.

31 The Edge Malaysia Property Excellence Awards 2019 @ Kuala Lumpur

IJM Land is honoured to be recognised once again as one of the Top 10 Property Developers in Malaysia.

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NOVEMBER

4 Sarawak Minister Visits Kuantan Port and MCKIP

Sarawak Deputy Chief Minister, Tan Sri Dr James Jemut Masing visited Kuantan Port and Malaysia China-Kuantan Industrial Park ("MCKIP") along with IJM's Senior Management and delegates from Sarawak to gain insights of the port and MCKIP, their roles and benefits to the nation.

11 Deepavali Celebration @ Uncle Chilli's, PJ Hilton

IJM staff got together and celebrated the festival of lights with delicious Indian cuisine and vibrant performances.

14 Bursa Bull Charge Charity Run 2019 @ Kuala Lumpur

Team IJM lace up their sneakers again for the annual Malaysia's premier capital markets charity run that aims to bring positive change through the marketplace.

27 Mock-up Accident Drill @ NPE Highway

A mock-up accident drill was conducted at Pantai Dalam North Toll Plaza to evaluate the level of staff readiness as well as efficiency of the agencies involved during a crisis.


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CORPORATE DIARY

DECEMBER

4 LEKAS wins Silver Award at Malaysia Green Highway Index (MyGHI) 2018

LEKAS highway won the Silver award in the sustainable roadway rating exercise by the Malaysian Highway Authority which was presented by YBhg Dato' Dr Syed Omar Sharifuddin Bin Syed Ikhsan, Ketua Setiausaha Kementerian Kerja Raya Malaysia.

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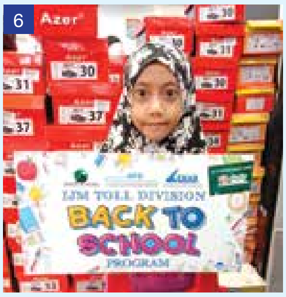

6


9

6 Back to School Programme @ Lulu Hypermarket, Kuala Lumpur

Children of our Toll Division's employees received school bags, uniforms and shoes in preparation for the reopening of the new school term.

9 Project Collaboration with MPOB @ Sandakan

IJM Plantations in an ongoing collaboration with the Malaysian Palm Oil Board ("MPOB") on the crude palm oil washing system which mitigates the 3-MCPD esters through chloride reduction at its Desa Talisai Palm Oil Mill.

21 Kuantan Port Fun Ride 2019 @ Kuantan

Kuantan Port held the third edition of its cycling event with participation from nearly 700 cyclists from all over Malaysia.


21

2020

JANUARY

6 CIMB Malaysia Corporate Day @ Kuala Lumpur

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

9 FUNtastic Day @ BESRAYA

As part of Toll Division's monthly reward programme for road users on every 9th, 10th and 21st of the month, the team distributed bottled drinks to motorists at the Loke Yew Toll Plaza.

20 Replanting Project @ Sg. Sabang Estate

Our Plantation Division's replanting project was extended to the Sugut region and the first planting was in the Sg. Sabang Estate, Sabah.

24 Safety Campaign Collaboration with Petaling Jaya Police

Our Toll Division held a safety campaign in conjunction with Chinese New Year 2020 to create awareness on road safety to highway users at the PJS 2 Toll Plaza, NPE highway.


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FEBRUARY

16 Futsal Championship 2020

IJMers formed teams and competed in this year's futsal championship organised by KSIJM.

18 Staff and Toll Collector's Award Presentation @ LEKAS Highway

A presentation for the second half of 2019 was held at the Kajang Selatan Toll Plaza to recognise outstanding and hardworking staff and toll collectors of the Group's Toll Division.

20 Surveillance Audits @ Sabah and Indonesia

Successful recertification of International Sustainability and Carbon Certification (ISCC) and surveillance audits for Malaysian Sustainable Palm Oil (MSPO) and Indonesian Sustainable Palm Oil (ISPO) in all operations of our Plantation Division.

25 CIDB – Safety and Health Assessment System

IJM Construction Sdn Bhd and Road Builder (M) Sdn Bhd were proud certificate recipients from CIDB for achieving 5-Star rating in the SHASSIC audit programme at four project sites (HSBC, WCE Section 3, Kuchai Link 2 and Seremban 2).

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MARCH

5 Softball Development @ Kapar

To support the local communities near where we operate, our Industry Division sponsored the Softball Development Programme at Sekolah Kebangsaan Tok Muda, Kapar which aims to develop softball skills amongst students.


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6 The Library Project @ Sekolah Kebangsaan Jabor, Kuantan

Kuantan Port visited a primary school near its operations and contributed story books, colour pencils and educational toys to the school library.

20 Breast Health Awareness Outreach @ Sandakan

IJM Plantations organised a breast health awareness outreach programme to its community at a local school, SMK Beluran 2, Sandakan.

27 StarProperty Awards 2020 – Best Overall Champion

IJM Land won the Best Overall Champion at the StarProperty Awards 2020, a prestigious award that celebrates the most inspiring property developments which are sustainable and enhances the quality of life.


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Developing inspired lifestyles with a focus on thoughtful design, affordability and accessibility

As a trusted value creator, we are defined by our customer passion, innovative spirit, drive for excellence and sustainable practices. Beyond the world-class townships and unique integrated waterfront development that we develop, IJM's Property Division is committed towards being a lifestyle integrator and community builder with the responsibility of creating joyful spaces that benefit the neighbourhood, community and society at large.

2

ORGANISATION & STEWARDSHIP

BOARD OF DIRECTORS AND SECRETARY


Liew Hau Seng


Tan Sri Dato' Tan Boon Seng @ Krishnan


Lee Chun Fai


Datuk Lee Teck Yuen


Pushpanathan A/L S A Kanagarayar


Datuk Ir Hamzah Bin Hasan


Dato' David Frederick Wilson


Tunku Alina Binti Raja Muhd Alias


Goh Tian Sui


Tan Ting Min


Ng Yoke Kian (Secretary)

PROFILE OF DIRECTORS AND SECRETARY

TAN SRI DATO' TAN BOON SENG @ KRISHNAN

- PSM, DSPN, SMS
- Non-Executive Chairman

Age: 67 **Gender:** Male **Nationality**: Malaysian

Academic/Professional Qualification

- Bachelor of Economics (Honours), University of Malaya
- Master of Business Administration, Golden Gate University, San Francisco, USA
- Member of the Malaysian Institute of Certified Public Accountants (MICPA)

Board Committee Membership(s)

Nil

Date Appointed/Working Experience

Tan Sri Krishnan was appointed Non-Executive Chairman of IJM Corporation Berhad ("IJM") on 29 August 2019.

He held the following positions in IJM prior to his appointment as Non-Executive Chairman:-

- Deputy Non-Executive Chairman (1 January 2014 - 28 August 2019)
- Executive Deputy Chairman (1 January 2011 - 31 December 2013)
- Chief Executive Officer & Managing Director (26 February 2004 - 31 December 2010)
- Group Managing Director (1 January 1997 - 26 February 2004)
- Deputy Managing Director (1 November 1993 - 1 January 1997)
- Director (10 April 1990 - 1 November 1993)
- Alternate Director (12 June 1984 - 10 April 1990)
- Financial Controller (1983 - 1984)

His past appointments and/or working experience were as follows:-

- Group Financial Controller (last position), Kumpulan Perangsang Selangor Berhad (1976 - 1983)
- President, Malaysia India Business Council ("MIBC") (2008 - 2015)
- Chairman, IJM Land Berhad (2007 - 2015)
- Co-Chairman, Malaysia India CEO Forum (2011 - 2019)

Present Directorship(s)

<u>Listed Companies</u>

- IJM Plantations Berhad
- Grupo Concesionario del Oeste S.A. (Argentina)

<u>Other Public Companies</u>

- HSBC Bank Malaysia Berhad (Independent Non-Executive Chairman)
- Malaysia Aviation Group Berhad
- Malaysia Airlines Berhad
- Malaysian Community & Education Foundation

Other Current Position(s) Held

- Founder President, MIBC
- Management Committee Member, Olympic Council Trust
- President, Klang High School Old Boys Association

LIEW HAU SENG

- Chief Executive Officer & Managing Director

Age: 54 **Gender:** Male **Nationality**: Malaysian

Academic/Professional Qualification

- Bachelor of Engineering (1st Class Honours) in Civil Engineering, University Teknologi Malaysia
- Master of Business Administration, HELP University

Board Committee Membership(s)

- Executive Committee (Chairman)
- Securities & Options Committee (Member)

Date Appointed/Working Experience

Mr Liew was appointed as the Chief Executive Officer & Managing Director of IJM Corporation Berhad with effect from 1 September 2019.

His past appointments and/or working experience were as follows:-

- Engineer, GR Concrete Sdn Bhd (1989 - 1995)
- Senior Engineer, IJM Construction Sdn Bhd ("IJMC") (1995 - 2002)
- Senior Project Manager, IJMC (2003 - 2005)
- Project Director, IJMC (2006 - 2009)
- Operations Director, IJMC (2010 - 2011)
- Executive Director, IJMC (2012 - 2015)
- Managing Director, IJMC (2015 - 2019)

Present Directorship(s)

<u>Listed Companies</u>

- IJM Plantations Berhad

<u>Other Public Companies</u>

- IJM Land Berhad
- Road Builder (M) Holdings Bhd
- ERMS Berhad

Other Current Position(s) Held

- Deputy President, Master Builders Association Malaysia
- Member, Governing Council of the Malaysia-India Business Council

PROFILE OF DIRECTORS AND SECRETARY

LEE CHUN FAI

- Deputy Chief Executive Officer & Deputy Managing Director

Age: 49 **Gender:** Male **Nationality**: Malaysian

Academic/Professional Qualification

- Bachelor of Accountancy (Honours), University Utara Malaysia
- Master of Business Administration, Northwestern University (Kellogg School of Management) and The Hong Kong University of Science & Technology

Board Committee Membership(s)

Executive Committee (Member)

Date Appointed/Working Experience

Mr Lee was appointed Deputy Chief Executive Officer & Deputy Managing Director of IJM Corporation Berhad ("IJM") on 6 April 2015. Prior to that, he was the Deputy Chief Financial Officer for IJM Group. He was the Head of Information Systems Department for IJM Group until 2019.

He started his career with a public accounting firm. In October 1995, he joined Road Builder (M) Holdings Bhd ("RBH Group") and was the Head of Corporate Services Division of RBH Group prior to the acquisition of RBH Group by the Company in 2007. He has extensive experience in corporate finance, privatisation projects and financial management.

Present Directorship(s)

Listed Companies

- WCE Holdings Berhad
  (Board representative of the Company)

Other Public Companies

- IJM Land Berhad
- Road Builder (M) Holdings Bhd
- Sebana Golf & Marina Resort Berhad

Other Current Position(s) Held

- Head, Corporate Strategy & Investment, IJM
- Head, Infrastructure Division, IJM

DATUK LEE TECK YUEN

- PJN
- Senior Independent Non-Executive Director

Age: 64 **Gender:** Male **Nationality**: Malaysian

Academic/Professional Qualification

- Bachelor of Science (Honours) in Civil Engineering and Business Administration, University of Leeds, United Kingdom

Board Committee Membership(s)

Nomination & Remuneration Committee (Chairman)

Date Appointed/Working Experience

Datuk Lee was appointed as a Non-Executive Director of IJM Corporation Berhad ("IJM") on 30 May 2007, and subsequently appointed Senior Independent Non-Executive Director of IJM on 9 November 2012.

He was a Director of IJM Land Berhad from 2007 to 2015 and has more than 40 years' experience in property development.

Present Directorship(s)

Other Public Companies

- Road Builder (M) Holdings Bhd
- Malaysian South-South Corporation Berhad
- Asean Business Forum

Other Current Position(s) Held

- Honorary Secretary, Malaysian South-South Association (MASSA)

PUSHPANATHAN A/L S A KANAGARAYAR

- Independent Non-Executive Director

Age: 68 **Gender:** Male **Nationality**: Malaysian

Academic/Professional Qualification

- Member of the Institute of Chartered Accountants of Scotland
- Member of the Malaysian Institute of Certified Public Accountants ("MICPA")
- Member of the Malaysian Institute of Accountants ("MIA")

Board Committee Membership(s)

Audit Committee (Chairman)

Date Appointed/Working Experience

Mr Pushpanathan was appointed as an Independent Non-Executive Director of IJM Corporation Berhad on 9 November 2012.

He has more than 39 years of experience in providing advisory, accounting and audit services in the role of a partner-adviser for a large number of clients based in Malaysia and internationally (both private and public corporations) in a variety of industries. He was also involved in share valuations of corporations, mergers and acquisitions, restructurings, takeovers, flotations, investigations and tax planning.

His past appointments and/or working experience were as follows:-

- Partner, Messrs Ernst & Young (1983 - 2009)
- Chairman, Adjudication and/or Organising Committees, National Annual Corporate Report Awards (2003 - 2009)
- Chairman, MICPA's Financial Statements Review Committee and Project Chairman, the Insurance Standards Working Group of Malaysian Accounting Standards Board ("MASB") on Financial Reporting Standard 4 (2003 - 2007)
- Member of the International Federation of Accountants' Developing Nations Permanent Taskforce (2004 - 2005)
- Board Member, MASB (2009 - 2015)
- Honorary Secretary, Financial Reporting Foundation (2010 - 2015)
- President, MICPA (2012 - 2014)
- Council Member, MIA (2012 - 2014)

Present Directorship(s)

<u>Listed Companies</u>

- IJM Plantations Berhad
- Bursa Malaysia Berhad

<u>Other Public Companies</u>

- Asian Institute of Finance Berhad (In Members' Voluntary Winding-up)
- Sun Life Malaysia Assurance Berhad
- MICPA
- Malaysian Community & Education Foundation

Other Current Position(s) Held

- Council Member and EXCO Member, MICPA
- Chairman, Listing Committee of Bursa Malaysia Berhad
- Chairman, Malaysian Financial Reporting Standard ("MFRS") Applications and Implementation Committee of MASB
- Project Chairman, the Insurance Standards Working Group of MASB on MFRS 17
- Trustee, WWF-Malaysia

DATUK IR. HAMZAH BIN HASAN

- PJN, DPMT, DNS
- Independent Non-Executive Director

Age: 69 **Gender:** Male **Nationality**: Malaysian

Academic/Professional Qualification

- Bachelor of Science (Honours) in Civil Engineering, Glasgow University, United Kingdom
- Master of Science (Construction Management), Loughborough University, United Kingdom
- Professional Engineer of the Board of Engineers Malaysia

Board Committee Membership(s)

- Audit Committee (Member)
- Nomination & Remuneration Committee (Member)

Date Appointed/Working Experience

Datuk Hamzah was appointed as an Independent Non-Executive Director of IJM Corporation Berhad on 16 November 2012.

He has vast experience in both the public and private sector and his past appointments and/or working experience were as follows:-

- Civil Engineer, Public Works Department (JKR) (1975 - 1998)
- Group Managing Director, Ahmad Zaki Resources Berhad (1998 - 2002)
- Chief Executive Officer, Construction Industry Development Board ("CIDB") (2003 - 2011)
- Chairman, CIDB (2011 - 2014)

Present Directorship(s)

<u>Listed Companies</u>

- WCE Holdings Berhad (Chairman)

<u>Other Public Companies</u>

- University of Technology Malaysia School of Professional and Continuing Education (UTMSpace)
- Phillip Mutual Berhad

Other Current Position(s) Held

- Fellow of the Chartered Institute of Building
- Fellow of the Royal Institute of Chartered Surveyors
- Fellow of the Institution of Engineers Malaysia
- Fellow of the Institute of Value Engineering Malaysia
- Fellow of the ASEAN Federation of Engineering Organizations
- Honorary Fellow of the Project Management Institution Malaysia

PROFILE OF DIRECTORS AND SECRETARY

DATO' DAVID FREDERICK WILSON

- DIMP
- Independent Non-Executive Director

Age: 75 **Gender:** Male **Nationality**: British

Academic/Professional Qualification

- Master of Arts in Mechanical Sciences, Cambridge University, United Kingdom
- Fellow of the Institution of Civil Engineers, United Kingdom
- Fellow of the Chartered Institution of Highways and Transportation, United Kingdom

Board Committee Membership(s)

Securities & Options Committee (Member)

Date Appointed/Working Experience

Dato' Wilson was appointed as a Non-Executive Director of IJM Corporation Berhad ("IJM") on 30 May 2007, and was re-designated as Independent Non-Executive Director of IJM on 25 May 2017.

He worked on various infrastructure and development projects in United Kingdom, Africa, Central America, the Caribbean and the Middle East before coming to Malaysia in 1980 as the Chief Resident Engineer for the construction of the Kuala Lumpur-Seremban Expressway and the implementation of the first highway toll systems in Malaysia.

His past appointments and/or working experience were as follows:-

- General Manager - Technical Services, United Engineers (Malaysia) Berhad (1986 - 1990)
- Managing Director, Kinta Kellas plc (1990 - 1994) (management of the construction of the North-South Expressway)
- Managing Director, Renong Overseas Corporation Sdn Bhd (1995 - 2002)
- Managing Director, Crest Petroleum Berhad (1998 - 2000)
- President, Construction and Engineering Division, Renong Group (1998 - 2002)
- Director, Road Builder (M) Holdings Bhd (2002 – 2007)

Present Directorship(s)

Nil

Other Current Position(s) Held

Nil

TUNKU ALINA BINTI RAJA MUHD ALIAS

- Independent Non-Executive Director

Age: 56 **Gender:** Female **Nationality**: Malaysian

Academic/Professional Qualification

- Bachelor of Laws (LL.B.), University of Malaya
- LL.M. (Masters in Law) (Corporate and Commercial Law), King's College, London
- PhD in Islamic Finance, International Centre for Education in Islamic Finance, Malaysia ("INCEIF")
- Advocate and Solicitor of the High Court of Malaya
- Associate Mediator of Singapore Mediation Centre

Board Committee Membership(s)

Nomination & Remuneration Committee (Member)

Date Appointed/Working Experience

Tunku Alina was appointed as an Independent Non-Executive Director of IJM Corporation Berhad on 1 November 2017.

She has more than 25 years of experience in leading business and community development, client negotiation, legal consultation, dispute resolution and goal setting and specialises in managing clients' compliance and regulatory aspects for investments and development of properties in Malaysia and abroad. She currently volunteers as a facilitator with Soliya's Connect Program.

Her past appointments and/or working experience were as follows:-

- Legal Assistant, Skrine & Co (1987 - 1992)
- Managing Partner, Wong Lu Peen & Tunku Alina (1992 - 2011)
- Adjunct Professor at the School of Law, University of Miami (August – November 2016)
- Adjunct Research Fellow of INCEIF (January 2013 - December 2015)

Present Directorship(s)

Listed Companies

- Malaysian Pacific Industries Berhad
- Batu Kawan Berhad

Other Public Companies

- Raja Alias Foundation (Trustee)
- MBSB Bank Berhad (formerly known as Asian Finance Bank Berhad)

Other Current Position(s) Held

- Council Member, Malaysian Oil Scientists' & Technologists' Association

GOH TIAN SUI

- Independent Non-Executive Director

Age: 65 **Gender:** Male **Nationality**: Malaysian

Academic/Professional Qualification

- Bachelor of Science (Honours) in Estate Management, University of Reading, United Kingdom
- Fellow of the Royal Institution of Chartered Surveyors ("RICS"), United Kingdom
- Fellow of the Royal Institution of Surveyors Malaysia ("RISM")
- Registered Valuer with the Board of Valuers, Appraisers and Estate Agents, Malaysia

Board Committee Membership(s)

Securities & Options Committee (Member)

Date Appointed/Working Experience

Mr Goh was appointed as an Independent Non-Executive Director of IJM Corporation Berhad on 20 June 2016.

He has more than 30 years of experience as a Chartered Valuation Surveyor in both public and private sectors and has been involved in various real estate valuation and advisory assignments.

His past appointments and/or working experience were as follows:-

- Director, C H Williams Talhar & Wong Sdn Bhd (1989 - 2003)
- Executive Committee Member, Association of Valuers & Property Consultants in Private Practice (1991 - 2000)
- Council Member, RISM (1996 - 1999)
- Board Member, Board of Valuers, Appraisers and Estate Agents, Malaysia (1999 - 2010)
- Managing Director, C H Williams Talhar & Wong Sdn Bhd (2003 - 2010)
- Independent Non-Executive Director, GLM REIT Management Sdn Bhd, Manager of Tower Real Estate Investment Trust (2006 - 2010)
- Member, RICS Malaysia Working Group (2006 - 2010)
- Chairman, RICS Malaysia Working Group (2010 - 2012)
- Independent Non-Executive Director, IJM Land Berhad (2013 - 2015)
- Board Member, RICS Asia Valuation Professional Group (2010 -2016)

Present Directorship(s)

Nil

Other Current Position(s) Held

Nil

TAN TING MIN

- Independent Non-Executive Director

Age: 51 **Gender:** Female **Nationality**: Malaysian

Academic/Professional Qualification

- Bachelor of Arts (Honours) (Cantab) in Natural Sciences, Cambridge University, United Kingdom
- Master of Arts, Cambridge University, United Kingdom

Board Committee Membership(s)

Audit Committee (Member)

Date Appointed/Working Experience

Ms Tan was appointed as an Independent Non-Executive Director of IJM Corporation Berhad on 1 November 2017.

Her past appointments and/or working experience were as follows:-

- Investment Analyst, Ke-zan Securities Sdn Bhd (1993 - 1994)
- Investment Analyst, Credit Suisse Securities (Malaysia) Sdn Bhd ("Credit Suisse") (1994 - 2010)
- Head of Research, Credit Suisse (2010 - 2017)

During her tenure as the Head of Research in Credit Suisse, Ms Tan led the Credit Suisse Malaysian equity research team to rank first in the Institutional Investor Poll in Malaysia for seven (7) consecutive years.

Present Directorship(s)

Listed Companies

- Sime Darby Plantation Berhad

Other Public Companies

Nil

Other Current Position(s) Held

- Director of Sime Darby Oils International Limited
- Director of New Britain Palm Oil Limited

PROFILE OF DIRECTORS AND SECRETARY

NG YOKE KIAN

- Company Secretary

Age: 53 **Gender:** Female **Nationality**: Malaysian

Academic/Professional Qualification

- Associate of Malaysian Institute of Chartered Secretaries & Administrators (MAICSA)

Date Appointed/Working Experience

Ms Ng joined IJM Corporation Berhad ("IJM") in 1997 and was appointed Company Secretary on 6 April 2012.

She started her career with a secretarial firm for about 5 years and was an Assistant Manager of the Technical and Research Department of MAICSA prior to joining IJM. She has more than 25 years experience in corporate secretarial work.

She held the following positions in IJM prior to her appointment as Company Secretary:-

- Manager, Corporate Services Department (1997 - 2006)
- Senior Manager, Corporate Services Department (2007 - 2012)

Other Current Position(s) Held

- Company Secretary, IJM Plantations Berhad
- Head, Corporate Services Department

Note:-

1. There are no family relationship between the Directors and/or major shareholders of the Company.
2. None of the Directors have any conflict of interest with the Company.
3. All Directors maintain a clean record with regard to convictions for offences.

PROFILE OF KEY SENIOR MANAGEMENT

Ong Teng Cheng

Edward Chong Sin Kiat

Joseph Tek Choon Yee

Tan Boon Leng

Wan Salwani Binti
Wan Yusoff

Mazlim Bin Husin

Cyrus Eruch Daruwalla

Purushothaman A/L
Kumaran

PROFILE OF KEY SENIOR MANAGEMENT

ONG TENG CHENG

- Managing Director, IJM Construction Sdn Bhd

Age: 59 **Gender:** Male **Nationality**: Malaysian

Academic/Professional Qualification

- Bachelor of Civil Engineering (Honours)
- Master of Business Administration - HELP University
- Professional Engineer (Civil) – Board of Engineers Malaysia

Date Appointed/Working Experience

Mr Ong Teng Cheng was appointed Managing Director of IJM Construction Sdn Bhd ("IJMC") on 1 September 2019.

His past appointments and/or working experience were as follows:-

- Senior Engineer (1991)
- Project Manager (1995 - 1999)
- Senior Project Manager (2000 - 2005)
- Project Director (2006 - 2009)
- Operations Director (2010 - 2011)
- Executive Director (2012 – 2019)

Present Directorship(s)

Nil

Other Current Position(s) Held

Nil

EDWARD CHONG SIN KIAT

- Chief Financial Officer
- Managing Director, IJM Land Berhad

Age: 48 **Gender:** Male **Nationality**: Malaysian

Academic/Professional Qualification

- Bachelor of Business (Accountancy), Royal Melbourne Institute of Technology, Australia
- Member of the Malaysian Institute of Accountants
- Member of CPA Australia

Date Appointed/Working Experience

Mr Edward Chong was appointed the Chief Financial Officer on 7 August 2020. He is also currently the Managing Director of IJM Land Berhad ("IJML"), a position he has held since 6 April 2015.

Prior to joining RB Land Holdings Berhad ("RBL") [now known as IJM Land Berhad] in 2000, Mr Edward Chong was attached to the corporate finance department of an investment bank and prior to that, a public accounting firm.

His past appointments in RBL or IJML were as follows:-

- Assistant General Manager of Corporate Affairs, RBL (2000)
- General Manager of Corporate Affairs, RBL (2001 – 2007)
- General Manager of Finance, IJML (2007 – 2012)
- Chief Financial Officer, IJML (2012)
- Chief Operating Officer & Chief Financial Officer, IJML (2012 – 2015)

Present Directorship(s)

Listed Companies

Nil

Other Public Companies

- IJM Land Berhad
- ERMS Berhad
- Sebana Golf & Marina Resort Berhad

Other Current Position(s) Held

Nil

JOSEPH TEK CHOON YEE

- Chief Executive Officer & Managing Director, IJM Plantations Berhad

Age: 54 **Gender:** Male **Nationality**: Malaysian

Academic/Professional Qualification

- Bachelor of Science (1st Class Honours), Universiti Kebangsaan Malaysia
- Master in Philosophy (Plant Breeding), Cambridge University, England
- ASEAN Senior Management Development Programme, Harvard Business School

Date Appointed/Working Experience

Mr Joseph Tek was appointed Chief Executive Officer & Managing Director ("CEO&MD") of IJM Plantations Berhad ("IJMP") on 23 May 2010.

He joined IJMP in September 2004 to head the research, training and development activities of IJMP Group, and was appointed an Alternate Director on 22 May 2008 and Executive Director on 19 October 2008 besides being the General Manager – Plantations (Sabah). He was then redesignated to the position of Chief Operating Officer & Executive Director on 18 May 2009, prior to his appointment as CEO&MD of IJMP.

His past appointments and/or working experience were as follows:-

- Plant Breeder (Ebor Research), Sime Darby Plantations Sdn Bhd (1991 - 1997)
- R&D Manager, Sime Darby Plantations Sdn Bhd (1997 - 2000)
- Manager-Agritech Business, Sime Aerogreen Sdn Bhd and Sime Gardentech Sdn Bhd (2000 - 2001)
- Head of R&D, Malaysian Palm Oil Association ("MPOA") (2001 - 2004)
- Vice-Chairman, MPOA Environment Working Committee (2004 - 2005)
- Member, Criteria Working Group for the Roundtable on Sustainable Palm Oil (RSPO) (2005 - 2006)
- Council Member, Malaysian Oil Scientists' and Technologists' Association (MOSTA) (2006 - 2007)
- Member, Programme Advisory Committee (PAC) of Malaysian Palm Oil Board ("MPOB") (2011 - 2013)
- President, Malaysian Estate Owners' Association ("MEOA") (2015 - 2018)

Present Directorship(s)

Listed Companies

- IJM Plantations Berhad

Other Public Companies

Nil

Other Current Position(s) Held

- Council Member, MEOA
- Member of Board of Governors, Montfort Youth Training Centre (MYTC), Sabah
- Board Member, MPOB (since 2016)

TAN BOON LENG

- Managing Director, Industrial Concrete Products Sdn Bhd

Age: 59 **Gender:** Male **Nationality**: Malaysian

Academic/Professional Qualification

- Bachelor of Engineering in Civil Engineering, University of Canterbury, New Zealand

Date Appointed/Working Experience

Mr Tan was appointed Managing Director of Industrial Concrete Products Sdn Bhd ("ICP") on 13 August 2018 to oversee the operations of the Industry Division.

His past appointments and/or working experience were as follows:-

- Southern Pipe Industry (Malaysia) Sdn Bhd (1988 - 1991)
- Sales Engineer, ICP Marketing Sdn Bhd ("ICPM") (May 1991 - January 1993)
- Senior Sales Engineer, ICPM (January 1993 - January 1995)
- Assistant Area Sales Manager, ICPM (1995 - 2001)
- Sales Manager, ICPM (2001 - 2003)
- Senior Sales Manager, ICPM (2003 - 2008)
- General Manager (Marketing), ICPM (2008 - 2011)
- General Manager (Operations), ICP (2011 - 2014)
- Senior General Manager (Operations), ICP (2014 - 2017)
- Chief Operating Officer, ICP (2017 - 2018)

Present Directorship(s)

Nil

Other Current Position(s) Held

Nil

PROFILE OF KEY SENIOR MANAGEMENT

WAN SALWANI BINTI WAN YUSOFF

- Chief Operating Officer, Toll Division, Malaysia

Age: 53 **Gender:** Female **Nationality**: Malaysian

Academic/Professional Qualification

- Bachelor of Science in Electrical Engineering, University of Arizona, USA
- Master in Business Administration, Universiti Putra Malaysia

Date Appointed/Working Experience

Puan Wan Salwani was appointed the Chief Operating Officer of Toll Division on 1 May 2013 to oversee the tollway operations in Malaysia.

Her past appointments and/or working experience were as follows:-

- Application Engineer, Enserv Sdn Bhd (1990 - 1996)
- Project Engineer, Besraya (M) Sdn Bhd ("BES") (1996 - 1999)
- Maintenance Engineer (M&E), BES (1999 - 2001)
- Assistant Manager, New Pantai Expressway Sdn Bhd ("NPE") (2001 - 2002)
- Manager, NPE (January 2003 – December 2007)
- Senior Manager, NPE (January 2008 – June 2009)
- General Manager, Toll Division (1 July 2009 – 1 May 2013)

She was responsible for toll operations, mechanical & electrical matters, concession monitoring, land acquisition and corporate communication before being promoted to General Manager of Toll Division in 2009.

Present Directorship(s)

Nil

Other Current Position(s) Held

Nil

MAZLIM BIN HUSIN

- Chief Operating Officer, Kuantan Port Consortium Sdn Bhd

Age: 53 **Gender:** Male **Nationality**: Malaysian

Academic/Professional Qualification

- Bachelor of Arts (Honours) Business and Economics, Bishop's University, Lennoxville Quebec, Canada

Date Appointed/Working Experience

Encik Mazlim was appointed the Chief Operating Officer of Kuantan Port Consortium Sdn Bhd ("KPC") on 2 July 2018 to oversee the operations of the Port Division.

His past appointments and/or working experience were as follows:-

- Assistant Business Development Manager, Road Builder (M) Holdings Bhd ("RBH") (1994 - 2000)
- Property Development Manager, RBH (2000 - 2004)
- Special Assistant to Executive Vice Chairman Office, RBH (2004 - 2006)
- Director, Grange Development Sdn Bhd (2006 - 2016)
- General Manager (Marketing & Corporate Communications), KPC (2016 - 2017)
- General Manager (Operations), KPC (2017 - 2018)

Present Directorship(s)

Nil

Other Current Position(s) Held

- Secretary, Persatuan Pelombong Pahang (2015)

CYRUS ERUCH DARUWALLA

- Country Head for IJM Indian Operations

Age: 58 **Gender:** Male **Nationality**: Indian

Academic/Professional Qualification

- Bachelor of Commerce (Honours), University of Bombay
- Associate Member of the Association of Chartered Certified Accountants, United Kingdom

Date Appointed/Working Experience

Mr Cyrus was appointed the Country Head for IJM Indian Operations on 1 January 2018. He was also the Chief Financial Officer of IJM Corporation Berhad from 7 September 2006 to 7 August 2020.

His past appointments and/or working experience were as follows:-

- Ernst & Young, London, UK
- Addmoss Taylor & Partners, London
- Senior Accountant, Portlands of Blackheath Ltd., UK
- Head of Professional Programmes for Emile Woolf Far East Sdn Bhd
- Group Financial Controller, Sri America Group of Companies
- Manager, PricewaterhouseCoopers PLT, Malaysia
- Executive Director, PricewaterhouseCoopers PLT, Malaysia

Present Directorship(s)

Listed Companies

Nil

Other Public Companies

- Road Builder (M) Holdings Bhd

Other Current Position(s) Held

Nil

PURUSHOTHAMAN A/L KUMARAN

- Chief Financial Officer & Executive Director, IJM Plantations Berhad
- Chief Executive Officer, Indonesian Operations

Age: 58 **Gender:** Male **Nationality**: Malaysian

Academic/Professional Qualification

- Bachelor of Accounting (Honours), University of Malaya
- Master in Business Administration, Anglia Polytechnic University, Cambridge, England
- Member of the Malaysian Institute of Accountants (MIA)

Date Appointed/Working Experience

Mr Puru Kumaran was appointed the Chief Financial Officer & Executive Director of IJM Plantations Berhad ("IJMP") on 23 May 2010. He was also appointed the Chief Executive Officer for the Group's Indonesian Operations on 1 January 2016.

His past appointments with IJMP were as follows:-

- Financial Controller, IJMP (1 January 2004 – 1 January 2007)
- General Manager - Corporate Affairs & Finance, IJMP (1 January 2007 – 23 May 2010)

Prior to joining IJMP, he was with Unilever Group for over 14 years, serving various finance and commercial positions in Malaysia, England and Indonesia. His last post was Commercial Director of its plantation operations in Malaysia.

Present Directorship(s)

Listed Companies

- IJM Plantations Berhad

Other Public Companies

Nil

Other Current Position(s) Held

- Member, Malaysian Financial Reporting Standard Applications and Implementation Committee of Malaysian Accounting Standards Board

Note:-

1. The Key Senior Management has no family relationship with any of the Directors and/or major shareholders of the Company.
2. Save for Joseph Tek Choon Yee, Tan Boon Leng and Wan Salwani Binti Wan Yusoff who have interest in certain related party transactions as disclosed in Note 52(c) to the financial statements, none of the Key Senior Management has any financial interest in any business arrangement involving the Group.
3. All Key Senior Management maintain a clean record with regard to convictions for offences.

GROUP ORGANISATION CHART

MANAGEMENT TEAM

CEO & Managing Director
Liew Hau Seng

Deputy CEO &
Deputy Managing Director
Lee Chun Fai

Divisions

Construction
Ong Teng Cheng

Property
Edward Chong Sin Kiat

Industry
Tan Boon Leng

Plantation
Joseph Tek Choon Yee

Infrastructure – Port
Mazlim Bin Husin

Infrastructure – Tolls
Wan Salwani Binti
Wan Yusoff

International Ventures

India
Cyrus Eruch Daruwalla

Middle East/
Pakistan
Liew Hau Seng

Indonesia
Purushothaman
A/L Kumaran

Argentina
Adam Eleod

BOARD OF DIRECTORS

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

Group Support Services

Accounts & Finance
Edward Chong Sin Kiat

Corporate Strategy & Investment
Lee Chun Fai

Legal
James Ponniah Joseph

Human Resource & Administration
Agnes Choon

Corporate Services
Ng Yoke Kian

Information System
Chee Yin Tzuen

Corporate Communications
Mandy Chen Man Lee

Investor Relations & Sustainability
Shane Guha Thakurta

Quality
S Ramesh
A/L V Subramaniam

Health, Safety & Environment
Rozaimy Bin Amiruddin

Internal Audit
Chan Weng Yew

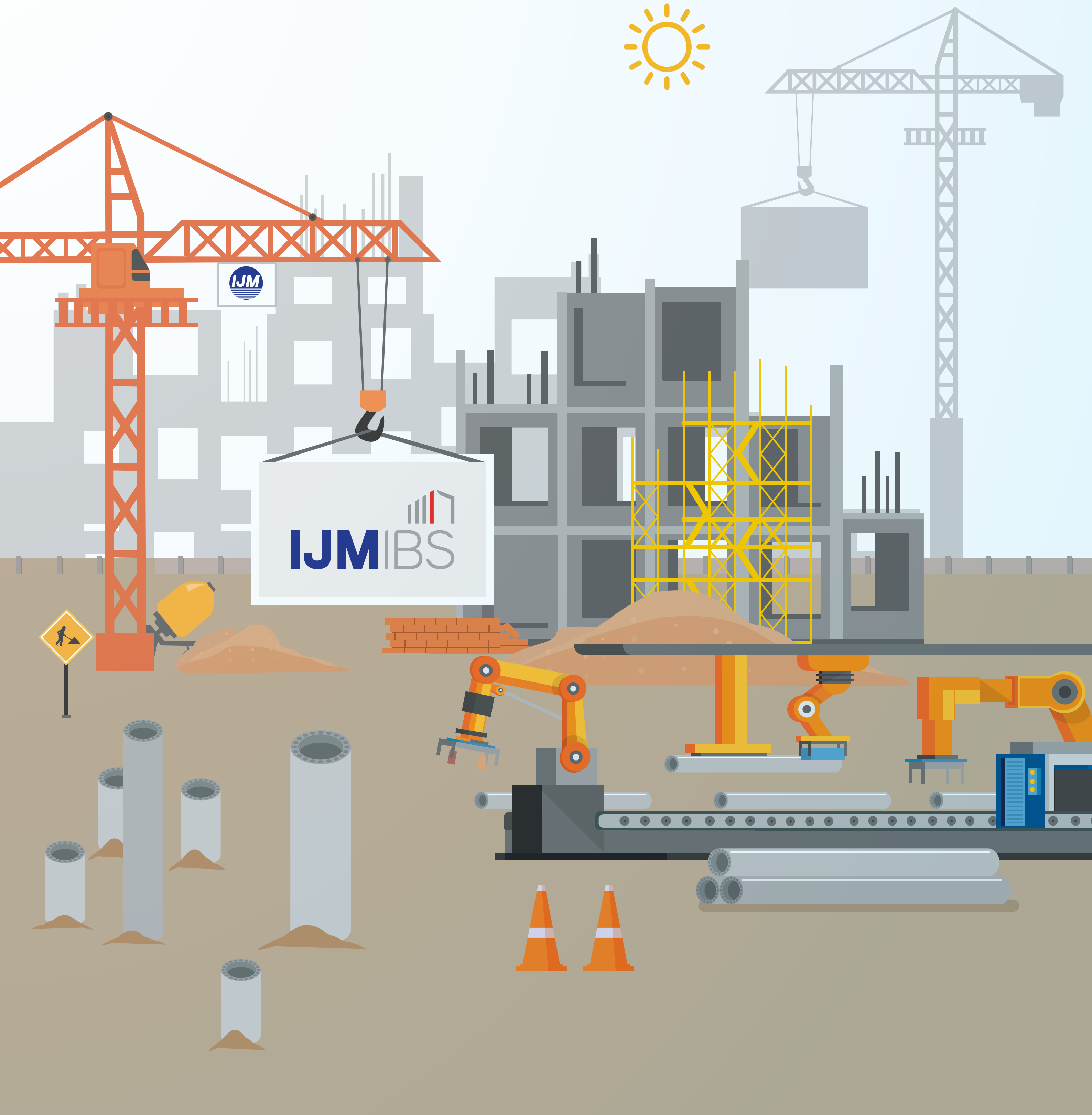
Risk Management & Integrity
Siew Yee Ching

Developing opportunities through continuous improvements in efficiency, reliability and productivity

The growth of IJM's Industry Division is a direct result of the Group's success in the construction industry. From providing in-house support for IJM projects, the Division has upscaled its operations to focus on demand from outside the Group and around the world. Today, we are a leading precast concrete pile manufacturer in Southeast Asia, and export to markets such as the USA, Canada, the Middle East, Singapore, Myanmar, Vietnam, Maldives and China. The Division's entry into the emerging Industrialised Building System (IBS) market through its new state-of-the-art fully automated Industry 4.0 facility adds a further milestone to its long-term growth strategy.

3

SUMMARY OF INFORMATION FOR SHAREHOLDER



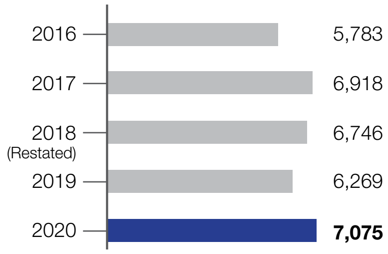
GROUP FINANCIAL HIGHLIGHTS

		31.3.2020	31.3.2019	31.3.2018 (Restated)[N2]	31.3.2017	31.3.2016
OPERATING REVENUE [N1]	RM'000					
Construction		**2,292,830**	2,325,361	2,676,074	2,532,146	1,642,997
Property development		**2,305,120**	1,482,011	1,260,461	1,516,225	1,289,966
Manufacturing & quarrying		**833,071**	886,424	1,057,097	1,136,614	982,769
Plantation		**739,133**	630,900	747,217	753,711	557,613
Infrastructure		**904,058**	943,391	1,001,873	975,515	1,295,014
Investment & others		**860**	752	2,830	3,528	14,493
		7,075,072	6,268,839	6,745,552	6,917,739	5,782,852
PROFIT/(LOSS) BEFORE TAXATION	RM'000					
Construction		**173,199**	174,392	221,219	216,715	170,569
Property development		**203,261**	202,043	120,687	303,277	159,288
Manufacturing & quarrying		**44,895**	58,993	82,479	142,417	124,090
Plantation		**(50,472)**	(43,306)	50,771	168,514	50,408
Infrastructure		**153,246**	268,251	122,817	62,313	555,773
Investment & others		**(6,364)**	(12,385)	13,088	116,774	95,669
		517,765	647,988	611,061	1,010,010	1,155,797
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION & AMORTISATION (EBITDA)	RM'000	**1,203,068**	1,212,458	1,158,406	1,457,723	1,587,495
NET PROFIT FOR THE FINANCIAL YEAR	RM'000	**328,186**	440,709	378,262	766,804	881,535
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	RM'000	**250,590**	418,916	346,651	653,773	793,587
EARNINGS PER SHARE (Basic)	Sen	**6.91**	11.56	9.56	18.16	22.22
EARNINGS PER SHARE (Fully Diluted)	Sen	**6.91**	11.55	9.53	17.94	21.81
GROSS DIVIDEND PER SHARE	Sen	**3.00**	4.00	6.00	7.50	10.00
FINANCIAL POSITION						
ISSUED SHARE CAPITAL	RM'000	**6,112,042**	6,099,350	6,074,349	6,022,651**	3,584,805
SHAREHOLDERS' FUNDS	RM'000	**9,602,366**	9,538,652	9,346,495	9,497,274	9,028,359
TOTAL ASSETS	RM'000	**23,453,267**	23,005,974	21,233,287	20,892,700	19,835,545
TOTAL BORROWINGS	RM'000	**6,917,096**	6,662,139	5,913,975	6,003,770	5,844,662
NET ASSETS PER SHARE	RM	**2.65**	2.63	2.58	2.63	2.52
RETURN ON TOTAL ASSETS	%	**1.07**	1.82	1.63	3.13	4.00
RETURN ON EQUITY	%	**2.61**	4.39	3.71	6.88	8.79
GEARING (Net Debt/Equity)	%	**48.89**	53.51	47.57	40.60	46.13
MARKET CAPITALISATION	RM'000	**5,770,829**	8,049,389	9,722,719	12,285,516	12,654,362
SHARE PRICE						
High	RM	**2.51**	2.98	3.60	3.64	3.75*
Low	RM	**1.15**	1.39	2.55	3.07	2.87
Close	RM	**1.59**	2.22	2.68	3.40	3.53

N1 Including share of associate and joint venture's revenue
N2 FY2018 figures had been restated following the first time adoption of Malaysian Financial Reporting Standards ("MFRS")
* After adjustment for 1:1 Bonus Issue
** With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium account of RM2,395,511,000 had been transferred into the share capital account.

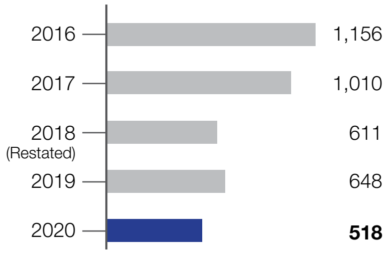
OPERATING REVENUE
RM million

RM**7,075**million



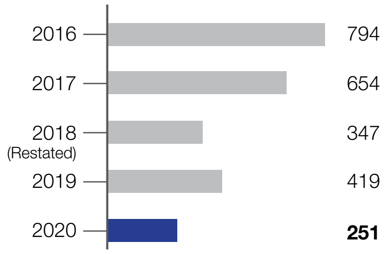
PROFIT/(LOSS) BEFORE TAXATION
RM million

RM**518**million



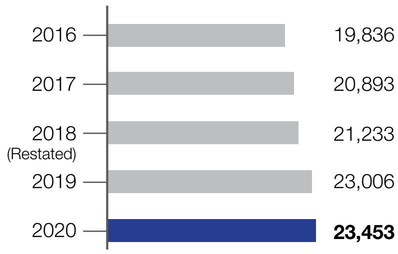
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
RM million

RM**251**million



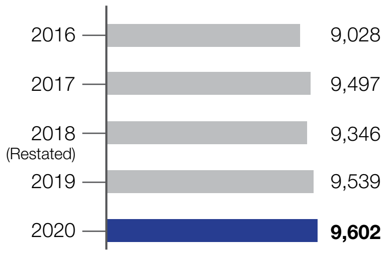
TOTAL ASSETS
RM million

RM**23,453**million



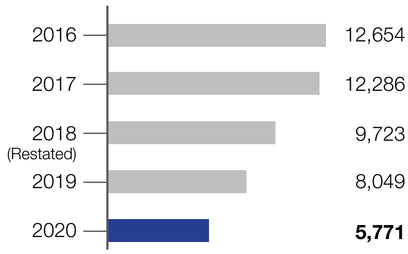
SHAREHOLDERS' FUNDS
RM million

RM**9,602**million



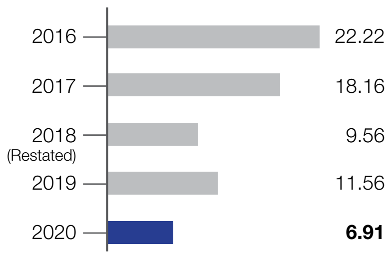
MARKET CAPITALISATION
RM million

RM**5,771**million



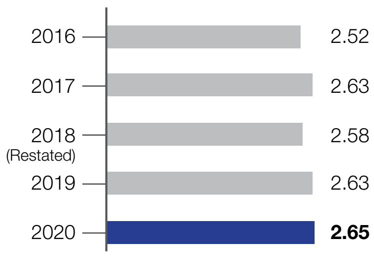
EARNINGS PER SHARE
(Basic)
Sen

6.91sen



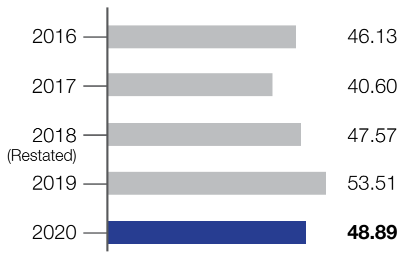
NET ASSETS PER SHARE
RM

RM**2.65**



GEARING
(Net Debt/Equity)
%

48.89%



GROUP QUARTERLY PERFORMANCE

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
OPERATING REVENUE [N1]	RM'000				
Construction		581,236	665,380	534,544	511,670
Property development		498,556	405,838	348,494	1,052,232
Manufacturing & quarrying		232,119	228,619	193,424	178,909
Plantation		133,067	172,861	237,812	195,393
Infrastructure		270,850	233,624	226,414	173,170
Investment & others		160	381	167	152
		1,715,988	1,706,703	1,540,855	2,111,526
PROFIT/(LOSS) BEFORE TAXATION	RM'000				
Construction		40,622	38,494	28,454	65,629
Property development		45,853	37,200	63,515	56,693
Manufacturing & quarrying		15,178	17,923	13,132	(1,338)
Plantation		(5,383)	(4,954)	33,303	(73,438)
Infrastructure		44,408	35,235	27,523	46,080
Investment & others		2,722	(9,687)	(2,339)	2,940
		143,400	114,211	163,588	96,566
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION & AMORTISATION (EBITDA)	RM'000	290,691	269,967	315,775	326,635
NET PROFIT FOR THE FINANCIAL PERIOD	RM'000	80,471	84,152	85,699	77,864
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	RM'000	59,424	70,102	49,767	71,297
EARNINGS PER SHARE (Basic)	Sen	1.64	1.93	1.37	1.96
EARNINGS PER SHARE (Fully Diluted)	Sen	1.64	1.93	1.37	1.96
GROSS DIVIDEND PER SHARE	Sen	-	2.00	-	1.00
FINANCIAL POSITION					
ISSUED SHARE CAPITAL	RM'000	6,111,955	6,112,021	6,112,021	6,112,042
SHAREHOLDERS' FUNDS	RM'000	9,562,366	9,620,997	9,595,855	9,602,366
TOTAL ASSETS	RM'000	23,621,548	23,670,631	24,173,695	23,453,267
TOTAL BORROWINGS	RM'000	7,071,953	6,832,938	7,278,073	6,917,096
NET ASSETS PER SHARE	RM	2.63	2.65	2.64	2.65
RETURN ON TOTAL ASSETS (Annualised)	%	1.00	1.09	0.99	1.07
RETURN ON EQUITY (Annualised)	%	2.44	2.66	2.48	2.61
GEARING (Net Debt/Equity)	%	56.50	54.36	54.67	48.89
MARKET CAPITALISATION	RM'000	8,710,631	7,948,500	7,875,911	5,770,829
SHARE PRICE					
High	RM	2.45	2.51	2.30	2.33
Low	RM	1.85	2.11	1.93	1.15
Close	RM	2.40	2.19	2.17	1.59

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

OPERATING REVENUE
RM million

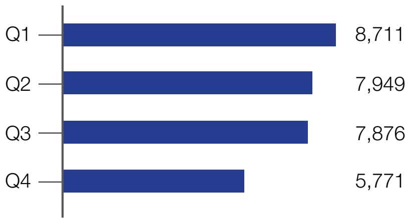
PROFIT/(LOSS) BEFORE TAXATION
RM million

NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
RM million

TOTAL ASSETS
RM million

SHAREHOLDERS' FUNDS
RM million

MARKET CAPITALISATION
RM million



EARNINGS PER SHARE (BASIC)
Sen

NET ASSETS PER SHARE
RM

RETURN ON EQUITY (ANNUALISED)
%

STATEMENT OF VALUE ADDED & DISTRIBUTION

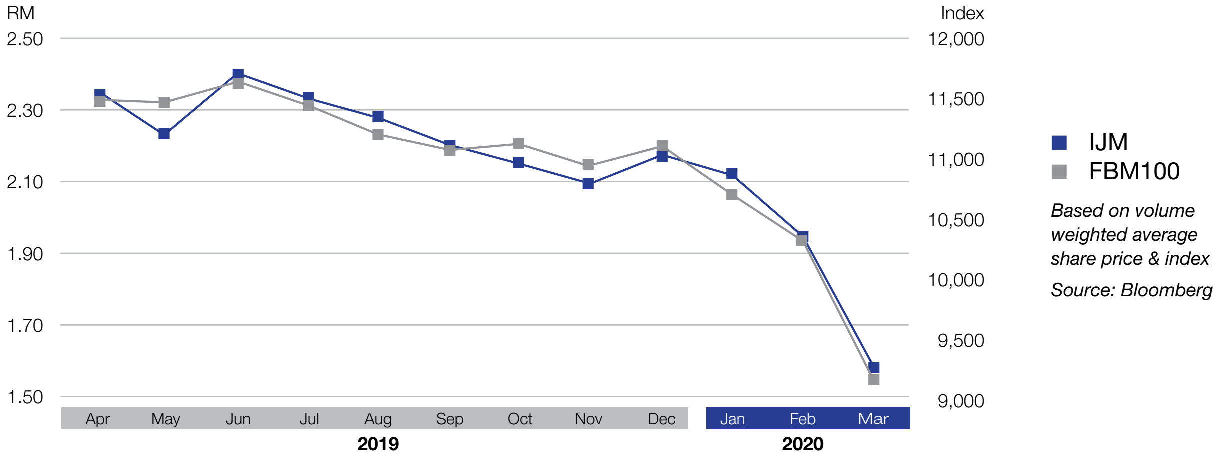
	2020 RM'000	2019 RM'000
VALUE ADDED		
Operating revenue	6,605,101	5,655,661
Purchases of goods & services	(4,966,334)	(4,145,301)
Value added by the Group	1,638,767	1,510,360
Share of (losses)/profits of associates	(92,408)	142,551
Share of profits/(losses) of joint ventures	30,272	(14,813)
Total value added	1,576,631	1,638,098
DISTRIBUTION		
To employees		
- Salaries & other staff costs	416,949	425,640
To Governments		
- Taxation	189,579	207,279
To providers of capital		
- Dividends	145,178	181,468
- Finance cost	290,423	225,103
- Non-controlling interests	34,210	21,793
Retained for future reinvestment & growth		
- Depreciation and amortisation	394,880	339,367
- Retained profits	105,412	237,448
Total Distributed	1,576,631	1,638,098

Value added is a measure of wealth created. The above statement shows the Group's value added for 2020 and 2019 and its distribution by way of payments to employees, governments and capital providers, with the balance retained in the Group for future reinvestment and growth.

	2020 RM'000	2019 RM'000
RECONCILIATION		
Profit for the year	250,590	418,916
Add : Depreciation and amortisation	394,880	339,367
Finance cost	290,423	225,103
Staff costs	416,949	425,640
Taxation	189,579	207,279
Non-controlling interests	34,210	21,793
Total value added	1,576,631	1,638,098

INFORMATION FOR INVESTORS

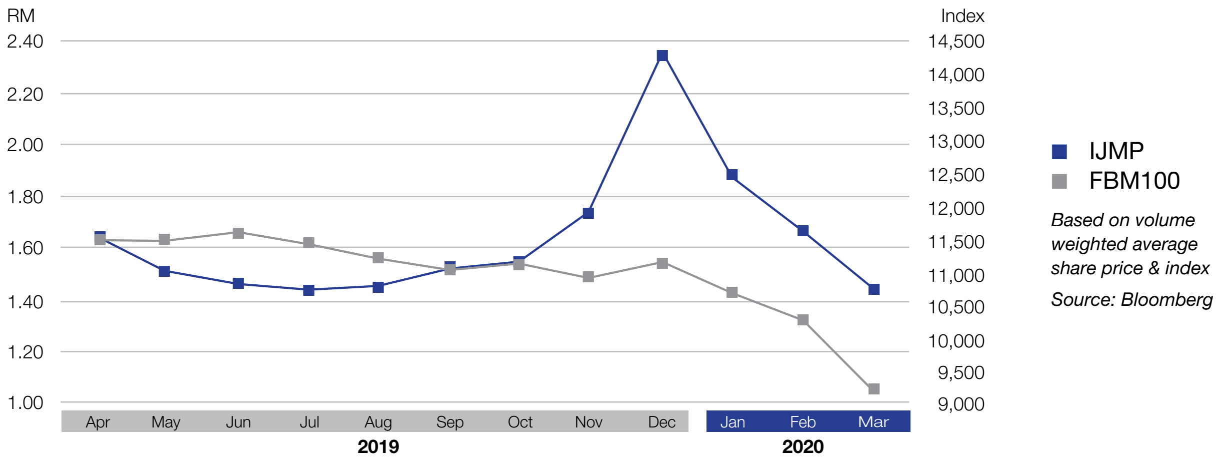
A. IJM Corporation Berhad ("IJM") Share Price vs FBM100



IJM's share price (stock code: 3336) saw a decline from RM2.40 in June 2019 to RM2.12 in January 2020 as investor interest in the construction sector gradually waned due to the slow revival of mega infrastructure projects that were reviewed by the Malaysian Government. Towards the end of the financial year, IJM's share price saw a steep decline from the unexpected change in Government in late-February followed by the outbreak of the Covid-19 pandemic which resulted in an induced economic lockdown in mid-March.

IJM saw its share price decline by 32% compared to FBM100 which declined 20% in the same period of IJM's financial year of 2020.

B. IJM Plantations Berhad ("IJMP") Share Price vs FBM100



IJMP's share price (stock code: 2216) was RM1.64 in April 2019 and closed the financial year 2020 at RM1.44, representing a decline of 12%. This compares to a 20% decline in the FBM100 index over the same period.

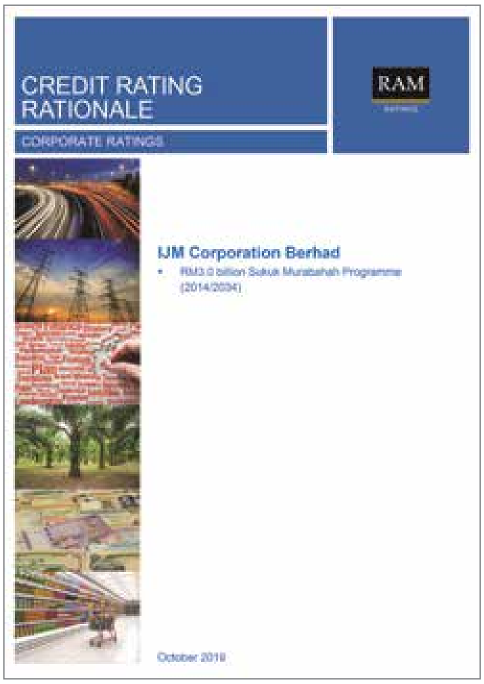
The share price saw a decline from the beginning of the year from RM1.64 to RM1.44 in July as it was impacted by the low CPO prices as well as the rising cost of wages. The share price however, rebounded sharply from RM1.55 in October to RM2.36 in December following expectations of lower CPO stockpiles due to lower production output coupled with higher exports and consumption. Nonetheless, the share price started to decline again as CPO price upside was capped by the bearish outlook on commodities over concerns of lower global demand stemming from the Covid-19 pandemic.

INFORMATION FOR INVESTORS

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

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

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



FINANCIAL CALENDAR

Financial Year End		31 March 2020
Announcement of Results	1st Quarter	28 August 2019
	2nd Quarter	26 November 2019
	3rd Quarter	25 February 2020
	4th Quarter	26 June 2020
Notice of Annual General Meeting		24 August 2020
Annual General Meeting		22 September 2020

INVESTOR SERVICE

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

For shareholder and company related matters, please contact:

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

For financial performance or company development matters, please contact:

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

ANALYSIS OF SHAREHOLDINGS
as at 16 July 2020

Number of Issued Share : 3,639,288,920*
Class of Shares : Ordinary Shares
Voting Rights
On show of hands : 1 vote
On a poll : 1 vote for each share held

* inclusive of 9,836,700 shares bought-back by the Company and retained as treasury shares as at 16 July 2020

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	Number of Shares	Percentage of Issued Shares
Less than 100	288	9,275	0.00%
100 – 1,000	2,664	2,086,607	0.06%
1,001 - 10,000	7,603	32,841,624	0.90%
10,001 – 100,000	2,485	78,308,632	2.16%
100,001 to less than 5% of issued shares [1]	814	2,297,377,746	63.30%
5% and above of issued shares	4	1,218,828,336	33.58%
	13,858	3,629,452,220	100.00%

[1] excluding 9,836,700 treasury shares

REGISTER OF SUBSTANTIAL SHAREHOLDERS

		Number of Shares		Percentage of Issued Shares
		Direct	Deemed	
1.	Employees Provident Fund Board	585,241,576	-	16.12%
2.	AmanahRaya Trustees Berhad – Amanah Saham Bumiputera	252,790,700	-	6.96%
3.	Urusharta Jamaah Sdn Bhd	229,838,400	-	6.33%
4.	Kumpulan Wang Persaraan (Diperbadankan)	328,471,500	-	9.05%

THIRTY LARGEST SHAREHOLDERS

	Number of Shares	Percentage of Issued Shares
1. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	446,227,736	12.29%
2. Kumpulan Wang Persaraan (Diperbadankan)	292,944,400	8.07%
3. AmanahRaya Trustees Berhad Amanah Saham Bumiputera	252,790,700	6.96%
4. Citigroup Nominees (Tempatan) Sdn Bhd Urusharta Jamaah Sdn Bhd	226,865,500	6.25%
5. Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd	146,676,440	4.04%
6. AmanahRaya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	119,469,000	3.29%
7. AmanahRaya Trustees Berhad Amanah Saham Malaysia	95,040,100	2.62%
8. AmanahRaya Trustees Berhad Amanah Saham Malaysia 3	78,255,100	2.16%
9. Permodalan Nasional Berhad	65,924,480	1.82%

ANALYSIS OF SHAREHOLDINGS
as at 16 July 2020

THIRTY LARGEST SHAREHOLDERS (cont'd)

	Number of Shares	Percentage of Issued Shares
10. Fortuna Gembira Enterpris Sdn Bhd	59,034,800	1.63%
11. Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)	55,000,000	1.52%
12. HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	50,777,521	1.40%
13. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	48,380,780	1.33%
14. Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (WEST CLT OD67)	45,163,020	1.24%
15. HSBC Nominees (Asing) Sdn Bhd JPMCB NA For Vanguard Emerging Markets Stock Index Fund	43,090,334	1.19%
16. Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Fund	42,219,800	1.16%
17. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	40,410,700	1.11%
18. AmanahRaya Trustees Berhad Public Islamic Dividend Fund	35,967,608	0.99%
19. AmanahRaya Trustees Berhad Public Ittikal Sequel Fund	35,351,400	0.97%
20. Cartaban Nominees (Asing) Sdn Bhd GIC Private Limited for Government of Singapore (C)	30,673,900	0.85%
21. AmanahRaya Trustees Berhad Amanah Saham Bumiputera 2	30,000,000	0.83%
22. AmanahRaya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	29,380,900	0.81%
23. CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (EDP 2)	28,004,000	0.77%
24. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AFFIN-HWG)	27,931,940	0.77%
25. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LSF)	27,390,400	0.75%
26. Lembaga Tabung Haji	26,709,800	0.74%
27. Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	23,638,100	0.65%
28. Maybank Nominees (Tempatan) Sdn Bhd MTrustee Berhad for Principal Dali Equity Growth Fund (UT-CIMB-DALI) (419455)	22,714,600	0.63%
29. Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	22,664,318	0.62%
30. AmanahRaya Trustees Berhad Public Islamic Sector Select Fund	22,000,000	0.61%
	2,470,697,377	68.07%

DIRECTORS' SHAREHOLDINGS IN IJM CORPORATION BERHAD

as at 16 July 2020

Name of Directors	Number of Shares		Percentage of Issued Shares
	Direct	Deemed	
Tan Sri Dato' Tan Boon Seng @ Krishnan	6,493,066	421,972[1]	0.191%
Liew Hau Seng	923,500	-	0.025%
Lee Chun Fai	681,800	250,000[1]	0.026%
Datuk Lee Teck Yuen	11,764,692	-	0.324%
Datuk Ir Hamzah Bin Hasan	-	-	-
Pushpanathan A/L S A Kanagarayar	-	-	-
Goh Tian Sui	-	10,000[1]	0.000%
Dato' David Frederick Wilson	-	-	-
Tunku Alina Binti Raja Muhd Alias	-	-	-
Tan Ting Min	-	-	-

Note:

[1] Through a family member

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

as at 16 July 2020

Options over ordinary shares ("Options") under Employee Share Option Scheme						
Award	Name of Directors	+ Provisional Number of Options Awarded	+ Balance Provisional Number of Options	Number of Options Vested	Number of Options Exercised	Number of Options Unexercised
First Award on 24.12.2012	Liew Hau Seng	250,250*	-	362,400*	362,400	-
	Lee Chun Fai	250,250*	-	376,400*	-	376,400
Second Award on 24.12.2013	Liew Hau Seng	308,000*	-	362,200*	253,600	108,600
	Lee Chun Fai	308,000*	-	378,500*	-	378,500
Third Award on 24.12.2014	Liew Hau Seng	165,000*	-	155,000	62,000	93,000
	Lee Chun Fai	165,000*	-	162,800	-	162,800
Fourth Award on 24.12.2015	Lee Chun Fai	385,000	-	385,000	-	385,000
Sixth Award on 30.03.2018	Liew Hau Seng	467,500	140,250	306,100	-	306,100
	Lee Chun Fai	660,000	198,000	447,700	-	447,700
Seventh Award on 30.03.2019	Liew Hau Seng	233,800	140,280	86,800	-	86,800
	Lee Chun Fai	330,000	198,000	122,500	-	122,500

Note:

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

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

ANALYSIS OF SHAREHOLDINGS
as at 16 July 2020

DIRECTORS' INTERESTS UNDER THE EMPLOYEE SHARE GRANT PLAN OF IJM CORPORATION BERHAD
as at 16 July 2020

Shares under Employee Share Grant Plan							
Award	Name of Directors	Total				+ Balance Provisional Number of Shares	
		+ Provisional Number of Shares Awarded		Number of Shares Vested			
		PSP++	RSP+++	PSP	RSP	PSP++	RSP+++
First Award on 15.04.2013	Liew Hau Seng	72,750*	29,100*	145,500	29,100	-	-
	Lee Chun Fai	72,750*	29,100*	145,500	43,600	-	-
Second Award on 15.04.2014	Liew Hau Seng	97,000*	38,800*	97,000	38,800	-	-
	Lee Chun Fai	97,000*	38,800*	97,000	58,200	-	-
Third Award on 15.04.2015	Liew Hau Seng	97,000*	38,800*	48,500	151,800	-	-
Fourth Award on 15.04.2016	Liew Hau Seng	116,400	46,600	58,200	46,600	-	-
	Lee Chun Fai	347,600	139,000	173,800	170,600	-	-
Fifth Award on 15.04.2017	Liew Hau Seng	116,400	46,600	-	-	-	-
	Lee Chun Fai	189,600	75,800	-	-	-	-
Sixth Award on 15.04.2018	Liew Hau Seng	116,400	46,600	-	-	116,400	46,600
	Lee Chun Fai	189,600	75,800	-	-	189,600	75,800
Seventh Award on 15.04.2019	Liew Hau Seng	116,400	46,600	-	-	116,400	46,600
	Lee Chun Fai	189,600	75,800	-	-	189,600	75,800

Notes:-
PSP Performance Share Plan
RSP Retention Share Plan
\+ The vesting of the shares to the eligible Director is subject to the fulfillment of the relevant vesting conditions as at the relevant vesting dates
++ The quantum of shares to be vested may vary from 0% to 200% of the number of shares provisionally awarded
+++ The quantum of shares to be vested may vary from 0% to 150% of the number of shares provisionally awarded
* Including the Bonus Issue adjustment on 1:1 basis on 11 September 2015

DIRECTORS' SHAREHOLDINGS IN IJM PLANTATIONS BERHAD

as at 16 July 2020

Name of Directors	Number of Shares		Percentage of Issued Shares
	Direct	Deemed	
Tan Sri Dato' Tan Boon Seng @ Krishnan	794,060	823,033[1]	0.184%
Liew Hau Seng	-	-	-
Lee Chun Fai	-	-	-
Datuk Lee Teck Yuen	-	-	-
Datuk Ir Hamzah Bin Hasan	-	-	-
Pushpanathan A/L S A Kanagarayar	-	-	-
Goh Tian Sui	-	-	-
Dato' David Frederick Wilson	-	-	-
Tunku Alina Binti Raja Muhd Alias	-	-	-
Tan Ting Min	-	-	-

Note:
[1] Through a family member

KEY SENIOR MANAGEMENT'S SHAREHOLDINGS IN IJM CORPORATION BERHAD

as at 16 July 2020

Name of Key Senior Management	Number of Shares		Percentage of Issued Shares
	Direct	Deemed	
Ong Teng Cheng	1,596,492	-	0.044%
Joseph Tek Choon Yee	453,900	-	0.013%
Edward Chong Sin Kiat	506,700	-	0.014%
Tan Boon Leng	285,900	-	0.008%
Wan Salwani Binti Wan Yusoff	267,500	-	0.007%
Cyrus Eruch Daruwalla	949,000	-	0.026%
Purushothaman A/L Kumaran	807,900	-	0.022%
Mazlim Bin Husin	-	-	-

ANALYSIS OF SHAREHOLDINGS
as at 16 July 2020

KEY SENIOR MANAGEMENT'S INTERESTS UNDER THE EMPLOYEE SHARE OPTION SCHEME OF IJM CORPORATION BERHAD
as at 16 July 2020

Options over ordinary shares ("Options") under Employee Share Option Scheme			
Award	Name of Key Senior Management	+ Balance Provisional Number of Options	Number of Options Unexercised
First Award on 24.12.2012	Joseph Tek Choon Yee	-	98,700
	Edward Chong Sin Kiat	-	333,400
Second Award on 24.12.2013	Joseph Tek Choon Yee	-	200,500
	Edward Chong Sin Kiat	-	325,300
	Wan Salwani Binti Wan Yusoff	-	126,800
	Cyrus Eruch Daruwalla	-	91,400
	Purushothaman A/L Kumaran	-	101,800
Third Award on 24.12.2014	Ong Teng Cheng	-	93,100
	Joseph Tek Choon Yee	-	143,600
	Edward Chong Sin Kiat	-	64,000
	Tan Boon Leng	-	61,900
	Wan Salwani Binti Wan Yusoff	-	105,300
	Cyrus Eruch Daruwalla	-	127,600
Fourth Award on 24.12.2015	Edward Chong Sin Kiat	-	147,400
Fifth Award on 24.12.2016	Purushothaman A/L Kumaran	-	143,000
Sixth Award on 30.03.2018	Ong Teng Cheng	115,500	249,200
	Joseph Tek Choon Yee	127,500	283,200
	Edward Chong Sin Kiat	140,250	296,600
	Tan Boon Leng	115,500	241,800
	Wan Salwani Binti Wan Yusoff	82,500	181,400
	Cyrus Eruch Daruwalla	127,500	280,400
	Purushothaman A/L Kumaran	140,250	309,900
Seventh Award on 30.03.2019	Ong Teng Cheng	115,500	70,900
	Joseph Tek Choon Yee	153,000	94,700
	Edward Chong Sin Kiat	140,280	86,800
	Tan Boon Leng	165,000	100,800
	Wan Salwani Binti Wan Yusoff	82,500	51,400
	Cyrus Eruch Daruwalla	127,500	77,400
	Purushothaman A/L Kumaran	140,280	85,600

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

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

as at 16 July 2020

Award	Name of Key Senior Management	+ Balance Provisional Number of Shares under Employee Share Grant Plan	
		PSP ++	RSP +++
Sixth Award on 15.04.2018	Ong Teng Cheng	97,000	38,800
	Joseph Tek Choon Yee	116,400	46,600
	Edward Chong Sin Kiat	116,400	46,600
	Tan Boon Leng	97,000	38,800
	Wan Salwani Binti Wan Yusoff	43,000	32,000
	Cyrus Eruch Daruwalla	116,400	46,600
	Purushothaman A/L Kumaran	116,400	46,600
	Mazlim Bin Husin	-	22,400
Seventh Award on 15.04.2019	Ong Teng Cheng	97,000	38,800
	Joseph Tek Choon Yee	116,400	46,600
	Edward Chong Sin Kiat	116,400	46,600
	Tan Boon Leng	116,400	46,600
	Wan Salwani Binti Wan Yusoff	43,000	32,000
	Cyrus Eruch Daruwalla	116,400	46,600
	Purushothaman A/L Kumaran	116,400	46,600
	Mazlim Bin Husin	34,400	25,600

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

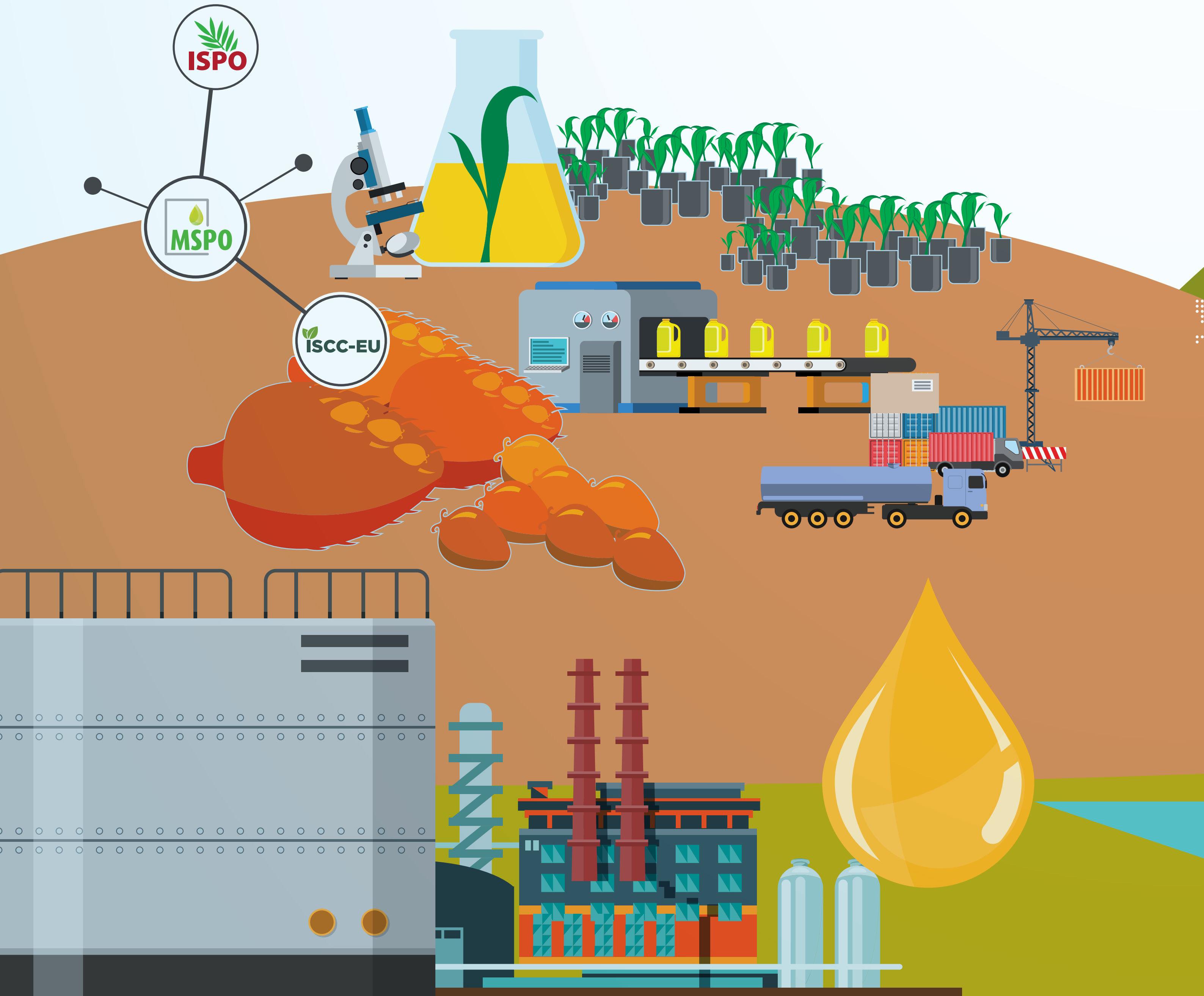
KEY SENIOR MANAGEMENT'S SHAREHOLDINGS IN IJM PLANTATIONS BERHAD

as at 16 July 2020

Name of Key Senior Management	Number of Shares		Percentage of Issued Shares
	Direct	Deemed	
Ong Teng Cheng	-	-	-
Joseph Tek Choon Yee	-	-	-
Edward Chong Sin Kiat	-	-	-
Tan Boon Leng	-	-	-
Wan Salwani Binti Wan Yusoff	-	-	-
Cyrus Eruch Daruwalla	-	-	-
Purushothaman A/L Kumaran	877,500	-	0.100%
Mazlim Bin Husin	-	-	-

Developing opportunities and capitalising on a strong foundation to achieve higher growth and value creation

IJM's Plantation Division continues to nurture a purpose-driven business – one that strives to balance productivity, profitability and socio-environmental aspects to deliver shared value for our stakeholders. Our landbank of 61,000 hectares in Malaysia and Indonesia focus on innovation, entrepreneurship and people; as well as strong governance, ensure that we have a resilient and sustainable business as we help meet growing global demand for palm oil.



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BUSINESS REVIEW & REPORTS

CHAIRMAN'S STATEMENT

Dear Stakeholders,

This marks my first Annual Statement as your Chairman. I am pleased to report that the IJM Group achieved a profit before tax ("PBT") of RM518 million for FY2020 – a commendable performance despite a challenging macroeconomic environment.

The Group's fundamentals remain solid, anchored by our resilient portfolio of businesses and a strong balance sheet to weather any short-term challenges.

OPERATING RESULTS

Against a backdrop of global and domestic headwinds, the Group achieved revenue of RM6,605.10 million, an increase of 16.8% over RM5,655.66 million posted in the preceding year. This was attributable to higher revenue contributed by the Group's Construction, Property, Plantation and Infrastructure Divisions.

Reported PBT stood at RM517.77 million for the year, which represents a decrease of 20.1% compared to 647.99 million reported in the previous year. This was partially due to the Group making certain one-off adjustments in the year such as impairments to property inventories and provisions for expected credit losses at our Argentinian tollway concession. Although mostly recovered in the subsequent quarter, the Plantation Division also incurred substantial unrealised foreign exchange losses that arose in the final quarter of the year as the Indonesian Rupiah plummeted against the United States Dollar and Japanese Yen when financial markets were grappling with the onset of the Covid-19 pandemic. If not for these one-off items, the Group's core PBT for FY2020 was 23.4% higher at RM750.03 million compared to RM607.81 million in the preceding year.

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

BUSINESS OUTLOOK AND OPERATIONAL STRATEGIES FOR FY2020

The global economy is projected to register negative growth in 2020, hampered mainly by the ongoing Covid-19 pandemic and the United States-China geopolitical tension. The outlook points to trying times for businesses and society before the situation improves. Furthermore, with the global supply chain being highly interconnected, achieving stable economic recovery for each country hinges upon the successful containment of the Covid-19 pandemic respectively and collectively. Constant vigilance is essential, lest the occurrence of subsequent waves of virus outbreaks causing further economic hardship.

Livia, Bandar Rimbayu

Thus far, Malaysia has weathered the health crisis well by quickly identifying Covid-19 clusters through contact tracing as well as prevented the spread of the virus by implementing movement restrictions, temporary business closures and restricted social conducts. Such measures, although necessary, have weighed heavily on the local economy. In the near term, considerable uncertainties remain as efforts to minimise outbreak recurrences continue while the various business segments contend with a very uneven economic landscape. At the time of writing, Bank Negara has revised its GDP growth forecast for 2020 to between -3.5% to -5.5%.

In the near term, our operations that were halted during the government-imposed movement restrictions have since recommenced activities and our project sites are operating at near-optimal capacity, in compliance with the new health and safety procedures. The outlook for the Construction Division is supported by an outstanding order book of RM4.5 billion. Order book replenishment prospects are expected to be challenging due to the subdued property market and reduction in Government infrastructure spending. While demand appears to be resilient for mid-range landed property, the overall market sentiment for the property sector is cautious in the near to medium term as purchasers are expected to hold back from large ticket items due to the poor economic outlook and uncertainties over employment. As such, the Group's Property Division is expected to record lower sales in the forthcoming financial year. Faced with a challenging operating environment domestically, the Group's Industry Division continues to focus its efforts to pursue the regional market while containing its operating cost domestically. The prospects of the Plantation Division is largely predicated on the commodity price staying favourable. Notwithstanding the increase in crop production growth from its young mature areas in the Indonesian operations, the Division continues to face cost pressures arising from wage increases as well as foreign exchange volatility, particularly that of the Indonesian Rupiah against the United States Dollar and the Japanese Yen. Traffic volume of the Group's tolling operations are expected to mostly recover from the pandemic lockdowns in Malaysia and India by the second half of the financial year while the Group's port operation continues to see encouraging growth prospects from the ongoing developments at nearby industrial parks.

CORPORATE GOVERNANCE & SUSTAINABILITY

IJM has always placed considerable emphasis on ensuring that the highest standards of governance and ethical business conduct are practiced in the organisation. This reflects our conviction that good corporate governance supports long term value creation for all our stakeholders. This year, we enhanced our integrity, governance and anti-corruption framework pursuant to the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which took effect from 1 June 2020.

The Group believes that commercial success must be accompanied by a sustainable positive impact on society. This philosophy is guided by our sustainability framework and policy statements, and is embraced throughout our operations via a wide range of environmentally-friendly and operational best management practices that ensures lasting benefits to all our stakeholders.

Our Corporate Governance Overview Statement can be found on pages 102 to 111.

IJM's commitment to sustainability is depicted in our Sustainability Statement on pages 128 to 179.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank the management and all employees for their dedication and contributions to the Group in the past year, especially for their swift and coordinated response to the Covid-19 pandemic. The months ahead will undoubtedly require vigilance and resolve until we return to any semblance of normalcy. I would also like to take this opportunity to thank the shareholders, associates, clients, bankers, subcontractors and suppliers for their support to the Group. The Group values and looks forward to this continued support in our journey ahead.

Tan Sri Dato' Tan Boon Seng @ Krishnan
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

This is my inaugural report since taking on the role as IJM's sixth CEO & Managing Director in September 2019. I am deeply honoured for the opportunity to lead IJM at this time and I would like to thank the Board of Directors for entrusting me with the task of steering the IJM Group into its next phase of growth.

Liew Hau Seng
Chief Executive Officer
& Managing Director

Mr Liew Hau Seng assumed the role of CEO & Managing Director for IJM Corporation Berhad effective 1 September 2019.

Appointed from within the company – a testament to IJM's strong bench of talent and succession planning – Mr Liew joined IJM in 1989 as a graduate engineer in the Group's Industry Division. Throughout his 31-year career with IJM, he rose through the ranks within the Construction Division from Senior Engineer in 1995 to his appointment in 2015 as Managing Director of the Construction Division, the Group's largest business division in terms of revenue.

Having progressed in various leadership roles with hands-on exposure to the Group's infrastructure and construction businesses, Mr Liew has a deep understanding of the company, the industry, and the markets in which the Group operates. He has an excellent track record of leading IJM's construction business in both Malaysia and India, and was the project manager for IJM's maiden project in India – the Mumbai-Pune Expressway. Mr Liew also oversaw some of the Construction Division's biggest and most iconic projects such as the Mass Rapid Transit (MRT) work packages, West Coast Expressway, Kuantan Port's New Deep Water Terminal as well as the Grand Hyatt Hotel, Equatorial Hotel and Bukit Bintang City Centre retail mall in Kuala Lumpur.

Actively involved in industry associations, Mr Liew has been the Vice President of the Master Builders Association Malaysia since 2014, and is a Member of the Governing Council of the Malaysia-India Business Council.

He earned his Bachelor of Engineering (First Class Honours) in Civil Engineering from Universiti Teknologi Malaysia before completing his Master in Business Administration in 2011 in HELP University.

The year 2019-2020 was daunted by several significant events – from trade wars escalations, volatility in financial markets, government change to the unprecedented Covid-19 pandemic which has profoundly impacted the world economy and its citizens. Entire business ecosystems and industries have undergone fundamental changes caused by uncertainties, government-imposed movement control restrictions, policy changes, business shutdowns and shifts in consumers' behaviours.

At IJM, we know and sense how the world and the dynamics of our industries are changing as we deal with the reverberating effects of this pandemic. This is a pivotal moment for businesses to recognise emerging risks and opportunities – the actions we take now may determine our degree of success in a world dealing with Covid-19 pandemic.

Looking back on the past four decades, IJM has weathered many different types of storms and emerged stronger on the other side, backed by our deep-rooted culture of resilience. In line with the theme of our annual report this year – **Building Resilience and Developing Opportunities** – we have to be agile, adaptive, decisive, collaborative and put teamwork at the heart of everything we do in order to remain resilient and well-positioned to overcome the extraordinary challenges ahead, and capitalise on opportunities that come with recovery.

I am grateful and proud of our more than 4,000 employees and our leadership team for the commitment and dedication they have shown under the most difficult of circumstances. Together we will get through this and continue to uphold the delivery capabilities as well as sustainable value that our stakeholders have come to expect from IJM.

Business Environment

In 2019, the global economy grew by 2.9% compared to 3.6% the year before. The sharp decline in growth arose mainly due to the trade tensions between the US and China in the last two years. In addition, bouts of policy uncertainty from the prolonged Brexit negotiations and political unrest in Hong Kong and Latin America resulted in volatile capital flows and exchange rate movements, compounding global risk aversion. However, despite the weaker trade and investment activities, global growth was supported by resilient domestic demand in major economies as well as broad-based monetary policy easing in many countries throughout the year.

As an open economy, Malaysia saw a continued moderation in economic growth to 4.3% in 2019 compared to 4.7% in 2018. While the level of foreign direct investments was sustained, domestic investments were affected by weaker external demand, a general decline in corporate profitability and continued weakness in the property market. Meanwhile, public sector investments were particularly weak due mainly to lower capital spending and the review of large infrastructure projects. These factors led to the pace of growth in the construction sector declining sharply to 0.1% in 2019 compared to 4.2% last year.

The fourth quarter of our financial year witnessed the Covid-19 pandemic rapidly evolve from a health emergency into a global economic crisis arising from measures taken to contain the spread of Covid-19. Accordingly, the Malaysian Government and governments around the world imposed movement restrictions from mid-March 2020 where most of the Group's operational activities were halted except for essential services such as our Toll, Port and Plantation businesses which operated at reduced capacities.

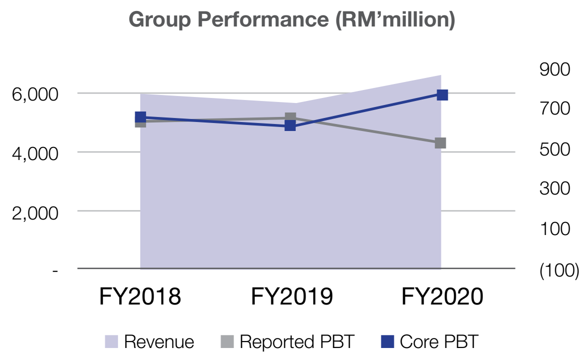
Against this backdrop, we began to see growing business pressures towards the end of our financial year, followed by the spillover effects of the Covid-19 pandemic into the start of FY2021, requiring our continuous attention and mitigation actions.

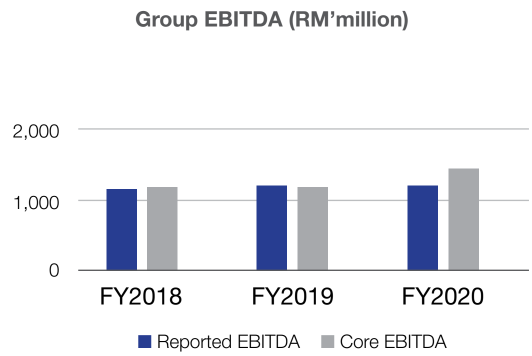
Financial Performance

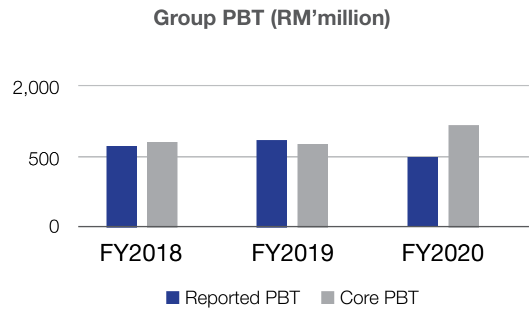
		FY2020	FY2019	Increase/ (Decrease)	Increase/ (Decrease)
Revenue	RM'million	6,605.10	5,655.66	949.44	16.8%
Gross Profit	RM'million	1,235.00	1,149.18	85.82	7.5%
EBITDA	RM'million	1,203.07	1,212.46	(9.39)	(0.8%)
Core EBITDA	RM'million	1,435.33	1,172.28	263.05	22.4%
PBT	RM'million	517.77	647.99	(130.22)	(20.1%)
Core PBT	RM'million	750.03	607.81	142.22	23.4%
Net Profit	RM'million	328.19	440.71	(112.52)	(25.5%)
Gross Profit Margin	%	18.7	20.3		
PBT Margin	%	7.8	11.5		
Net Profit Margin	%	5.0	7.8		
Return on Total Assets	%	1.07	1.82		
Return on Equity	%	2.61	4.39		

Core EBITDA and Core PBT excludes Non-Recurring Items

MANAGEMENT DISCUSSION AND ANALYSIS







During FY2020, the Group reported a higher consolidated revenue of 16.8% to RM6,605.10 million from RM5,655.66 million a year ago. The higher revenue was attributed to the Construction, Property, Plantation and Infrastructure Divisions which collectively increased by RM1,003.20 million or 21% from the previous year mainly due to the completion of the Royal Mint Gardens property project in London and higher commodity prices and sales volumes by our Plantation Division. The higher Group revenue was offset by a lower revenue contribution from the Industry Division due to lower deliveries of piles and ready-mixed concrete. In general, the Group's gross profit performance was fairly healthy at the 19% level (FY2019: 20%).

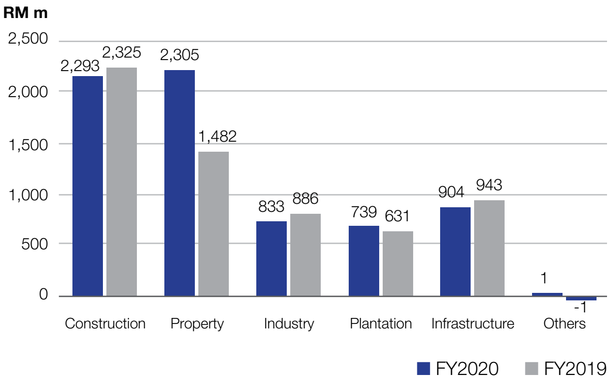
The Group's reported earnings before interest, tax, depreciation and amortisation ("EBITDA") marginally declined by RM9.39 million or 0.8% from the previous year. During the financial year, non-recurring items recognised in the financial statements comprised unrealised foreign exchange losses of RM120.81 million, impairment of property inventories of RM91.20 million and expected credit losses on toll compensation of RM40.78 million in relation to our toll concession investment in Argentina ("Non-Recurring Items"). Excluding these items, our Core EBITDA FY2020 would have been RM1,435.33 million which was a significant improvement of 22.4% from the previous year's Core EBITDA FY2019 of RM1,172.28 million on a comparable basis, demonstrating a reasonably good performance for the Group.

The Group's profit before tax ("PBT") in FY2020 decreased by 20.1% to RM517.77 million from RM647.99 million in the preceding year. This was a result of lower contributions from all divisions except for the Property Division which saw its PBT increase marginally by RM1.22 million or 0.6% from the previous year. The lower contributions were mainly due to Non-Recurring Items being recognised during the financial year. After excluding these items, our Core PBT FY2020 would have been RM750.03 million which improved substantially by 23.4% from the previous year's Core PBT FY2019 of RM607.81 million.

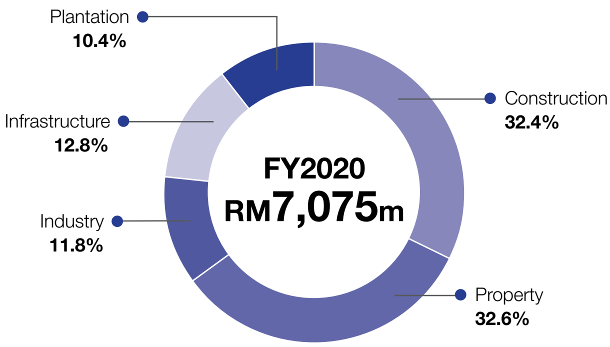
Overall, we are pleased with the Group's operational performance for FY2020. We will continue to make progress to improve our performance and work harder to capture emerging opportunities and navigate the unprecedented challenges ahead.

With the inclusion of the Non-Recurring Items, our PBT and net profit margins, returns on total assets and equity declined accordingly compared to the previous year. Details of individual divisional performances are elaborated in the following pages.

Group Revenue by Division* (RM'million)

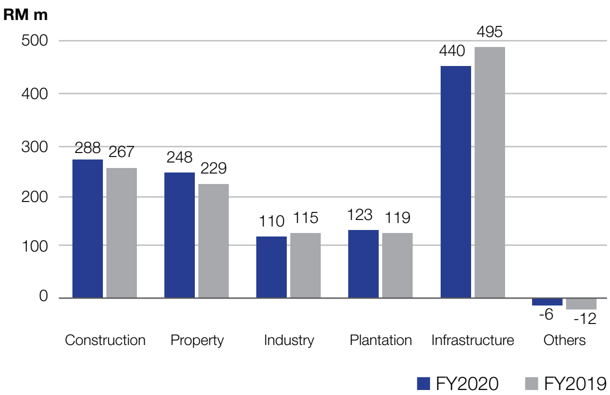


Group Revenue by Division* (Proportion %)

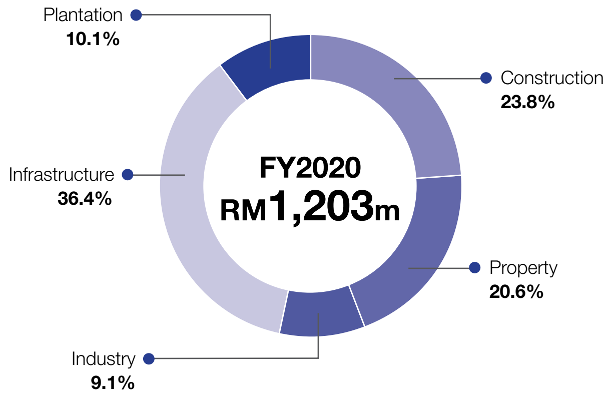


* includes share of associate and joint venture's revenue

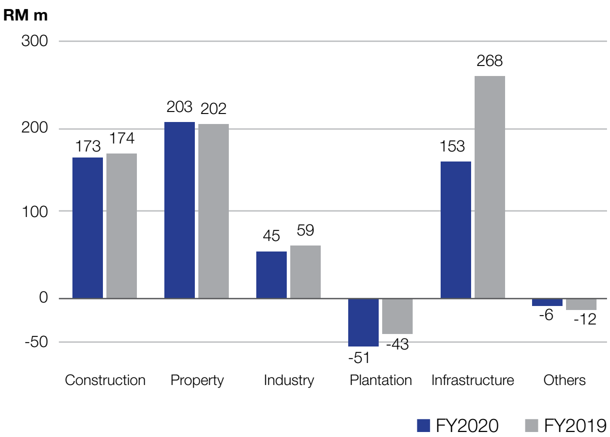
Group EBITDA by Division (RM'million)



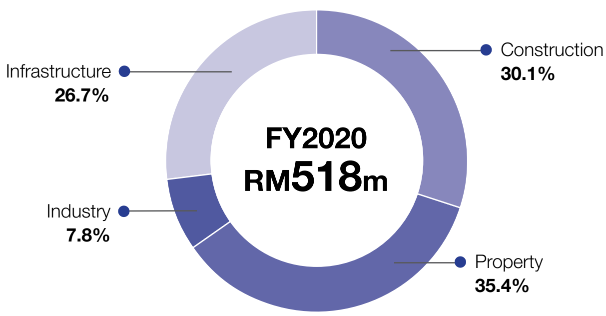
Group EBITDA by Division (Proportion %)



Group PBT by Division (RM'million)



Group PBT by Division (Proportion %)



MANAGEMENT DISCUSSION AND ANALYSIS

Financial Position

		FY2020	FY2019	Increase/ (Decrease)	Increase/ (Decrease)
Total Assets	RM'million	23,453.27	23,005.97	447.29	1.9%
Total Liabilities	RM'million	11,809.66	11,621.55	188.11	1.6%
Shareholders' funds	RM'million	9,602.37	9,538.65	63.71	0.7%
Total Equity	RM'million	11,643.61	11,384.42	259.19	2.3%
Total Borrowings	RM'million	6,917.10	6,662.14	254.96	3.8%
Total Bank balances	RM'million	2,222.65	1,557.95	664.70	42.7%
Net Assets per share	RM	2.65	2.63		
Net Gearing	%	48.89	53.51		

The Group's total assets increased slightly by RM447.29 million or 1.9% to RM23,453.27 million in FY2020 mainly due to higher bank balances as of the financial year end arising from increased collections from our Construction and Property Divisions' customers and additional concession assets in India comprising the Solapur-Bijapur road project under construction and the completed Dewas Bypass which commenced tolling in January 2020.

During the financial year, the Group's total liabilities increased marginally by RM188.11 million or 1.6% to RM11,809.66 million as at FY2020 mainly due to an increase in borrowings arising from a bond issuance of RM80 million by Kuantan Port to partially finance Phase 1 of its New Deep Water Terminal ("NDWT"), and revolving credits and overdrafts drawn for working capital purposes. Bonds, term loans, revolving credits and other borrowing facilities are utilised to fund the Group's business activities. Meanwhile, the Group is constantly exploring ways to leverage on the current low interest rate regime and relieve some immediate repayment pressure by restructuring and refinancing its loans as appropriate.

Of the total borrowings, approximately 34% is due in the short term within 12 months and the Group has adequate fund-based facilities, bank balances and deposits to service its debt obligations as and when they become due and payable. Borrowings in foreign currency accounted for 36% of the total borrowings, and they are mostly long term in nature and used to fund the Group's overseas projects. The exchange exposures are managed with forward foreign exchange contracts or cross currency swap contracts where applicable, and keeping our foreign currency denominated borrowings at an acceptable level.

In October 2019, RAM Ratings reaffirmed the Company's RM3.0 billion Sukuk Murabahah Programme as 'AA3' with a stable outlook.

Total equity of the Group increased by 2.3% to RM11,643.61 million during the financial year mainly due to additional perpetual *sukuk* amounting to RM201.36 million raised by our subsidiary, IJM Land to reduce the Group's borrowings.

Following the increase in total assets, the Group's net assets per share increased to RM2.65 as of FY2020 from RM2.63 a year ago while the Group's net gearing decreased to 48.89% as at FY2020 compared to prior year's 53.51% in line with the increase in bank balances although borrowings increased slightly. Moving forward, the Group will constantly monitor and assess its debt position to maintain a healthy gearing level.

Total capital commitments of the Group in FY2020 amounted to RM1,212.56 million. Concession assets represented the majority 61% of total capital commitments which was mainly in relation to the balance construction works for the Solapur-Bijapur project. The capital commitment as at FY2020 decreased by 23.5% from the prior year mainly due to capital expended during the financial year in relation to the Solapur-Bijapur and Dewas Bypass road projects in India.

Cash Flows

Net inflows/(outflows)		FY2020	FY2019	Increase/ (Decrease)	Increase/ (Decrease)
Operating Activities	RM'million	1,681.42	99.42	1,582.00	1,591.2%
Investing Activities	RM'million	(821.96)	(770.17)	51.79	6.7%
Financing Activities	RM'million	(236.94)	709.44	(946.38)	(133.4%)
Closing Cash and Cash Equivalents	RM'million	2,071.21	1,451.14	620.07	42.7%

Our net operational cash inflows increased substantially to RM1,681.42 million during the financial year in line with the higher Group revenues, mainly attributable to additional collections from our Property Division for the completion of the Royal Mint Gardens and collections from the Bandar Rimbayu township, construction progress billings from the Bukit Bintang City Centre ("BBCC") retail mall project and rental income from Menara Prudential. In addition, our payments to contractors and suppliers during the financial year were lower mainly due to the completion of our construction projects such as Kuantan Port's NDWT, Menara Prudential and the West Coast Expressway ("WCE") Sections 5, 8 and 9.

Investing activities increased slightly by 6.7% to RM821.96 million mainly due to subscriptions of redeemable convertible preference shares in WCE Holdings Bhd of RM127.38 million and redeemable unsecured *murabahah* stocks in WCE Sdn Bhd of RM60.94 million. Both subscriptions were utilised to fund the construction of the WCE highway project.

Other major investing activities in FY2020 comprised capital expenditure in our overseas toll concession assets, the Solapur-Bijapur and Dewas Bypass projects (approximately RM370 million) and the completion of our investment property, Menara Prudential (approximately RM129 million). Moving forward, the Group will continuously review its capital expenditure plans and focus on core expenditures to support our business growth.

In terms of financing, there were fewer fund-raising activities during the financial year, however, the Group had raised additional perpetual *sukuk* via IJM Land of approximately RM200 million to reduce the Group's existing borrowings and additional bonds of RM80 million for Kuantan Port's NDWT Phase 1.

During the financial year, the Group repaid borrowings and interests totaling RM308.97 million, paid dividends of RM159.39 million to the shareholders and distributions to perpetual *sukuk* holders amounting to RM41.78 million in accordance with the Shariah principle of *musharakah*.

Overall, closing cash and cash equivalents of the Group improved substantially by 42.7% to RM2,071.21 million as at 31 March 2020 from a year ago consistent with the improvement in its operating activities.

To ensure adequate liquidity and cash flows for working capital management and to meet our financial obligations, the Group employs strict credit terms and debt collection policies, effective credit utilisation to keep leverage at a comfortable level as well as performs continuous financial planning and restructuring of loans as appropriate.

Dividends

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

For the financial year ended 31 March 2020, the Company declared a single tier second interim dividend of 1 sen per share, paid on 21 August 2020. Combined with a single tier first interim dividend of 2 sen per share paid earlier on 27 December 2019, the total dividends declared for this financial year amounted to 3 sen per share.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Strategy

The Group's strategic blueprint launched in 2016 with the objectives to drive performance, productivity and efficiency, to innovate and enhance competitiveness as well as to enhance collaboration and communication internally and externally, has culminated in this financial year 2020. Over the past five years, we have stayed focused on the strategies that we believed will drive our long-term growth in revenues, market leadership and profitability. Below are the achievement highlights of the strategic blueprint:

Group Strategic Blueprint FY2016-FY2020

Strategic Thrusts	Regional Expansion	New Ventures	R&D and Innovation
Initiatives	• Completed and handed over Phase 1 of the maiden property development, Royal Mint Gardens in London. • Higher spun piles exports to Myanmar, Bangladesh, Singapore, Brunei and Indonesia, and quarry products to Maldives. • Growing footprint in India with building toll road assets, Dewas Bypass and Solapur-Bijapur concessions. *(For more details, please refer to the divisional sections in the following pages)*	• Developed and built Menara Prudential at Tun Razak Exchange ("TRX") as investment property for recurring income stream. • Completed NDWT Phase 1 and increased Kuantan Port's capacity by 50%. • Spearheaded the development of Malaysia-China Kuantan Industrial Park ("MCKIP") in Pahang, attracting foreign direct investments ("FDI") of RM21 billion including manufacturers of steel products, batteries, piles, tyres and papers. • Established strategic partnership to develop The Light City waterfront property project in Penang, with gross development value of RM4.5 billion and a dynamic combination of inter-connected components comprising retail, hotels, office tower, luxurious high-rise residences and a convention centre. • Partial completion and tolling of the WCE. *(For more details, please refer to the divisional sections in the following pages)*	• Embarked on *Digital Transformation* to replace the core backbone system. • Driving Industry 4.0 via investment in an Industrialised Building System (IBS) plant with an annual capacity of 500,000 m^2. • Launched *Flexi Home* innovation in property development to create flexibility for home owners to expand their homes in future. • Implemented digital supervision in the plantation estates. • Implemented *Digital Clinic* to digitalise manual processes and workflow, using cloud-based repository system and online resource management tools. • Launched *Intrapreneurship Organisation Programme* to facilitate ideation, prototyping and piloting of new ideas. • Launched the *Innotech Day* forum to connect with start-ups and technical service providers for ideas exploration, and research and development ("R&D"). • Strengthen Building Information Modeling ("BIM") capability and launched pilot Virtual Reality (VR) initiative to complement BIM implementation. • Invested in property technology platform to complement our core business in property development. *(For more details of innovative solutions, please refer to the Sustainability Statement)*

Enhance Sustainability	Fuel Productivity and Enabling Growth	Enhance Group Branding
• Established sustainability governance framework. Enhanced sustainability disclosures by adopting best practices in reporting standards under the Global Reporting Initiative and incorporated quantitative measurements to track our progress, together with annual materiality assessments. • Established the No Deforestation, No Peat and No Exploitation (NDPE) Policy in 2019. • The Plantation Division's crude palm oil (Malaysian operations) was certified in FY2018 under the International Sustainability and Carbon Certification ISCC-EU scheme. • All plantation estates and mills in Malaysia were certified under the Malaysian Sustainable Palm Oil ("MSPO") in FY2019. • All plantation operations in Indonesia have completed the assessment audit for the Indonesian Sustainable Palm Oil ("ISPO") certification, with exception of three pending estates. • Introduced Human Rights Policy, Responsible Supply Chain Policy, Anti-Bribery & Corruption Policy and Community Investment Policy. *(For more details of sustainability practices, please refer to the Sustainability Statement)*	• Launched succession and talent pool framework with 7 leadership development programmes to nurture the leadership pipeline, example the Leadership Accelerated Development Programme (LEAD). • Launched talent mobility framework to develop multi-skilled talent through cross-functional projects, job-secondments and short-term assignments. • Enhanced international assignment policy, remuneration and engagement to encourage overseas posting and global mindset. • Launched Graduate Associate and Young Talent programmes (for new hires and young engineers/quantity surveyors) to develop holistic skills in engineering, quantity surveying and project management. • Established career pathing for key jobs for focused career development. • Build employer brand among undergraduates of local universities through the *Inspire to Innovate* programmes and leadership programmes for high school leaders. • Launched integrated work-life and wellness programmes to enhance the physical, emotional and financial health of employees, through regular health screenings, fitness sessions, mindfulness practices and financial planning awareness. *(For more details of workplace practices, please refer to the Sustainability Statement)*	• Refreshed corporate brand identity and guideline. • Instilling brand affinity through various platforms and sports events. • Enhance employer brand via leadership forums, innovation challenge initiatives and R&D with universities, colleges and high schools. *(For more details on branding, please refer to the Sustainability Statement)*

MANAGEMENT DISCUSSION AND ANALYSIS

Division Strategic Blueprint FY2016-FY2020

Business Divisions	Initiatives	
Construction	• Enhanced efficiency in usage of special construction materials such as sheet piles, scaffolds, structural steel for temporary works, steel plates and steel moulds. Revised and tightened the policies and procedures for procurement, transfer, disposal and record keeping for special construction materials to enhance efficiency in resource use; process enhancements were incorporated in the quality manual for adoption across the division.	• Enhanced talent development via collaboration with the Institution of Engineers, Malaysia (IEM); implemented a 5-year structured Young Talent Programme with 3 batches of 39 young and promising talents participating with holistic exposure in construction management and operations, health and safety, quality assurance, tender and contract management, project financial management and on-site study tour internally and externally for exposure to new construction methods and technology.
Property	• Launched the *Flexi Home* concept in Ara Impian project in Seremban 2 as well as Bandar Rimbayu's Livia and Starling projects that provide flexibility for future expansion. The creative design concept resulted in cost optimisation and enhanced the affordability of the target market.	• Enhanced internal synergy with our Construction Division through implementation of BIM for property development projects.
Industry	• Implemented product innovation via new products launched such as the Grade 100 spun piles, sand mining in Bestari Jaya, Selangor and first coastal quarry, Segari Quarry to cater for exports.	• Enhanced sustainability practices with the certification of ISO 14001:2015 and Occupational Safety and Health ("OSH") Management System Standard certification ISO 45001:2018 at the factories (Jawi, Kuantan, Ulu Choh, Kuala Terengganu, Klang, Kapar and Ipoh); cumulatively since FY2017 generated more than 8.5 million kwh of solar energy and reduction of CO_2 emissions of more than 5,500 tonnes.
Plantation	• Land bank expansion in Indonesia with Kemitraan of 3,312 hectares to expand operations and create value.	• Introduced Internet of things with the implementation of Digital Supervision in the Sugut region. This provides real time update, transparency and attracts talents.
Toll	• Enhanced highway efficiency by resolving major traffic congestions at the New Pantai Expressway ("NPE") with direct increase in traffic throughput (up to 15% for PJS5 and 400% for Pantai Dalam East (PDE)) and the construction of a 1.2 km directional two-lane ramp, Kuchai Link 2, linking NPE and BESRAYA.	• Enhanced non-toll revenue through land lease and advertising pillars to optimise commercial land use.
Port	• Completed the port's expansion by constructing Phase 1 of the NDWT with total berth length of 1 km and able to cater for bigger-sized vessels. Secured a key client, a steel manufacturer with 40% utilisation of the NDWT and contributed 6-7 million tonnes of cargo volume per annum.	• Launched the rebranding of Kuantan Port in conjunction with the completion of Phase 1 of the NDWT, and enhance brand awareness and communication via multiple media channels and international marketing platforms, e.g. CAEXPO in China and promoting total logistics solution.

• Enhanced innovation via BIM implementation at 9 project sites: HSBC's new headquarters and Affin Bank Project at TRX, UOB2, BBCC, MRT, Uptown Imazium, TRX Sunken Plaza, TRX Residence and Penang STC; face biometric access control system has been implemented in many projects such as Uptown Imazium, Affin Bank Project, HSBC's new headquarters and 3 Residence.	• Embraced digitalisation through enhancement of electronic document management system, implementation of network-attached storage to synchronise and centralise project data into the cloud system, ongoing digital defect management pilot project, exploration of digital archiving and application of virtual reality in BIM.	• Further expanded our footprint in India in infrastructure with the Dewas Bypass and Solapur-Bijapur projects, and property development projects with the Raintree Park Dwaraka Krishna Township Phase 2 and First City Project by leveraging synergies across Toll and Property Divisions to drive growth.
• Explored various schemes to help homebuyers to own a house such as rent-now-buy-later, unemployment insurance scheme and other marketing schemes.	• Reinventing the sales force through enhanced marketing and adoption of strategic sales agents.	• Standardisation across all regions with the development of Quality System, Safety and Environment (QSSE), Development Guideline and Customer Experience Framework to enhance the quality of services and customer experience.
• Enhanced automation and adopted Industry 4.0 to improve efficiency, reduce wastage, optimise cost and increase margin.	• Geographical expansion includes piles factory in Kuantan (to build opportunities in East Coast Rail Link ("ECRL") and Kuantan Port); piles export markets to Bangladesh, India, Singapore, Myanmar and Indonesia; ready-mixed plants expansion in Pahang (Kuantan – which is subsequently closed following the completion of Kuantan Port's breakwater project) and India (Teane Dewas and Thane); quarries expansion in India (Vizag Quarry) and enhanced quarries exports to Singapore and Bangladesh.	• Business development with the construction of an Industry 4.0 IBS plant on 25-acre in Bestari Jaya, Selangor and to be ready in the year 2021. The new system is less labour-intensive and supports the Construction Industry Development Board's ("CIDB") IBS scoring system
• Direct supply of electricity from Sabah Electric Sdn Bhd (SESB) to Desa Talisai Palm Oil Mill with a savings of approximately RM400,000 per annum by removing gensets.	• Launched commercial oil palm nursery for sales of DxP seedlings as non-palm oil revenue.	• Enhanced sustainability practice by introducing integrated cattle farming and weeding with 94 cattles to date.
• Enhanced highways brand awareness through yearly events, the IJM Highway Runs, IJM Duo Highway Challenge runs as well as the inaugural LEKAS Highway Ride night cycling events.		
• Secured a new investor, a crude oil refinery that is to be completed in two years, will see an estimated contribution of 7 million tonnes of liquid petroleum cargo per annum.	• Leveraging on technology and innovation through launching of the MTOS dashboard and pilot-booking to enhance operational efficiency.	• Received the Free Zone status on 1 April 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

In early 2020, the Group launched a strategic visioning process with a three-year horizon to address the shorter business cycles, changing consumer behaviours, rapid technology advancement and digital disruptions, rising costs and stiffer competition on the back of global macro headwinds and economic slowdown. Below is the Group's strategic focus with actions centering on building resilience, driving growth and nurturing capabilities across its business divisions moving forward:

Group Strategic Focus: Moving Forward FY2021-FY2023

BUILD RESILIENCE

- Optimise execution capabilities to adapt to the new operating environment.
- Maintain healthy gearing and ensure liquidity across all business divisions.
- Enhance balance sheet strength by prioritising capital expenditure and working capital management.
- Drive cost optimisation.
- Monetise low-yielding assets.

DRIVE GROWTH

- Brownfield expansion of our infrastructure assets to grow recurring income.
- Develop new ventures complementary to our core businesses.
- Regional expansion.
- Enhance growth through strategic merger and acquisitions.

NURTURE CAPABILITIES

- Continue our digital transformation journey, embrace innovation and Industry 4.0.
- Enhance best practices of sustainability accross the Group.
- Foster workforce agility and build future-ready competencies that are responsive to market changes.
- Drive robust risk management.
- Enhance accountability and performance based culture.

Construction	Property	Industry	Plantation	Toll	Port
• Drive business growth through strategic partnership, turnkey projects and regional expansion. • Enhance operational excellence and accountability-based performance culture. • Enhance supply chain efficiency, cost optimisation and monetisation of non-core assets. • Drive digitisation and adoption of digital work culture.	• Focus on inventories management, monetisation of low-yielding assets and cost optimisation. • Enhance operational effectiveness and innovation in property development. • Enhance digital adoption, service excellence and customer experience. • Develop complementary businesses to enhance our landbank.	• Enhance export markets and geographical expansion. • Enhance return and cost optimisation through production innovation and monetisation of low-yielding assets. • Develop Industrialised Building System (IBS) business.	• Focused execution through enhancing yield, cost optimisation and pragmatic replanting. • Enhancing capabilities in R&D and best practices, digitisation and embrace best-fit Industry 4.0 for better efficiency. • Drive innovation in mechanisation and diversification. • Manage sustainability footprint and address impact of climate change. • Enhance workforce and talent.	• Enhance cost optimisation through efficient highway maintenance, contractors' management, supply chain and energy management. • Improve highway connectivity and congestion. • Manage portfolio of toll road assets. • Embrace technology and workplace digitisation.	• Position Kuantan Port as the East Coast logistic hub. • Enhance throughput by leveraging on FDI and strategic partners. • Invest in equipment and facilities to enhance port capacity. • Enhance work processes and procurement efficiency through digitalisation. • Enhance talent management and succession planning.

Strict adherence to the Covid-19 SOP, Wisma IJM

With the onset of the Covid-19 pandemic in March 2020, the Group had swiftly and proactively adjusted its business strategies to address the emergent challenges and uncertainties posed by the pandemic. The Group had refined its strategies to address the potential impacts on our business, workforce and the broader economy.

Immediate focus amid the Covid-19 pandemic

1 Address Business Continuity

- Activate the Business Continuity Plan (BCP) with adherence to the Covid-19 standard operating procedures (SOP) for all operations to achieve full productivity.
- Manage risks associated with operational disruption due to the pandemic.
- Ensure no disruption of supply chain to support the business.
- Strengthen engagement and communication with stakeholders and customers.

2 Ensure Liquidity and Cost Management

- Ensure sufficient liquidity and cashflow management to meet financial obligations.
- Manage supply chain to optimise cost efficiency.
- Optimise procurement and overheads.
- Review capital expenditure and enhance working capital management.

3 Ready for the New Norm

- Strengthen information technology policies, infrastructure, cybersecurity and digital work processes to enhance workforce agility and productivity.
- Priorities workforce safety, health and well-being with continuous communication and ensure compliance with health and safety requirements.
- Adapt our products and services to meet the changing market demands.

Further details of the Group's workplace response in relation to Covid-19 are in the Sustainability Statement.

IJM's Value Creation Journey

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

MANAGEMENT DISCUSSION AND ANALYSIS

Value Creation Journey as at FY2020

INPUT CAPITAL

Financial Capital Funds raised from the financial markets, banks and internally generated cash flows enable our business growth and productivity.	Capital employed **RM17.3 billion ("bn")**
Intellectual Capital Significant know-how and expertise in the areas of construction, property, industry, plantation and infrastructure.	**37 years** in business
Human Capital Our people's competencies and capabilities are the backbone that drives the Group to achieve its business objectives.	**4,127 employees** **RM1.2 million ("m")** invested in employees who clocked over 46,600 training hours **384** On-Job-Training sessions, involving subcontractors, at project sites on Occupational Safety and Health
Manufactured Capital We rely on our assets and technology to produce products and deliver services based on market demand while using technology and best practices to innovate, enhance efficiency and reduce resource use.	**11** PSC Pile Factories **10** Ready Mixed Concrete Plants **8** Quarries **2** UBON Bars Factories **1** Sand Mining Plant **7** Palm Oil Mills **8** Tollways (6 operational and 2 under-construction) **1** Port **1** Power Plant
Social and Relationship Capital We build and maintain relationships with our diverse stakeholders to retain our social license to operate. We strive to understand their needs and meet their expectations in order to generate shared value, form lasting relationships and better manage our business risks and opportunities.	Customer focussed and community investment initiatives
Natural Capital We aim to minimise the impact of our environmental footprint and seek to optimise the use of limited natural resources while conducting our business operations.	Undeveloped land bank **5,131 acres** for property development Total planted land bank of **60,966 hectares ("ha")** in Malaysia and Indonesia

VISION, MISSION AND STRATEGY

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

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

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

Business Strategy
- Build Resilience
- Drive Growth
- Nurture Capabilities

HOLISTIC VALUE CREATION

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

Construction

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

Property

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

Industry

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

Plantation

Listed on the Main Board of Bursa Malaysia, IJM Plantations Berhad is our upstream agri-business which has grown to become a mid-sized planter with total planted land bank of 61,000 ha in Malaysia and Indonesia. IJM Plantations' mix of relatively young mature palm age profile places it in a favourable position to capitalise on significant growth production.

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

Infrastructure

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

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

Tolls

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

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

Port

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

VALUE CREATION FOR STAKEHOLDERS FY2020

A leader in **construction and civil engineering**, we built:
- Roads **2,300 km** (including design and build basis)
- Bridges and viaducts **150 km**
- Railways **160 km** (including infrastructure for LRT, KTM, MRT and monorail projects in Malaysia)

Building construction projects in Malaysia and India to date:
- Commercial and cultural project **RM7.5 bn** (office towers, shopping malls, museum and convention centres and educational institutions)
- Hospital and medical centres **RM1.8 bn**

Construction order book **RM4.5 bn** in FY2020

- Resorts and hotels **RM3.3 bn**
- High rise residential **RM3.2 bn** (serviced apartments and condominiums)
- Industrial buildings and railway depot **RM1.3 bn**
- Utility – water and power **RM870 m** (water supply, tunnelling, gas turbine facilities and hydroelectric power stations)
- Port **RM2.1 bn** (breakwater and deepwater terminal)
- Airport complexes **RM736 m**

Group Results:

Revenue **RM6.6 bn**

EBITDA **RM1.2 bn**

PBT **RM518 m**

Return to Shareholders: Dividends per share **3 sen**

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

Market Capitalisation **RM5.8 bn**, *increased 87 times with compounded annual growth rate of 13%*

Total Assets **RM24 bn**, *grew 136 times*

Total PBT **RM518 m**, *increased 42 times*

Maximising our portfolio of undeveloped land bank of **5,131 acres** with a **Gross Development Value (GDV) RM61 bn**

Property sales of **RM1.4 bn**

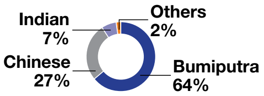
Real Estate Investment with recurring leasing income from Menara Prudential, TRX, Kuala Lumpur

Enhance brand equity through ongoing brand-building exercise

Enhanced corporate identity to aptly reflect our company beliefs and values

Awards page 10
- MSWG-ASEAN Corporate Governance Awards 2018
- MCIEA Best Major Project Award 2019 - Equatorial Plaza
- StarProperty Awards 2020
- The Edge Malaysia Property Excellence Awards 2019
- Putra Brand Awards 2019
- Malaysia Green Highway Index 2018

Malaysian workforce: page 173



Women make up about **one-third** of the total workforce page 176

100% return to work post maternity page 176

About **70%** of the workforce have been with the Group for >5 years

89 employees awarded with the 20-year Long Service Award page 174

Voted **Malaysia's 100 most desired graduate employers for 2019** page 174

Achieved a **5-Star rating in CIDB's SHASSIC audits** for construction projects – Kuchai Link 2 (BESRAYA), HSBC's new headquarters at TRX, WCE Section 3 and Seremban 2 Development page 168

Total weight of piles manufactured since 1977 **31.3 m MT**

Total volume of ready mixed concrete produced since 1998 **7.3 m m³**

Total quarry sales volume since 1996 **119 m MT**

Developed new **Grade 80 concrete mix** using low carbon material for higher durability and quality with low carbon index page 84

Total FFB produced **1,061,772 MT**

Total FFB processed **1,247,180 MT** page 91

Change management to ensure smooth transition of the group-wide **digital transformation and innovation** initiatives page 143

Won the **BIM Contest Malaysia 2019 for the Contractor Category** - Bukit Bintang City Centre project page 144

New Industrialised Building System facility under construction page 144

Purchased **hybrid Rubber Tired Gantry** provides safer, sustainable and productive container handling page 150

Installed the **CB6 conveyor system** from the stockyard to the shiploader at the Port to reduce cargo spillage page 154

Received the **Highway Digitalisation Excellence Award** for Workplace Modernisation page 145

Customer engagement and satisfaction page 139
- Average **81%** for all Construction projects
- Average **85%** satisfaction level for Property's projects
- Average **96%** satisfaction level for Industry's products and services
- **94%** satisfaction level for Port services
- Average **88%** users satisfaction level for all highways

Completed green buildings to date page 151
- 14 GBI projects • 1 GreenRE project
- 1 LEED project

Implemented **Anti-Bribery and Corruption System** across the Group page 137

Construction, Property, Industry, Port and Toll Divisions certified with the **ISO 9001:2015 Quality Management System**

Completed civil engineering projects – WCE Sections 8 and 9 – achieved internally developed IJM Quality and Safety Assessment (IQSAS) score of **81%** and **84%** respectively page 138

Construction, Industry and Port Divisions enhanced to the **ISO 45001:2018 Occupational Safety and Health Management System** page 166

Contribution to community **RM6.04 m** page 158

96% of our efforts are strategic community investments page 158

Built **671 affordable houses** amounting to RM184 m page 159

IJM Scholarship Award Programme: **14 scholarships** totalling **RM635,000** page 163

Invested over **RM600,000** on sports development programmes page 161

Construction, Property and Industry Divisions certified with the **ISO 14001:2015 Environmental Management System** page 148

Zero burning policy at all Plantation's operations

Awarded the SWCorp's Certificate of Appreciation for the **Best Practices on Construction Solid Waste Management** at the Affin Bank Project, TRX page 155

No deforestation of High Conservation Value and High Carbon Stock areas by IJM Plantations for any new plantings. A total of **5,299 ha** set aside for conservation, biodiversity protection and rehabilitation page 152

19% of our total waste footprint was reused or recycled page 155

No significant spills reported page 153

40% of energy is generated from renewable sources page 148

Solar power used in **5 pile factories** page 149

Reduced **38,111 tCO2e** at the pretensioned spun concrete pile factories in FY2020 page 149

LED lightings at our highways reduced **6,643 tCO2e** since FY2016 page 150

Invested in **water treatment systems** to treat water discharged to public drainage system, reused or recycled for further use

Rainwater harvesting systems installed to reduce water consumption page 153

903 m³ water reused from concrete reclaimers page 156

see respective pages for more details

Construction of the headquarters of HSBC and Affin Bank Berhad, Tun Razak Exchange, Kuala Lumpur

CONSTRUCTION

Construction Management Team


Ong Teng Cheng


Soo Sik Sang


Tong Wai Yong


Yong Juen Wah


Cyrus Eruch Daruwalla


Wong Heng Wai


Chan Kai Leong


Ng Eng Aan


Tan Ling Jin


Lee Foh Ching

Key Financial Indicators

REVENUE*
RM **2,292.83** m
FY2019: RM2,325.36 m
Decrease: (1.4%)

EBITDA
RM **288.28** m
FY2019: RM267.18 m
Increase: 7.9%

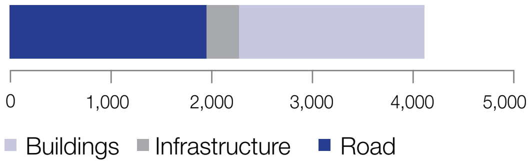
PBT
RM **173.20** m
FY2019: RM174.39 m
Decrease: (0.7%)

PBT MARGIN
7.6 %
FY2019: 7.5%

* includes share of associate and joint venture's revenue

Order Book FY2020

RM **4.5 bn**



The moderate economic growth and uncertainty of domestic policies which stemmed from political changes in Malaysia have affected the replenishment of construction order book for the Group's Construction Division in the short to medium term. Out of the total order book of RM4.5 billion as of FY2020, 78% was derived from Malaysia while the balance 22% was secured by its Indian operations.

During the financial year, the Division successfully secured two contracts valued at RM530.0 million and RM35.9 million for the construction of two blocks of 57- and 53-storey residential building and a sunken plaza respectively at upcoming international financial district, Tun Razak Exchange ("TRX"), Kuala Lumpur. Presently, the Division has two ongoing construction projects in this prestigious development namely the Malaysian headquarters of HSBC and Affin Bank Berhad, and had also completed the Menara Prudential office tower in 2019. In addition to the two projects secured at TRX, the Division also bagged a RM140.3 million contract for the construction of a 24-storey hotel with a 10-storey podium for commercial lots and carpark in Butterworth, Penang.

In addition, the Division was awarded in-house construction projects in the Group's established townships in Seremban 2 in Negeri Sembilan, Bandar Rimbayu in Selangor and The Light City in Penang.

The Division completed several projects in Malaysia. These projects were Sections 8 and 9 of the WCE, and Breakwater 2 project at Kuantan Port's NDWT. As for in-house projects from the Group's Property Division, the Division completed the Waterside Residence, a three-block residential building in Penang and a few phases of new residential homes in the Seremban 2 and Bandar Rimbayu townships. Additionally, the Division handed over a 41-storey Pantai Sentral Parcel 2 residential building in Pantai Sentral Park.

MANAGEMENT DISCUSSION AND ANALYSIS

Construction of Imazium office building, Damasara Uptown

In India, the Division completed two residential buildings - Symphony 1 and 2 of Phase 1 of the First City Project in Nagpur and the Dewas Bypass Tollway (19.8 km) during the financial year. The Indian operations is progressing well with the ongoing construction of the Vijayapura Tollway (Solapur-Bijapur road project) (109.08 km) and the remaining residential building, Symphony 3 of Phase 1 of the First City Project. Currently executing an order book of approximately RM1.0 billion as of FY2020 comprising highway construction and property projects in India, the Division aims to strengthen its presence in India by actively pursuing project opportunities in the public and private sectors as well as through strategic joint ventures.

In FY2020, the Construction Division recorded a revenue of RM2,292.83 million (FY2019: RM2,325.36 million) and PBT of RM173.20 million (FY2019: RM174.39 million). The marginal decline in revenue and PBT were largely due to lower construction progress during the financial year compared to the preceding financial year, particularly for WCE Sections 4 and 5 while Sections 8 and 9 were substantially completed in the previous financial year. Overall, the PBT and PBT margin for the full year remained steady.

To address the new business challenges ahead, the Division has aligned its business strategy with the Group's strategic plan. Its business strategy prioritises driving business growth through various ways – enhancing operational excellence and supply-chain efficiency, cost optimisation, monetisation of non-core assets and driving digitalisation including the adoption of a digital work culture.

The Division has upgraded its OSH Management System Standard certification from the preceding OHSAS 18001 and MS 1722 standards to the latest ISO 45001 standard. Changes were made to address the new requirements as well as to enhance the effectiveness of the Division's OSH Management System where a stronger focus on leadership and participation among human capital were the main aspects in the upgraded management system.

The Division aims to be the builder of choice that delivers while maintaining excellence in quality, safety and environmental standards. As one of the sector's market leaders, the Division has always placed great importance on upholding the highest standards of Health, Safety and Environment ("HSE") practices at its workplace and project sites.

Risk management processes are an integral part of our project planning to ensure that the company provides a safe working environment for all parties involved. Hazards and risks at the worksites are identified and assessed at the early stages, including design and pre-construction stages, which allow risk levels to be kept as low as reasonably practicable throughout the entire construction phase through effective and appropriate mitigation and control measures.

To ensure quality outcomes, exercising risk-based thinking is the Division's fundamental means to plan and control its activities and processes. An adequate risk mitigation plan ensures that all key processes are identified and outputs are planned, implemented, monitored and controlled. In addition, pre-requisite measures are adopted to verify that all activities and processes which have quality implications are verified at each stage and the results are documented for analysis and benchmarking.

The Division recognises the importance of developing the competencies and knowledge of its human capital to ensure high levels of success and sustained performance. To improve HSE capabilities and competencies, as well as to increase HSE ownership and commitment amongst its workforce, the Division carried out various engagements and promotional programmes such as its annual HSE Campaign, collaboration programmes and sharing sessions with the Department of Occupational Safety and Health (DOSH) and on-the-job training.

The Division defines quality as an extent to which it satisfies customers' requirements by providing exceptional professional services from the start to finish. This is reflected in its outstanding portfolio of completed projects and accolades.


Livia, Bandar Rimbayu


Dewas Bypass Tollway, India

MANAGEMENT DISCUSSION AND ANALYSIS

Construction Support Services


James Ponniah Joseph


Gabriel Chia Kee Loy


Soh Wan Heng


Yap Chee Keong


Cho Foong Khuan


Pang Sek Loh


Harjeet Singh


Casslyn Chong Siew Chen


Cheong Kong Wah

The company's quality system and its people work in sync to make quality a reality. Customer focus and the commitment to customer satisfaction are representative of the Division's quality work culture. The Division conducts regular competency and awareness training for its people so that they are able to swiftly respond to external changes and customers' requirements.

This drive for excellence has accorded the Division a 5-Star SCORE rating from CIDB, Malaysia by meeting the following characteristics: effective management system; strong leadership; high level of automated processes; good branding or packaging; and consistent in performance and delivery. This industry-leading score is a testament of the Division's capability and an assurance of its high delivery standard in project execution. During the financial year, IJM Construction also received the Best Major Project Award for its Equatorial Plaza project at the CIDB's Malaysian Construction Industry Excellence Awards (MCIEA) in October 2019.

In the area of technology, the Division has implemented Building Information Modelling ("BIM"), a digital representation of the physical, functional properties and characteristics of a building, in its construction workflow to increase efficiency and collaboration. BIM is a 3D model-based process that provides architectural, engineering and construction information, and tools to efficiently plan, design and manage the construction of building structures. The essence of the BIM process is that it enables the creation of virtual 3D models that can be explored and manipulated, making it easier to understand the relations among spaces, materials and systems. These allow for revisions and assembly of accurate details permitting design, clash detection, costing and scheduling.

Building excellence:
Awards garnered by the Division

Construction of Kampung Batu MRT Station

First City Project, Nagpur, India

West Coast Expressway

In tandem with rapid digital transformations taking place in the construction industry, the Division embraced Industry 4.0 to build a digital future in a holistic manner – one which unlocks significant economic, environmental and social benefits. The Division implemented an in-house designed and built Electronic Document Management System to improve the efficiency of projects correspondences and technical submissions including capturing, storing and archiving project documentation electronically whilst allowing secure and mobile accessibility. A Network Attached Storage (NAS) Synology Disk Station server system which enables file sharing, backup store management, cloud synchronisation and mobile applications for electronic data management and digital mobility was also implemented.

The Malaysian and Indian economies are anticipated to slowly recover from the prolonged impact of the Covid-19 pandemic and government-imposed movement restrictions. The Division will continue to monitor the landscape while also be mindful of the various other challenges ahead posed by the subdued property market, uncertainties of government policies and weakened global economy. However, the Division believes that the outlook for the Construction Division remains resilient backed by its strengthened risk management processes, expertise in managing major and complex building projects and synergies with the Group's other business divisions.

Secoya Residences @ Pantai Sentral Park

PROPERTY

Property Management Team


Edward Chong Sin Kiat


Dato' Toh Chin Leong


Dato' Hoo Kim See


Chai Kian Soon


Roger Lee Wai Hin


Patrick Oye Kheng Hoon


Tan Khee Leng


Chai King Sing


Christine Wong


Leong Fook Yew


Pee Poh Hun


Yeo Yee Khim

Key Financial Indicators

REVENUE*
RM **2,305.12** m
FY2019: RM1,482.01 m
Increase: 55.5%

EBITDA
RM **248.24** m
FY2019: RM228.53 m
Decrease: 8.6%

PBT
RM **203.26** m
FY2019: RM202.04 m
Increase: 0.6%

PBT MARGIN
8.8 %
FY2019: 13.6%

* includes share of associate and joint venture's revenue

Malaysia's property market remained stable in 2019 with reference to the data from the National Property Information Centre's (NAPIC) Property Market Status Report which showed a modest increase in the total transaction volume and value by 4.8% to 328,647 transactions and 0.8% to RM141.4 billion respectively compared to the previous year.

While there were lesser new launches in the market during the year, the new launches recorded better sales performance at 40.4% as compared to 2018 (34.6%). With fewer new launches and improved sales, the value of unsold residential units also dropped to RM18.82 billion in 2019 compared to RM19.86 billion a year earlier.

The positive signs were mainly the result of the Government's efforts that continued in 2019 from the previous year. Various policies were implemented to improve housing affordability and to spur housing market sales. Amongst the measures implemented included stamp duty waiver on sale and purchase of properties, priced between RM300,000 to RM1.0 million, purchased under the National Housing Policy 2.0, Sales and Services Tax (SST) exemption on various building materials subsequent to the removal of Goods and Service Tax (GST) in the prior year, the Home Ownership Campaign ("HOC") 2019 that ran from 1 January to 31 December 2019, allocation of funds for funding purchases of affordable homes with lower interest rates and the reduction of Overnight Policy Rate (OPR).

In FY2020, the Division recorded a total revenue of RM2,305.12 million, representing a 55.5% increase from RM1,482.01 million recorded in the previous financial year. Consequently, PBT increased by 0.6% to RM203.26 million compared to RM202.04 million in FY2019. The increase in revenue and EBITDA was mainly due to the completion of the Royal Mint Gardens, the Division's maiden project in London, United Kingdom. The slight increase in PBT was not proportionate to the revenue increase mainly due to writedowns on the carrying value of certain inventories in anticipation of a softer market in the coming financial year as a result of the Covid-19 pandemic.

MANAGEMENT DISCUSSION AND ANALYSIS

Rimbun Impian, Seremban 2

The Division registered RM1.4 billion in sales for the financial year, contributed by Residensi Suria Pantai of Pantai Sentral Park in Kuala Lumpur, Rimbun Impian and Rimbun Alam of S2 Heights in Negeri Sembilan, Alam Suria of Puncak Alam in Selangor and Swans of Bandar Rimbayu in Selangor.

The positive sales performance and take-up rate were attributed to aggressive sales efforts coupled with innovative marketing campaigns throughout FY2020. Sales and marketing activities were extended beyond Malaysia to other countries within the region. The Division continued to build its customer base and market its properties through digital marketing platforms, social media as well as providing immersive experiences with videos and 360° virtual walkthrough show units. The HOC 2019, which provided several exemptions and incentives including stamp duty waivers for properties purchased during the year, also contributed to the Division's healthy sales.

The Division's township developments in Malaysia continue to receive positive response due to its strategic location, connectivity and amenities. The year 2019 saw the opening of two recreational facilities at the Bandar Rimbayu and Shah Alam 2 townships respectively to encourage more residents to lead a healthy and fun lifestyle while enjoying family bonding at the same time.

The Club @ Rimbayu, a RM24 million 2-acre club facility, equipped with swimming and wading pools, gymnasium, sauna, ball courts, multi-purpose hall and karaoke rooms, was completed and opened to members during the financial year. The Division also completed and opened the RM5 million Central Park at its Shah Alam 2 township in September 2019. The 11-acre Central Park is expected to meet the outgoing and outdoor needs of the 1,163-acre township residents as well as its surrounding communities. The highlight of the park is the open air amphitheater, built specially for residents to get together for community activities. Central Park is also home to the first skate park in Puncak Alam where avid skaters and bikers could gather and practice. The Division will continue to invest in livability enhancements to meet the needs of its communities.

The development of the Group's investment property, Menara Prudential, a 27-storey office building within the TRX, Kuala Lumpur was completed during the financial year. The respective office floors were handed over to Prudential in May 2019, generating recurring leasing income to the Division.

Royal Mint Gardens, London, United Kingdom

On the international front, the Royal Mint Gardens in London was completed in December 2019. The conversion of contracts exchanged to legal completion were very encouraging, contributing to more revenue recognition during the financial year. The project received positive reviews from purchasers and the real estate community for its build quality and innovative design.

In India, Phase 2, Willows of the Division's Raintree Park Dwaraka Krishna Township ("RTPDK") in Vijayawada, Andhra Pradesh was developed on a 5.5 acre land (from a 108-acre land bank) with 632 residential apartments. Sales picked-up favourably after the issuance of the occupancy certificate in September 2019 as buyers need not pay for GST in October and November 2019 but slowed down in early 2020 due to the Covid-19 pandemic. Post easing of the lockdown, the sales team will work to improve sales in the catchment zones of Vijayawada, Guntur, Tenali, Mangalagiri and surrounding areas.

The State Government of Andhra Pradesh announced a *Decentralised Administration* in January 2020 with a proposal for three capitals: the legislative capital to continue to function from Amaravati; Visakhapatnam to be the executive capital, shifting majority of the administrative departments along with the Chief Minister's office and the Raj Bhavan (Governor); and Kurnool to be declared as the judicial capital. These proposals are currently under review.

Raintree Park Dwaraka Krishna Township, Vijayawada, India

MANAGEMENT DISCUSSION AND ANALYSIS

The Division's First City Project ("FCP") in Nagpur, India, is being developed on 42.6 acres of land. Presently, the first phase of the project is developed on 31 acres which consists of three residential buildings – Symphony 1, 2 & 3 comprising 568 units with a club house, multipurpose hall, badminton and squash courts and other amenities. Symphony 1 and 2 were completed in December 2019 and the handover of vacant possession to buyers commenced in January 2020 but was disrupted temporarily due to the pandemic.

Nagpur is emerging as the most promising location for investment in India with great infrastructure development, centralised geographical location and the availability of skilled labour. Apart from that, the city is also a preferred destination for knowledge-based industries such as the Indian Institute of Management and All India Institute of Medical Sciences as well as the development of Butibori as Asia's largest industrial estate. With these positive prospects and its strategic location outside the Special Economic Zone, the outlook for FCP is bright as it aims to be a world-class integrated township.

During the financial year, IJM Land garnered several high-profile accolades and award wins, including being named as one of the top 10 property developers in Malaysia at The Edge Malaysia Property Excellence Awards, which celebrates the best property players and developments in the country. At the Putra Brand Awards, also known as 'the People's Choice' awards, IJM Land was awarded the highest accolade – the platinum award in the property development category. The Division also won the Best Overall Champion while Bandar Rimbayu and Secoya Residences won individual property awards at the StarProperty Awards 2020. Its continued success in these awards is a testament of its commitment towards making homes mean more to the many families who have put their trust in the company.

Prestigious award wins at The Edge Malaysia Property Excellence and Putra Brand awards

Bandar Rimbayu

As a conscientious developer, the Division has maintained an unwavering support to the protection of the environment by mitigating the impacts of its operations on the surroundings where it operates. The Division is committed to complying with regulatory guidelines on environment preservation set by the local authorities. During the financial year, the Division obtained ISO 14001:2015 certification on Environmental Management System in Malaysia.

FY2021 is expected to be challenging for the housing market amidst macroeconomic uncertainties caused by the Covid-19 pandemic. The Division expects subdued sales as consumer sentiments have been affected by the ongoing pandemic and government-imposed movement restrictions. As a result, the Division will review its upcoming launches in line with current market conditions. Nonetheless, the strategic locations of the Division's projects and townships, and the brand premium that it has established, together with current unbilled sales, will help cushion some of the effects of the pandemic. The Division expects to record a lower performance for the forthcoming financial year.

Following the pandemic, the Division will make the necessary adjustments to its business to enhance operational performance and be more agile in the face of unprecedented socioeconomic changes. The Division has set out to rethink its plans, strategies and product designs for new launches. Space for social distancing will be critical, and flexibility of features to cater to different and new lifestyles such as work or study-from-home is expected to be the new norm. At the same time, the Division's immediate priority is to actively review its liquidity and cash flows whilst adjusting its strategies to address the current challenging and uncertain market conditions.

Central Park, Bandar Puncak Alam


ICP piles

INDUSTRY

Industry Management Team


Tan Boon Leng


Lee Chee Heong


Faizal Amir B Mohd Zain


Tan Khuan Beng


Choy Teik San


Chan Kok Keong


Lee Hong Chai


Tan Chuan Choon


Loh Zhi Ming


Lau Liang See


Yap Swee Kee


Ng Chew Woei


Chan Huan Ong

Key Financial Indicators

REVENUE* RM **833.07** m FY2019: RM886.42 m Decrease: (6.0%)	**EBITDA** RM **110.30** m FY2019: RM114.72 m Decrease: (3.9%)
PBT RM **44.90** m FY2019: RM58.99 m Decrease: (23.9%)	**PBT MARGIN** **5.4** % FY2019: 6.7%

* includes share of associate and joint venture's revenue

The Industry Division continued to face the headwinds that were present from FY2019. Business sentiment was subdued due to the large overhang of unsold properties in Malaysia and the trade war between the United States and China. In the final quarter, all countries imposed lockdowns to prevent the spread of Covid-19 while Malaysia imposed movement restrictions since 18 March 2020, leading to a massive slowdown in economic activity.

During the financial year, the Division's two core business lines, pretensioned spun concrete ("PSC") piles and quarrying, recorded lower volumes and selling prices causing revenue to fall by 6.0% to RM833.07 million while PBT dropped by 23.9% to RM44.90 million.

The first half of FY2020 saw a slight growth in sales volume, compared to the previous financial year. Major projects contributing to the sales were Paper Mills in Banting, Selangor; Deepwater Terminal (Phase 3) at Pengerang, Johor; Port Klang Refrigerated LPG Terminal at Westport, Selangor; Coastal Highways in Sarawak; Micron Memory Factory at Batu Kawan, Pulau Pinang; Hospital Kemaman, Terengganu; ATB Phase 2 Expansion Project, Tanjung Bin, Johor; and 99 Residence (4 Blocks of 55-storey Service Apartments) in Kuala Lumpur.

Sales in the second half of the financial year became more challenging. Major projects contributing to sales were the Vinda Tissue Paper Factory at Bukit Raja, Selangor; MMC Logistic Hub at North Port, Selangor; Kiara Bay Mixed Development Phase 1 at Kepong, Kuala Lumpur; Water Supply Projects in Miri and Kota Samarahan, Sarawak; Parkwood Residences Mixed Development (Veranda) at Johor Bahru, Johor; Paper Mill at Kulim, Kedah; and a Flyover in Kota Bahru, Kelantan.

The Division's export market achieved 217,500 tonnes, an improvement of 10% from FY2019. This was mainly contributed by the Breakbulk Terminal in Weda, Indonesia; Linde New Pitch Gasification Plant at Jurong Island, Singapore; Construction of Polder at Pulau Tekong, Singapore; Industrial Complex at Chittagong, Bangladesh; and Patenga Container Terminal, Bangladesh.

MANAGEMENT DISCUSSION AND ANALYSIS

Loading armour rocks for shipment at Segari Quarry

For FY2021, the Division is pursuing numerous projects including ECRL project; Deepwater Terminal (Phase 3b and 3c) at Pengerang, Johor; Coastal Highways in Sarawak; a Commercial Development in Jelutong, Penang; the Pan Borneo Highway, Sabah; Logistic Warehouses in Shah Alam and Johor Port; and Industrial Plants at MCKIP in Kuantan, Pahang.

For the overseas market, the Division will continue to focus on countries such as Singapore, Myanmar, Indonesia, Brunei and Bangladesh. In addition, the Division aims to leverage on the networks gained from its operation in China to target foreign investments into the Asia region, especially from China through the Belt & Road Initiative.

The Division will offer value engineering to its customers whenever possible, to capture the market that is using other foundation system. The SAP Ariba Sourcing for procurement was introduced in FY2020 for transparency, standardisation of information and offers auction strategies to achieve competitive pricing. Through reverse auction events conducted for purchases of raw materials, project works and services, machineries and equipment, prices have become more competitive and savings were achieved. The Division will continue to adopt SAP Ariba Discovery and utilise various auction strategies to achieve optimum cost savings for future purchases.

At the piles production level, ground granulated blast furnace slag was used to substitute 25% of its cement consumption which was about 30% cheaper than cement. The Division expects higher savings in the coming financial year when granulated blast furnace slag is used on a bigger scale. Inventory level of steel materials was substantially reduced during the financial year to reduce holding cost. To further contain costs, various cost down initiatives have been lined up for the new financial year and if necessary, the Division will look into the decommissioning of its Ipoh factory.

The Division's research and development department continuously performs experiments and formulates new concrete mixes for more efficient and cost-effective concrete to be used in its spun pile and ready-mixed operations. In the production of spun piles, a new grade 80 concrete mix using low carbon material was formulated for higher durability and quality with low carbon index while for pump concrete application, a new improved high strength concrete mix using low viscosity superplasticiser was created for consistent workability and concrete performance. As for ready-mixed operations, a new concrete mix was formulated with low carbon material for better concrete quality.

The health and safety of employees and visitors at the Division's factories and quarries are its top priority. Amongst the HSE initiatives and trainings for employees and workers are firefighting and chemical handling, shovel and forklift operations, refresher trainings for crane operators, refresher first aid trainings, trainings for machinery work on slope and development area as well as a No Handphone Policy on the production floor to prevent accidents. A HSE campaign on road safety was held to create awareness among employees and workers who commute to work. In addition, a HSE awareness competition among factories/quarries is conducted annually to promote a safe and healthy work environment.

In its China operations, ICP Jiangmen's revenue decreased by 19.7% to RM43.76 million from FY2019 due to lower sales volume and recorded a loss before taxation ("LBT") of RM2.12 million. Deliveries were affected in the last quarter of FY2020 due to the Covid-19 pandemic, achieving only 17.5% of the year's delivery. The Division expects more marine projects to take off in FY2021 and the company is confident of securing some of them. Among the major projects targeted are: Ocean Engineering Marine Terminal, Lu Feng; Sinopec Petroleum Refinery Terminal, Zhanjiang; and Bashuo Fishing Terminal, Hainan.

Durabon Sdn Bhd ("DSB") achieved a revenue of RM87.10 million, a decrease of 8.4% from FY2019 following lower sales volume by 1.2%. PBT was lower by 47.1% to RM1.44 million as profit margin was affected by lower average selling prices due to stiff competition from imported China PC Bars. DSB improved its production efficiency by 27% and production costs decreased by 7% compared to the prior year. DSB aims to further expand its sales to Kuching, Sarawak and Batam in Indonesia, Taiwan and Vietnam which had increased by 355% compared to FY2019. Both local and export sales will remain challenging with the influx of cheaper finished products from China. To improve production efficiency, DRB plans to close its operations in Senai and operate solely from its Klang factory.

The ground breaking of the Division's new IJM IBS factory was officiated by the Works Minister in August 2019. The construction progress had reached the roof level before it was halted due to the Covid-19 government-imposed movement restrictions. Consequently, the completion of the factory is expected in FY2021. To secure orders, the Division is collaborating with IJM Land on their future launches such as Rumah Selangorku Apartment blocks at Bandar Rimbayu. The Division also plans to use IBS components in its office building at the IBS factory. In the near term, the Division foresees the adoption of the IBS system to increase in Malaysia with the implementation of the IBS Scoring system by CIDB. The new IBS system is expected to be an advantage to the Division as it requires less labour compared to the conventional labour-intensive construction method.

Sales volume in the Division's quarries marginally improved by 3.4% from last year. The rise was mainly attributed to the demand from ready-mix plants which were supplying to the ongoing MRT project, infrastructure jobs and export of armour rocks to Singapore. Consequently, its quarries in Junjung, Ulu Choh, Kuang and Segari registered an uptrend in sales volume. Despite the increase, revenue only rose by 0.7% on lower selling prices, decline in sand yield at Bestari Jaya to 35% from an average 50% previously, lack of local construction activities around Kuantan and Segari, and the nationwide movement restrictions from 18 to 31 March 2020 with no production and sales activities. As a result, PBT shrank by 30.2% to RM10.24 million.

While the ECRL project has recommenced, the slow start-up coupled with material supply only commencing in November 2019 with small requirements, has affected the sales and productivity performance of the Division's Kuantan quarries in Gebeng and Panching. With reduced local activities and delayed project execution, both quarries were not profitable in FY2020.


ICP pile wire cages

MANAGEMENT DISCUSSION AND ANALYSIS

The quarry in Segari, Perak had received orders from clients in Singapore, Bangladesh and Andaman for more than 700,000 tonnes of quarry materials. However, there were delays in obtaining export approvals from the Kementerian Tenaga dan Sumber Asli due to the movement restrictions. The Division expects more progress once the restrictions are lifted in phases. The Division is looking for a replacement for its Kulai quarry which has ceased operations in November 2019.

The revenue of Strong Mixed Concrete Sdn Bhd ("SMCSB") declined by 23.5% to RM61.16 million (FY2019: RM80.0 million) mainly due to the decline in volume after the closure of two non-performing plants during the financial year. The Division's two plants at Chan Sow Lin and Segambut continued its good run with supplies to projects such as MRT 2 V203 and in-house projects such as Riana Dutamas Parcel 2, Affin Tower and UOB Tower.

SMCSB's Penang plant suffered losses due to the contraction in the construction sector and an overhang of residential properties. There was a steep drop in average selling prices due to the intense competition amongst ready mixed players in that region. After downsizing to three plants from a rationalisation exercise, SMCSB's performance improved and registered a PBT of RM1.15 million compared to a small profit previously.

The performance of India's ready-mix concrete operations was mixed. In Hyderabad, sales volume dipped by 19% from the previous financial year as new infrastructure projects introduced by the new Telangana Government were divided into smaller packages while Mumbai was severely affected by the non-banking financial companies crisis which slowed down construction activities and collections. The Bangalore plant in Mandur registered a 14% increase in volume compared to the last financial year and in Dewas, the volume increased by 11% contributed by the Group's in-house highway projects. Overall, the sector registered a marginal drop of 1.1% in revenue to RM101.03 million but suffered a LBT of RM145,000 compared to a PBT of RM2.63 million in the last financial year. This was mainly due to higher provisions made for expected credit loss in view of the Covid-19 pandemic.

The quarry business in India fared better by returning a higher revenue of RM26.97 million compared to RM17.98 million in the last financial year. The new plant at Visakhapatnam started in August 2019 and contributed to the increased revenue. However, PBT was lower at RM0.06 million due to a major breakdown of the crushing plant at Medchal.

Scaffold Master Sdn Bhd's revenue increased by 38.5% to RM13.10 million mainly due to an increase in the rental of heavy-duty shoring items and sale of remnant non-conforming frame scaffoldings. However, PBT decreased to RM3.26 million arising from increased depreciation due to purchases of heavy-duty shoring items and restocking of MS1462 compliant frame scaffoldings as well as margin compression due to lesser jobs.

Ready mix concrete plant, Kuala Lumpur


Quarry at Segari, Perak

Kemena Industries Sdn Bhd, a 55% subsidiary in Bintulu, Sarawak is engaged in the production and sales of ready-mixed concrete and precast reinforced concrete products. Its revenue increased by 10.3% to RM18.91 million and PBT rose 15.3% to RM1.55 million, backed by extraordinary income of RM0.51 million. Business is expected to be challenging in the year ahead mainly due to the adverse impact arising from movement restrictions and collection concerns. Infrastructure works such as the Pan Borneo Highway and bridges commissioned by the Federal Government; roads and drainages by local authorities and water pipelines by the State Government are still ongoing but might encounter delays.

The uncertainties arising from the Covid-19 pandemic is not expected to be resolved in the near term. The slowdown of property development activities in Malaysia and Singapore will adversely impact the Division's revenue but it is expected to be compensated by the growth of its overseas market, Bangladesh and Myanmar. To reduce borrowings and improve cash flows, the Division will focus on monetising low yielding assets, maintaining a lean cost structure, deferring non-essential capital expenditure and continue optimising inventory levels.

The outlook of the Division hinges on the execution of the Government's short-term economic recovery plan to stimulate the economy and kick start the aforementioned major infrastructure projects. The commencement of these projects is expected to help the Division ride out the challenging period ahead.


ICP piles used at PT TshingShan Weda Bay, Indonesia


ICP piles used at Patenga Container Terminal, Chittagong, Bangladesh


Sijas Estate, Sabah

PLANTATION

Plantation Management Team


Joseph Tek Choon Yee


Puru Kumaran


Sandra Segran A/L Kenganathan


Lee Hock Leang

Key Financial Indicators

REVENUE*	EBITDA
RM **739.13** m	RM **122.65** m
FY2019: RM630.90 m Increase: 17.2%	FY2019: RM118.99 m Increase: 3.1%
LBT	**PBT MARGIN**
RM **50.47** m	**-** %
FY2019: RM43.31 m Increase: 16.5%	- %

* includes share of associate and joint venture's revenue

In its formative years, the Plantation Division started as a local grower in 1985 with its first cultivation of merely 4,000 hectares ("ha") in Desa Talisai, Sabah, Malaysia, before establishing its footprint in Indonesia. Today, the Division boasts a total cultivated area exceeding 60,000 ha in both Malaysia and Indonesia. Listed on the Main Market of Bursa Malaysia since 2003, the Division's principal activities are in the cultivation of oil palms, processing of fresh fruit bunches ("FFB") into crude palm oil ("CPO") and processing of palm kernel ("PK") into crude palm kernel oil ("CPKO") and expellers.

During the financial year, the Division successfully commissioned its third palm oil mill in Indonesia, further increasing its processing capacity and bringing its total palm oil mills to seven in both Malaysia and Indonesia. These palm oil mills, strategically located in close proximity to its plantations, are running at a total capacity of 360 metric tonnes ("mt") of FFB per hour. Four palm oil mills in its Malaysian operations are operating at a total capacity of 180 mt of FFB per hour, similar to the three mills in its Indonesian operations that are running with total capacity of 180 mt of FFB per hour.

The year 2019 proved to be another challenging year for the palm oil industry as it faced tough market conditions. The ongoing trade war between the Unites States and China, muted demand resulting from higher import duty on palm products by India, the European Union's aversion to palm oil and the prolonged weakness in soybean oil prices resulted in the prevailing low CPO and PK prices for most part of 2019. As a result, CPO prices were averaging about RM2,000 per mt in the first nine months of 2019.

However, in the final quarter of 2019, the industry witnessed a strong recovery in CPO price and in January 2020, the price exceeded RM3,100 per mt. The price recovery was sparked by the drop in palm oil production in Malaysia and Indonesia while global demand started to pick up coupled with the commitment by the Malaysian and Indonesian governments to expand their biodiesel mandate. Unfortunately, this rally was short lived as the Covid-19 pandemic caused demand uncertainties, compounded by the collapse of petroleum prices.

MANAGEMENT DISCUSSION AND ANALYSIS

The Malaysian government has increased the minimum wage by 9% from RM1,100 to RM1,200 per month for major towns. The new wage hike, which came into force on 1 February 2020, has further increased the plantation industry's operating cost.

Despite the ongoing replanting activities in its Malaysian estates, the Division's FFB production in FY2020 hit a new high and exceeded 1 million mt for the first time to close the financial year at 1,061,772 mt, representing a 9% increase in the overall FFB production compared to 976,395 mt in FY2019.

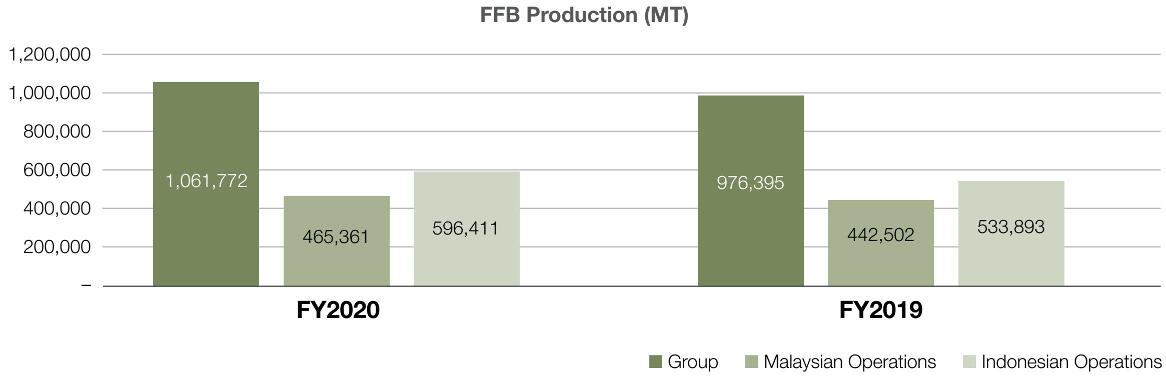
Details of the Division's oil palm age profile are as follows:

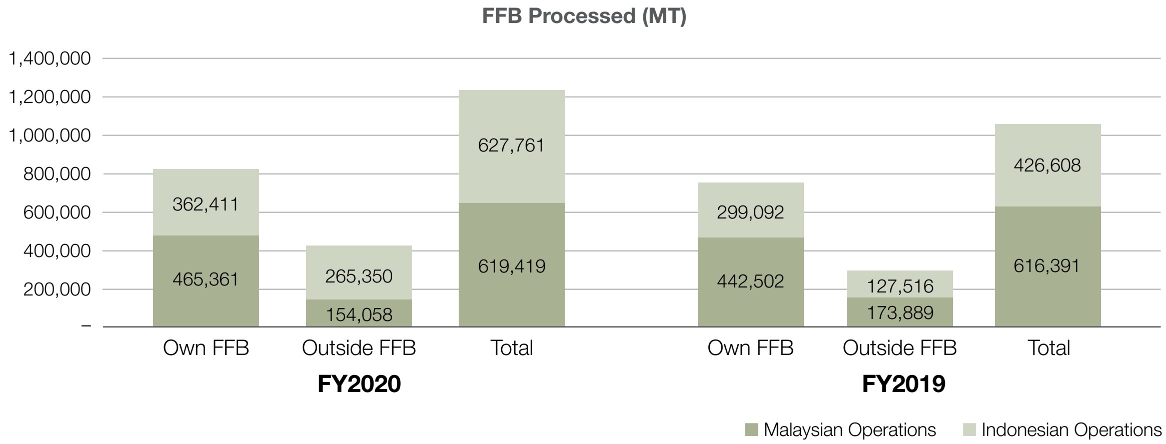
o		Malaysian Operations		Indonesian Operations		Division Total	
		Hectares	%	Hectares	%	Hectares	%
Mature	(> 20 years)	3,326	13%	-	0%	3,326	5%
Mature - Prime	(8 - 20 years)	15,536	62%	28,413	79%	43,949	72%
Mature - Young	(4 - 7 years)	2,714	11%	4,380	12%	7,094	12%
Immature	(1 - 3 years)	3,322	14%	3,275	9%	6,597	11%
	Total	24,898	100%	36,068	100%	60,966	100%
	Weighted average age of palms (years)		14.5		8.8		11.1

Total area under cultivation as at 31 March 2020 stood at 60,966 ha (FY2019: 60,633 ha) consisting of 54,369 ha (FY2019: 54,104 ha) of mature areas and 6,597 ha (FY2019: 6,529 ha) of immature areas with a weighted average age of 11.1 years; 59% of the total planted area is located in Indonesia while the balance 41% is located in Sabah. From the total planted area, 86% of the Malaysian planted areas are mature whereas the mature area in the Division's Indonesian operations increased slightly to 91% compared to 90% in FY2019. While the Malaysian operation's mature-prime remained in the range of 62%, the Indonesian operation's mature-prime increased to 79% compared to 38% in FY2019.

During FY2020, the Division benefitted from more areas attaining maturity with movement into prime age at its Indonesian operations and the change in cropping pattern that contributed to the increased overall FFB production. By geographical segment, FFB production from the Indonesian operations registered a growth of 12% to 596,411 mt of FFB as at FY2020 (FY2019: 533,893 mt). FFB production from the Malaysian operations increased by 5% to 465,361 mt (FY2019: 442,502 mt), net of crops reduced from areas removed for replanting.

In terms of crop yield and productivity, the Division's average yield per ha increased to 19.5 mt per ha compared to 18.1 mt per ha in the previous year. The Sugut region of the Malaysian operations continue to suffer the lag effect of the extended dry weather in 2015/16 that caused the recurring snapping fronds on the older palms. This resulted in reduced FFB yield from the Sugut region with a yield of 20.0 mt per ha in FY2020. Notwithstanding this, the Sandakan region with its newly replanted areas and younger palms registered yields of 25.9 mt per ha in FY2020. Overall, the Division's Malaysian operations recorded FFB yield of 21.6 mt per ha (FY2019: 20.1 mt per ha) while its Indonesian operations recorded 10% increase in FFB yield to 18.2 mt per ha (FY2019: 16.6 mt per ha). For the coming year, the Division's crop production is expected to improve further due to more areas moving toward prime age, net of its ongoing replanting programme.





The Division processed a total of 1,247,180 mt (FY2019: 1,042,999 mt) of FFB, an increase of 20% compared to the previous year due to increased availability of both own and purchased crops.

In its Malaysian operations, a total of 619,419 mt (FY2019: 616,391 mt) of FFB inclusive of outside crop were processed by its four palm oil mills. With this, a total of 123,737 mt (FY2019: 122,973 mt) of CPO and 30,950 mt (FY2019: 32,502 mt) of PK were produced by the Malaysian operations. Average oil extraction rate ("OER") and kernel extraction rate ("KER") achieved were 20.0% (FY2019: 20.0%) and 5.0% (FY2019: 5.3%) respectively.

FFB processed in its Indonesian operations was 627,761 mt (FY2019: 426,608 mt), 47% higher than the previous year due to more palms attaining maturity and moving into prime age and the commencement of the third mill in the last quarter of FY2020, in addition to the increased crops from neighboring plantings. A total of 144,126 mt (FY2019: 101,192 mt) of CPO and 24,257 mt (FY2019: 18,455 mt) of PK were produced in the Indonesian mills. Average OER and KER achieved were 23.0% (FY2019: 23.7%) and 3.9% (FY2019: 4.3%) respectively.

The kernel crushing plant in the Division's Malaysian operations processed 28,358 mt (FY2019: 25,663 mt) of PK to produce 13,164 mt (FY2019: 11,757 mt) of CPKO and 13,874 mt (FY2019: 12,621 mt) palm kernel expellers ("PKE"). Average extraction rate for CPKO was 46.4% (FY2019: 45.8%) and 48.9% (FY2019: 49.2%) for PKE. At the Division's Indonesian operations, the kernel crushing plant processed 21,006 mt (FY2019: 17,837 mt) of PK to produce 8,561 mt (FY2019: 7,169 mt) and 12,063 mt (FY2019: 10,331 mt) of CPKO and PKE respectively.


Rakanan Jaya North Estate, Sabah

MANAGEMENT DISCUSSION AND ANALYSIS


Prima Palm Oil Mill, Indonesia

With the global uncertainties, palm prices remained depressed and CPO prices hovered in the range of RM2,000 per mt in the first three quarters of 2019. Nevertheless, a short-lived spike in CPO price towards the end of 2019 contributed to the higher average CPO price achieved of RM2,156 per mt (FY2019: RM1,998 per mt). Average CPO price from its Malaysian operations increased to RM2,269 per mt (FY2019: RM2,125 per mt) whereas in its Indonesian operations, the CPO price increased to RM2,052 per mt (FY2019: RM1,846 per mt). Compounded with higher sales volume, the Division achieved a revenue of RM739.13 million (FY2019: RM630.90 million), an increase of 17.2% from the previous year.

The Division's cost of sales for the current financial year was 6% higher than the prior year mainly due to higher outside FFB purchase cost arising from higher CPO prices and higher crop volume secured. Aside from this, the Division's performance was significantly affected by the net unrealised foreign exchange losses of RM87.11 million (FY2019: RM25.78 million) on its United States Dollar and Japanese Yen denominated borrowings. There was also a fair value loss on its crude palm oil pricing swap contracts amounting to RM7.88 million (FY2019: Gains of RM7.53 million).

As a result, the Division incurred a LBT of RM50.47 million compared to RM43.31 million in FY2019. Despite the net unrealised foreign exchange losses and fair value losses, the impact from higher FFB production coupled with improved commodity prices have contributed to an improved EBITDA of RM122.65 million compared to RM118.99 million in FY2019. In line with the increase in commodity prices, contributions to the Sabah state sales tax, windfall profit levy to the Malaysian Customs Department and statutory payment of cesses to Malaysian Palm Oil Board ("MPOB") have increased to RM23.45 million compared to RM22.01 million in FY2019.

The Division's capital expenditure of RM99.79 million (FY2019: RM138.76 million) consisted mainly of development expenditure in its Indonesian operations including the construction of the third palm oil mill, immature plantings expenditure and related infrastructure establishment and replanting expenditure in the Malaysian operations.

Presently, the Division's operating units are certified under various national and international certification schemes. On the mandatory certification under the MSPO scheme, the entire Malaysian operations are fully certified. The Division continued with its recertification to the International Sustainability and Carbon Certification ISCC-EU scheme where premiums are derived for its own certified CPO. Across in Indonesia, six of its operating units achieved certification under the ISPO scheme. The Division will work towards full implementation of the ISPO certification for its Indonesian operations as land lease titles (Sertipikat Hak Guna Usaha) have been secured.

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

R&D plays a crucial role in the sustainable growth of the Division. Its R&D department in Sandakan with sub-stations in Sugut and Kutai Timur, aim to increase yield and efficiency, reduce production costs, ensure environmental sustainability and enhance profitability over time. The ongoing oil palm breeding, selection and progeny testing programme will enable the Division to improve planting materials to meet present and future needs to ensure higher yields and other desired oil palm characteristics. The seed production unit has the capacity to produce over 1.5 million DxP seeds (derived from Deli Dura and AVROS pedigrees) per annum.

The Division continued its collaboration with ACGT Sdn Bhd and Genting Green Tech Sdn Bhd, subsidiaries of Genting Plantations Bhd, in undertaking R&D projects on oil palm biotechnology. This involves an oil palm material transfer for marker validation and a high yield biomarker screening project. The Division's pragmatic replanting policy was adhered to both in times of low as well as high CPO prices to achieve the desired age profile. All replanting programmes are carried out in accordance with the Division's environmental-friendly Zero Burning Policy. Old palm stands are felled, chipped and left to decompose at site as per regulations set by the Department of Environment Malaysia.

People are the heartbeat of the Division. To achieve its goals, the Division continues to nurture and develop a motivated and engaged workforce to execute its strategies and plans. The Division remained focused with its High Performance Culture programme, embracing diversity and inclusion as well as its core values. The emphasis on quality, occupational safety and health remains a key focus to ensuring a safe working environment. The Division continued to upgrade the workers' living quarters complete with amenities such as electricity and water, medical care, crèche, learning centres, recreational and sports facilities. This has elevated the sense of belonging among its people, motivating them to strive for enhanced esprit de corps and higher performance.

The Division continued to invest in various training and development programmes to upskill the talent at middle management and junior levels to ensure a robust talent pipeline throughout the organisation.

The Division is actively involved in collaborations and partnerships with numerous NGOs and government bodies such as Borneo Child Aid for the education of guest workers' children; Sabah Rugby Union and the Education Department for youth sports development through rugby; Sandakan Pink Ribbon for grassroot breast health awareness; and Borneo Bird Club in support of awareness and promotion of endemic Borneo birds among others.

To underscore its environmental commitment, the Division has set aside parts of its land bank for conservation, biodiversity enhancement, research and education while actively engaging relevant stakeholders through various activities, including its signature Walk With CEO programme. At the same time, the Division continued to adopt and implement a myriad of best management practices such as soil and water conservation, utilisation of by-products, integrated pest management as well as zero-burning practices. Employees in the Indonesian operations volunteered in the Sejuta Pohon project by planting suitable local tree species at rehabilitation plots.


Excellent Challenger 1 Estate, Sabah

Smallholders are important stakeholders in the Division's supply chain. The Division partnered with an NGO, Earthworm Foundation (formally known as The Forest Trust) in a transformation project called Rurality since 2015 where smallholders supply their crops to the Division's Desa Talisai Palm Oil Mill in Sandakan. To date, 82 smallholders participated in the project with a total 334 ha mapped. The smallholders from Ulu Muanad village participated in a Community Elephant Monitoring Training Programme (CEMTP) to handle human-elephant conflicts at the village. Smallholders are encouraged to diversify their income sources through planting fast-growing crops, harvesting wild honey, bird nest farming and selling hand-made handicrafts.

The Division participated in many of the plantation fraternity's meetings, dialogues and conferences, including events organised by the Malaysian Estate Owners' Association (MEOA), MPOB, Malaysian Oil Scientists' and Technologists' Association (MOSTA) and the Malaysian Plantation Industries and Commodity Ministry (MPIC).

Shortage of workers especially skilled harvesters remained a major concern to the Division and the plantation industry. Inadequate harvesters and general workers disrupt daily operations and result in lower crop recoveries and delayed field maintenance. To alleviate labour shortages and reduce dependency on workers, the Division continued to mechanise field operations.

The Covid-19 pandemic has affected the global economy and the outlook of the plantation industry. In the short term, volatility in the commodity prices and foreign exchange rates will remain. In Malaysia, though the Government has imposed movement restrictions, the Division continued to operate as an essential service. In the longer term, as more countries start to ease their lockdowns as the pandemic subsides, the Division anticipates that CPO demand will improve along with price improvement and stabilisation.

The Division is confident that with continuous improvement in productivity and best plantation practices and cost effective strategies, it will be able to ride out the challenges ahead. The Division aims to leverage on operational excellence through its supply chain to sustain productivity and achieve cost effectiveness while remaining true to its goal of creating and nurturing a sustainable future.

The long-term prospects for palm oil remain attractive as rising global demand for oils and fats can be effectively and efficiently met by the commodity with the highest yield per land area. In this respect, the Division remains optimistic on the sustainable palm oil industry.

BESRAYA Highway

INFRASTRUCTURE

Toll Management Team


Wan Salwani Binti Wan Yusoff


Cyrus Eruch Daruwalla


Yap Pak How


Chua Lay Hoon


Ong See Chang


Azarulizam Bin Ismail


Nur Amani Bt Zakaria


Rizman Haji Azahar

Key Financial Indicators

REVENUE*	EBITDA
RM **904.06** m FY2019: RM943.39 m Decrease: (4.2%)	RM **439.93** m FY2019: RM495.43 m Decrease: (11.2%)
PBT RM **153.25** m FY2019: RM268.25 m Decrease: (42.9%)	**PBT MARGIN** **17.0** % FY2019: 28.4%

* includes share of associate and joint venture's revenue

The Infrastructure Division recorded a decrease in revenue of 4.2% to RM904.06 million compared to RM943.39 million in FY2019 mainly due to lower contribution from the Group's toll collections and cargo throughput due to the government-imposed movement restrictions in Malaysia and India following the Covid-19 pandemic in March 2020.

PBT and PBT margin, however, were substantially lower at RM153.25 million and 17.0% (FY2019: RM268.25 million and 28.4%) respectively mainly due to lower contribution from associates, attributable mainly to our share of losses of RM40.78 million in the current year (FY2019: share of profits of RM140.47 million) from an associate in Argentina as a result of the higher than expected credit losses on toll compensation.

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

TOLL ROADS

Malaysia

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

Overall, the Malaysian toll revenue for FY2020 was marginally higher by 1% at RM375.3 million from the preceding year at RM373.4 million. Up until the third quarter of FY2020, the highways' traffic performance recorded a steady year-on-year growth rate of 4%. However, all three highways registered a lower revenue in the fourth quarter due to the onset of Covid-19 pandemic and the government-imposed movement restrictions which started in mid-March 2020. During the restricted movement period, the Division's highways, categorised as essential services, were allowed to operate.

MANAGEMENT DISCUSSION AND ANALYSIS


Ampangan Toll Plaza, LEKAS

BESRAYA recorded a revenue of RM153.56 million for FY2020, a slight decrease of 0.8% from the previous year mainly due to negative traffic growth of 4% at the Mines Toll Plaza and some traffic loss during the restricted movement period while the Loke Yew Toll Plaza's traffic increased slightly by 1%. Traffic performance at the Mines Toll Plaza was weaker mainly due to the toll rate disparity with competing highways and migration of highway users to alternative modes of public transportation. PBT for FY2020 amounted to RM60.08 million, a decline of 4.8% mainly due to lower toll revenue and depletion of other income.

In FY2020, NPE recorded a marginal increase in revenue from RM177.22 million to RM177.75 million. Traffic performance until the third quarter recorded a steady year-on-year growth of 5.1% but a negative growth of 12.4% was recorded in the fourth quarter due to traffic loss during the restricted movement period. The Pantai Dalam Toll Plaza recorded 6.7% traffic growth until the third quarter mainly due to the rapid developments along the highway vicinity in Bangsar, Mid Valley City, Pantai Sentral Park, Old Klang Road, KL Sentral and Kuchai Lama. The dedicated 2.8 km interchange at Pantai Sentral Park linking NPE to local road networks in Kerinchi, Bangsar South and Pantai Hill Park also contributed to new traffic streams to the Pantai Dalam Toll Plaza. However, PBT recorded was RM103.13 million, 11.8% lower than the previous year's RM116.96 million mainly due to increased amortisation expenses and reduction of other income.

During the financial year, the Group had stopped equity accounting for its share of losses from LEKAS which has been accounted for up to its investment cost. However, an impairment reversal was recognised amounting to RM47.04 million in relation to its debt instrument. LEKAS had a scheduled toll rate increase on 1 January 2020 and recorded a strong traffic growth of 5%. The positive traffic growth was attributed to higher occupancy of housing developments around Semenyih and Kajang Selatan which boosted short haul traffic. New link roads at Temiang and Eco Majestic Interchanges also improved road connectivity between new developments to LEKAS. Two other highway projects currently under construction, namely the Sungai Besi-Ulu Kelang Expressway (SUKE) and East Klang Valley Expressway (EKVE), are located adjacent to LEKAS and complement the Kuala Lumpur Outer Ring Road network where they are expected to improve LEKAS's traffic performance upon completion by 2021.

As the operating highways gradually mature, the Division's focus is to continuously provide safe and efficient travelling experience to road users. Its highways are equipped with traffic control surveillance systems, traffic light management systems and supported by traffic response teams monitoring traffic flow and road conditions around-the-clock. The traffic crew's response time in providing road assistance to customers during accidents and incidents is constantly monitored. Engineering and traffic teams also relentlessly monitor traffic management schemes at congested and construction work areas as well as third parties' works along the Division's highways to ensure road safety, efficient traffic flow and minimal disruption to neighbouring communities.

The short term traffic management schemes in BESRAYA's Seri Kembangan Interchange and NPE's Templer Interchange are ongoing for effective traffic flow during peak hours. The Division is in constant engagement and collaboration with the relevant authorities and local councils to enhance its highway traffic streams and reduce traffic tailback onto its highways.

Traffic congestion mitigation is the Division's core focus in managing customer satisfaction and service quality. BESRAYA implemented a long term mitigation plan by constructing a 1.2 km directional two-lane ramp, namely Kuchai Link 2 ("KL 2") linking NPE and BESRAYA. The upgrading work at KM 11.3 at BESRAYA's Kuchai Interchange also includes reconfiguration of signalised traffic junction from the existing four-phase system to free-flow traffic. As of March 2020, work progress was 92.80% although development works were delayed due to the Covid-19 movement restrictions. Expected to be completed in September 2020, the project is anticipated to relieve traffic congestion during peak hours at the Kuchai Interchange and Jalan Kuchai Lama-Jalan Kuchai Maju Intersection.

In FY2020, additional motorcycle shelters were built and the bridge parapet railing at KM 0.2 South Bound was upgraded in BESRAYA to improve road safety. In addition, the installation of anti-skid speed breakers and blue flashing light at selected locations along BESRAYA are part of its road safety initiatives. To constantly improve road safety and ride quality for road users, major pavement rehabilitation works have been executed in NPE during the financial year. The use of Micro Asphalt surfacing at certain sections of the highway functions as a preventive measure for the long term preservation of pavement assets and prevention of disruptive road repairs while reducing the carbon footprint of the road surface treatment, reducing cost and saving energy.

The introduction of Radio Frequency Identification ("RFID") as a more efficient mode of toll payment in Malaysia has progressed well. The pilot installation of RFID lanes at BESRAYA and NPE initially started in August 2017 and has expanded to LEKAS's Ampangan Toll Plaza in December 2019. In January 2020, the Government officially launched the use of RFID for Class 1 vehicles to the public. Currently, the penetration rate of RFID transactions at BESRAYA and NPE reached almost 10% while LEKAS has reached 4% for the Ampangan Toll Plaza. The implementation of RFID lanes for highways with closed-toll systems, including LEKAS, was earlier scheduled to open to the public in March 2020, but was rescheduled by the Malaysian Highway Authority (MHA) due to the movement restriction.

As per the Division's concession agreements, the final scheduled toll rate increases for BESRAYA was due on 1 January 2018, and LEKAS on 1 January 2017 and 1 January 2020. For NPE, the Government had also initiated toll rate discount for Class 1 vehicles at the PJS 2 Toll Plaza and Class 5 vehicles (bus) since 2011. Despite minor delays in receiving compensation from the Government, all toll hike deferments and discounts were compensated in accordance with the concession agreements.

During the financial year, it was uncertain if the Government will be revisiting its agenda to abolish tolls gradually and takeover targeted highway concessions. The Government's proposal to takeover four urban highways based on market valuations have alleviated the adverse market sentiments over the highway concession sector. Should the proposed acquisition materialise, the concurrent implementation of toll rate discounts and free toll access during non-peak hours on the acquired highways would result in traffic migration to those highways and dampen the Division's traffic performance. In view of the complexity and high costs involved in the toll abolishment proposals, the Government is expected to review the implications. Despite the challenges and uncertainties that the toll concessionaires are currently facing, the Division will be proactive in its engagement and will work with the Government to achieve a win-win outcome for the country and its stakeholders.

The recent announcement in February 2020 by the Government on the toll fare reduction of 18% and toll hike freeze for the remaining concession period for PLUS highways adversely impacted the neighbouring highways including BESRAYA and LEKAS. Despite the toll rate disparity between these highways, the Division's traffic performance will be significantly impacted during the first quarter of FY2021. Upon the full removal of the movement restriction, the Division is likely to face a longer recovery period before traffic volume gradually normalise as businesses and the public continue to be cautious and refrain from travelling unnecessarily.

The gradually improved public transportation network and discounted public transportation fares may pose a threat to the performance of the Division's highways. However, such a threat would only be relevant when the Klang Valley has a more integrated public transportation system and an effective highway network. The extent of competition will depend on time and cost savings. As the Covid-19 pandemic enters into recovery, some travelers might still refrain from using public transportation to avoid crowds. Therefore, a slight rebound in traffic performance from public transportation users should be expected.


New Pantai Expressway

MANAGEMENT DISCUSSION AND ANALYSIS

The Covid-19 pandemic has altered market conditions and caused widespread economic slowdown. The Division expects the Government's stimulus packages and easing monetary policy to support private consumption in 2020. It is expected that traffic demand will gradually recover from the second quarter of FY2021. However, the magnitude of traffic recovery is still uncertain given the dampened macroeconomic conditions, employment outlook and consumer sentiments, which may affect traffic demand in the near term.

The Toll Division will remain cautious for the coming financial year and will focus on ensuring business sustainability in response to Covid-19 pandemic impacts and changes to the political landscape. The Division has embarked on a rationalisation plan including cost-cutting measures and deferment of capital expenditure to improve cash flows and increase working capital. It is envisaged that ongoing massive commercial and residential developments along the corridors of the Division's highways will increase tollable traffic and contribute positive revenue streams to the Division.

The Group via its investments in WCE Holdings Berhad and West Coast Expressway Sdn Bhd has a 41% effective interest in the 233 km WCE project connecting Banting to Taiping. WCE has a 50-year concession period and is divided into 11 sections. Certain sections of the expressway have been completed and sectional tolling commenced during FY2020: Section 5 (Bandar Bukit Raja Selatan–Bandar Bukit Raja Utara) on 10 December 2019; Section 8 (Hutan Melintang–Teluk Intan) on 31 May 2019; both Section 9 (Kampung Lekir–Changkat Cermin) and Section 10 (Changkat Cermin–Beruas) on 23 September 2019. The opening of these sections provide a safer, smoother and more efficient road for road users travelling between the different localities served by the various interchanges.

India

In India, the Division's operating toll roads are the 99.9%-owned Chilkaluripet-Vijayawada Tollway (68 km) and the new wholly-owned Dewas Bypass Tollway (19.8 km), while its Vijayapura Tollway (109.08 km) is currently under construction. During the financial year, the Dewas Bypass Tollway was completed and commenced tolling on 11 January 2020. The Indian tollways have concession periods ranging from 16 to 25 years.

During FY2020, the Indian tollways contributed a slightly higher revenue by 4.0% to RM76.36 million (FY2019: RM73.41 million) due to improved traffic volume with an additional contribution by the new Dewas Bypass Tollway. However, the Indian tollways recorded a LBT of RM45.19 million (FY2019: RM13.68 million) mainly due to an impairment recognition in relation to the Chilkaluripet-Vijayawada Tollway of RM27.50 million (FY2019: Nil). In addition, unrealised foreign exchange losses recorded were RM17.79 million in FY2020 compared to RM32.90 million in the prior year. The outlook is expected to be challenging due to the Covid-19 pandemic and its impact on the Indian economy.

Argentina

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

During the financial year, GCO contributed a revenue of RM54.69 million to the Group (FY2019: RM59.15 million). Our share of losses was RM40.78 million (FY2019: Share of gain of RM140.47 million), mainly due to a provision for expected credit losses due to the deterioration of Argentina's country risk indicators and the probable renegotiation of the country's sovereign debt as compared to a one-off compensation by the government that was recognised in the prior year. As EBITDA was at healthy levels, the associate was able to remit capital to shareholders during the financial year. On the back of a newly elected government and the Covid-19 pandemic, the outlook for 2020 is expected to be challenging with slowdown in traffic volume and the economy.

Western Access Tollway, Argentina

New Deep Water Terminal, Kuantan Port

Port Management Team

Mazlim Bin Husin

Selvarajah Nallapan

Ahmad Kamil Bin Shaharudin

Wang Guo Wei

PORT

During the financial year, Kuantan Port recorded a revenue of RM376.66 million (FY2019: RM318.72 million). Its PBT increased by 7.2% to RM79.35 million (FY2019: RM74.00 million). Cargo throughput recorded was 25.98 million (FY2019: 20.46 million) freight weight tonnes, an increase of 27% due to the rise in iron ore, coal, iron and steel products cargo which represented more than 30% of the Port's total revenue.

On 23 March 2018, the Division established an Unrated Islamic Medium Term Notes Programme of up to RM3.0 billion in nominal value based on the shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah") with a tenure of up to 25 years from the first issuance date in two tranches. Tranche 1 of Sukuk Wakalah (up to RM1.2 billion) was used to partially finance Phase 1 of the NDWT with a total drawn amount of RM985 million to date.

Cargo handling is the main revenue generating activity in Kuantan Port with cargo volume contributed by various industries around the port vicinity. In the Port's endeavour to meet customer demand, well-equipped facilities, skilled manpower and information technology and digitalisation infrastructure are ensured to elevate its service levels.

MANAGEMENT DISCUSSION AND ANALYSIS


Tugboats at Kuantan Port

The Port Division expects higher container throughput from new industries that have either been set up or relocated to MCKIP. The containerisation of goods is gaining traction and to meet this rising demand, two new container cranes and four rubber-tyred gantries (RTGs) are expected to arrive at Kuantan Port by the end of 2020. The new equipment will increase the Port's container handling capacity by at least another 200,000 TEUs annually. But, more importantly, with the new container cranes arriving, the Port would be able to handle three container vessels at a time instead of two currently. This will allow new lines to call at Kuantan Port, increasing the potential for new connectivities and containers to be diverted to Kuantan Port.

Apart from handling traditional cargoes such as steel pipes, sawn timber, steel plates, heavy packages and steel structures, the Port has also seen the introduction of new types of cargo since a steel manufacturer started operating in MCKIP. Cargoes such as I-beams, wire rods, iron bars, steel billets and steel blooms began shipment through the Port. The steel company imports raw materials such as iron ore and coal in large quantities and exports the cargo types mentioned above and by-products such as blast furnace slag and coal tar.

In terms of marine services, since the inception of NDWT, the Port Division is now prepared to handle cape-sized vessels that require at least four harbour tugs for the berthing of vessels. The Port purchased two units of 45-tonne bollard pull tugs and maintained two tugs from before. The Division has also outsourced one 50-tonne bollard pull tug. The Port employs a sufficient rotation of pilots licensed by the Pilotage Committee headed by Kuantan Port Authority to pilot the vessels in and out of the basin. Kuantan Port has been working closely with the authority to expedite the licensing and upgrading of pilotage license from C to UR to retain the pilots in service. The Division is also looking at upgrading the radar and vessel movements monitoring system as part of its digital transformation programme.

Kuantan Port is endowed with a sheltered basin within the new breakwater at NDWT that can accommodate vessels and oil rigs for lay-up on a temporary basis. The water depth of between 10 to 12 metres is ideal for the lay-up of vessels and other oil and gas assets, potentially providing a new revenue stream to the Port. With the NDWT, Kuantan Port's capacity has increased by 50% to cater for more cargo throughput.

The current operational area of Kuantan Port has been accorded the Free Zone status since April 2019. The Free Zone Declaration system (e-ZB) is at the final stages of test run with port users. The Port's Free Zone status presents an opportunity for industries to set up regional distribution centres in Kuantan Port for imported materials especially from China and the Far East where users could repack, relabel, regrade and re-export their cargo among others within the Free Zone vicinity without incurring additional taxes.

With the onset of Covid-19 pandemic in the fourth quarter of FY2020, the number of ships calling at Kuantan Port slowed down. The Port addressed this issue by constantly engaging with existing clients, seeking out new customers and enhancing its marketing and promotional efforts, including collaborations with its Chinese partner, Guangxi Beibu, to increase ship calls.

During FY2020, the Port Division undertook major digitalisation projects. Its new SAP system which went live in January 2020 paid off immediately with the system's SAP Ariba procurement system yielding cost savings. The enhancements to the Multipurpose Terminal Operating System (MTOS) and Container Terminal Operating System (CTOS) port systems which feature paperless transactions and man-less operations for gate and weighbridge facilities to increase operational efficiencies are expected to take off by the end of 2020.

The CCTV system at Kuantan Port is continuously enhanced and expanded to ensure the safety and security of the operation areas. The Port has secured a new oil refinery customer to diversify its cargo base and ensure business sustainability.

POWER PLANT

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

WATER TREATMENT PLANT

During the financial year, the Group's 36%-owned associate, Binh An Water Corporation Ltd in Vietnam contributed a lower profit of RM0.75 million (FY2019: RM5.13 million) to the Group as the concession ended on 31 July 2019.

OTHERS

The Group's 21.4% stake in Scomi Group contributed a revenue of RM47.41 million (FY2019: RM87.51 million) and share of losses amounting to RM40.00 million (FY2019: RM25.99 million) which was mainly attributable to losses on the share transfer of its subsidiary. Scomi is a service provider mainly in the oil and gas industry specialising in high-performance drilling fluids solutions and also provides transport solutions. Subsequent to the financial year end, on 25 June 2020, the Group disposed its entire stake in Scomi with a loss arising from disposal of RM4.18 million.

OUTLOOK

Moving forward, the economic analysis is challenging with outcomes depending largely on the duration of the Covid-19 pandemic, economic recoveries, political situations and resolution of trade wars. The Group anticipates disruptive implications on the overall market environment, together with the uncertainty of commodity prices and volatility of foreign exchange rates.

Challenges arising from the Government's reduced infrastructure spending, the availability of new construction jobs in the local market and a property market faced with supply-demand imbalances, poor economic outlook and uncertainties over employment for buyers have impacted our Construction and Property Divisions. Our Construction 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.

These challenges are expected to continue to flow down the supply chain resulting in a prolonged subdued market for building materials, affecting our Industry Division. Our Plantation Division will continue to face cost pressures arising mainly from wage increases, the cost impact of the Covid-19 pandemic for the health and safety well-being of its workers, as well as the uncertainty of commodity prices and volatility of foreign exchange rates.

Our Toll Division is impacted by the pandemic-driven lockdowns imposed in Malaysia and India that began in mid-March 2020 with the steep fall of the traffic plying on its highway concessions. Traffic is unlikely to rebound immediately thereafter. Our base assumption is that the expected gradual recovery of traffic flows back to pre-Covid-19 levels is anticipated to be only after the second quarter of FY2021 as economic activity resumes. Prospects for Kuantan Port and its New Deep Water Terminal are sizeable and operations are expected to provide recurrent revenue streams and earnings as the existing port concession matures.

Given the constantly changing business environment, the Group expects the coming financial year to be challenging as we focus on business sustainability, healthy finances and prudent spending as well as continuing to seek business opportunities locally and abroad to sustain growth.

CLOSING

Notwithstanding the Group's overall mixed performance during the financial year, I believe that IJM has performed reasonably well even in such unprecedented times. We expect the current challenges and prolonged Covid-19 impacts to persist into the next financial year. However, the need for what we do across our five business divisions from construction, property, manufacturing, infrastructure concessions and plantations will continue, even after this difficult time is behind us. Therefore, we will continue to be vigilant and proactive in management while operating and moving forward in a significantly challenging business environment.

We continue to operate with care and compassion, towards our people, the surrounding communities where we operate in and our business partners, as we support each other to rise and surmount the challenges.

In closing, I would like to thank the Board, management and employees of the Group for their commitment, dedication and contribution. I would also like to express my deepest appreciation to our shareholders, clients, bankers, contractors and suppliers for their continued support to the Group.

Liew Hau Seng
Chief Executive Officer & Managing Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

The Board is pleased to present this overview statement which sets out a summary of the Group's corporate governance practices during the financial year ended 31 March 2020 ("FY2020") in accordance with the Malaysian Code on Corporate Governance ("the Code"). This statement is to be read together with the Corporate Governance Report 2020 ("CG Report") of the Company as the application of each practice as set out in the Code is disclosed in the CG Report. The CG Report is available on the Company's website www.ijm.com and Bursa Malaysia's website.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1. Board Duties and Responsibilities

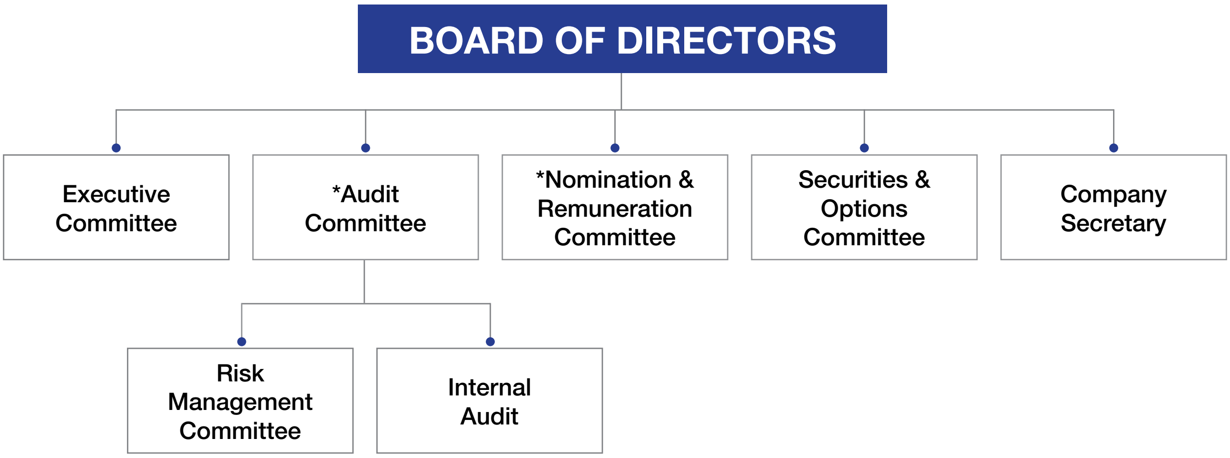
The Board is primarily responsible for the Group's overall strategic plans for business performance, overseeing the proper conduct of business, succession planning of key management, risk management, shareholders' communication, internal control, management information systems and statutory matters; whilst Management is accountable for the execution of the expressed policies and attainment of the Group's corporate objectives. The demarcation complements and reinforces the supervisory role of the Board and operational goals. Nevertheless, the Board is always guided by the Board Charter which outlines the duties and responsibilities and matters reserved for the Board in discharging its fiduciary duties. The Board Charter also acts as a source of reference and primary induction literature in providing insights to Board members and senior management. The Board reviews the Board Charter from time to time to ensure that it continues to remain relevant and appropriate and the last review conducted by the Board was in June 2020. The details of the Board Charter are available for reference at www.ijm.com.

During the FY2020, the Board had participated in a Strategy & Budget Presentation Session ("Session") whereby Management presented their short-term and long-term business strategy plans which covered economic, environmental and social aspects. The areas covered at the Session included the major investments of the Group, challenges and opportunities for the Group, strategies moving forward such as enhancing IJM's value proposition to investors, growing and optimising core businesses, sustainability initiatives, innovation and digital transformation. Constructive views were expressed and valuable insights were shared at the Session. During the Session, the Board had also looked at the impacts of the climate change on the operations of the Group.

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

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

The governance structure of the Board is as follows:-



** All the members are Independent Non-Executive Directors*

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

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

3. Company Secretary

The Board is supported by a qualified and competent Company Secretary to provide sound governance advice, ensure adherence to Board policies, rules and procedures, and advocate adoption of corporate governance best practices. The profile of the Company Secretary is provided on page 28. The Directors always have access to the advice and services of the Company Secretary especially relating to procedural and regulatory requirements such as company and securities laws and regulations, governance matters and Main Market Listing Requirements. The Company Secretary undertakes continuous professional development and her details of attendance at trainings/seminars are available for reference at www.ijm.com.

4. Board and Board Committees Meetings

All Directors are provided with the performance and progress reports on a timely basis prior to the scheduled Board meetings. All Board papers, including those on complicated issues or specific matters and minutes of all Board Committee meetings, are distributed electronically at least five (5) business days in advance to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification from the Company Secretary/Management, should such a need arise. The Company Secretary always ensures proper minutes of all deliberations and decisions of the Board and Board Committees are recorded. In order to enhance cybersecurity over the meeting materials, the Company migrated from the existing electronic portal to a more secure and collaborative portal in the financial year 2019.

Board meetings (including Board Committees' meetings) are scheduled in advance prior to the new calendar year, to enable the Directors to plan ahead and coordinate their respective schedules and/or events. The Board conducts at least four (4) scheduled meetings annually, with additional meetings convened as and when necessary. Directors are also invited to attend the Board Committees' meetings, where deemed necessary. During the FY2020, four (4) Board meetings were held.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The attendance record of each Director is as follows:

	Number of Meetings Attended	Percentage
Executive Directors		
Liew Hau Seng *(appointed on 1 September 2019)*	2/2	100%
Dato' Soam Heng Choon *(retired on 28 August 2019)*	2/2	100%
Lee Chun Fai	4/4	100%
Independent Non-Executive Directors		
Tan Sri Abdul Halim Bin Ali *(retired on 28 August 2019)*	2/2	100%
Datuk Lee Teck Yuen	4/4	100%
Pushpanathan A/L S A Kanagarayar	4/4	100%
Datuk Ir Hamzah Bin Hasan	4/4	100%
Goh Tian Sui	4/4	100%
Dato' David Frederick Wilson	4/4	100%
Tunku Alina Binti Raja Muhd Alias	4/4	100%
Tan Ting Min	4/4	100%
Non-Executive Director		
Tan Sri Dato' Tan Boon Seng @ Krishnan	4/4	100%

The Directors also attended tender adjudication meetings and investment briefings, where Directors deliberate on the Group's participation in major project bids in excess of RM500 million (or RM250 million for overseas contracts) or investments. Informal meetings and consultations are frequently and freely held to share expertise and experiences. In addition, Directors also attended the functions and/or activities organised by the Group, such as project site visits and festive celebrations. Details of their attendance are available at www.ijm.com.

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

During the annual Board evaluation, each Director was assessed whether he/she was able to devote adequate time and attention for Board meetings, Board briefings, Board Committee meetings and activities of the Company. Overall, the Board was satisfied with the commitment of all members of the Board and the time contributed by each of them. The time commitment of the Directors was demonstrated by the full attendance and time spent at the Board and Board Committee meetings during FY2020.

5. Code of Conduct and Ethics

The Board is committed to conducting its business in a legal and professional manner, with the highest standard of integrity and ethical values, and has adopted the Code of Conduct and Ethics for Employees ("CCEE") which applies to all Directors and employees. The CCEE covers the areas of workplace culture and environment, company records and assets, conflict of interest, anti-bribery and corruption, gifts, hospitality and entertainment, insider trading, money laundering, fraud and so forth.

The Board also emphasises the business ethics and conduct of third parties who have dealings or transactions with the Group, and has adopted the Code of Business Conduct for Third Parties ("CBC for 3rd Parties") which applies to all persons or entities who provide work, goods and services or act for or on behalf of the Group. The areas covered by the CBC for 3rd Parties include but are not limited to the Company's assets and information, dealing with customers and media, conflicts of interest, health, safety and environment (HSE), anti-bribery and corruption, gifts, hospitality and entertainment.

As part of the Company's commitment against all forms of bribery and corruption, the Company has also established an anti-bribery and corruption system ("ABCS") to manage and consolidate various policies and processes in compliance with anti-bribery and corruption laws. The anti-bribery and corruption policy ("ABC Policy") forms part of the ABCS and aims to set out the parameters including the main principles, policies and guidelines, which the Company adopts in relation to anti-bribery and corruption.

The CCEE, CBC for 3rd Parties and ABC Policy are available for reference at www.ijm.com.

6. Whistleblowing Policy

The Board encourages employees and associates to report incidences of suspected and/or real misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Group. The Whistleblowing Policy adopted by the Company provides and facilitates a structured mechanism for any employee and associate to make disclosures of alleged improper conduct (whistleblowing) to the relevant authorities in good faith. The Whistleblowing Policy is posted on the Company's website at www.ijm.com for ease of access for reporting by employees, associates and third parties of the Group.

II. BOARD COMPOSITION

There are ten (10) Board members, eight (8) of whom are Non-Executive Directors, and among the Non-Executive Directors, seven (7) are Independent Non-Executive Directors. The Board comprises a majority of Independent Directors. The Chairman is a Non-Executive Director.

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

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

The composition and size of the Board is reviewed from time to time to ensure its appropriateness and effectiveness. The profile of each Director is presented on pages 23 to 27.

1. Independence

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

The Company has adopted a policy to limit the tenure of independent directors to a maximum of 12 years. However, the retention of independent directors after serving a cumulative term of nine (9) years are subject to shareholders' approval in line with the recommendation of the Code. To-date, none of the Independent Non-Executive Directors of the Company have exceeded the nine (9) years tenure.

2. Board Diversity

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

	Industry/ Background Experience						Age Composition				Ethnic Composition			
Directors	Accounting/Finance	Equity Market Research	Construction & Engineering	Property	Toll Infrastructure	Legal Practice	40 to 49 years	50 to 59 years	60 to 69 years	70 to 79 years	Bumiputera	Chinese	Indian	Others
Tan Sri Dato' Tan Boon Seng @ Krishnan	✓								✓			✓		
Liew Hau Seng			✓					✓				✓		
Lee Chun Fai	✓				✓		✓					✓		
Datuk Lee Teck Yuen				✓					✓			✓		
Datuk Ir Hamzah Bin Hasan			✓						✓		✓			
Pushpanathan A/L S A Kanagarayar	✓								✓					✓
Dato' David Frederick Wilson			✓		✓					✓				✓
Goh Tian Sui				✓					✓			✓		
Tunku Alina Binti Raja Muhd Alias						✓		✓			✓			
Tan Ting Min		✓						✓				✓		

3. Nomination & Remuneration Committee

The Remuneration Committee was established on 2 December 1998 and was renamed as the Nomination & Remuneration Committee ("NRC") on 16 May 2001. The NRC comprises wholly of Independent Non-Executive Directors. Datuk Lee Teck Yuen, the Senior Independent Non-Executive Director, is the Chairman of the NRC, and the other members are Datuk Ir Hamzah Bin Hasan and Tunku Alina Binti Raja Muhd Alias. Tunku Alina was appointed as a member of NRC on 28 August 2019 following the retirement of Tan Sri Abdul Halim Bin Ali at the last Annual General Meeting ("AGM") and as a member of the NRC. The Terms of Reference of the NRC are available for reference at www.ijm.com.

The activities of the NRC during FY2020 included the following:

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

(ii) propose the changes to key appointments in the Group;

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

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

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

(vi) propose the terms of employment for the new CEO&MD;

(vii) review of the re-election of Directors at the AGM;

(viii) review of the proposed vesting of shares under the fifth award of the Employee Share Grant Plan;

(ix) review the proposed retirement gratuity of the former CEO&MD;

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

(xi) review of the Board composition;

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

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

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

The NRC meets as required. Four (4) meetings were held during FY2020 and the attendance record of each member of the NRC is as follows:

	Number of Meetings Attended	Percentage
Datuk Lee Teck Yuen	4/4	100%
Datuk Ir Hamzah Bin Hasan	4/4	100%
Tunku Alina Binti Raja Muhd Alias *(appointed on 28 August 2019)*	1/1	100%
Tan Sri Abdul Halim Bin Ali *(retired on 28 August 2019)*	3/3	100%

4. Board and Board Committee Evaluation

The Board undertook a formal and rigorous annual evaluation of its own performance, that is the Board as a whole and that of the Individual Directors for FY2020 via an in-house e-Evaluation System. The Board evaluation comprises a Board Assessment by Individual Directors, Self & Peer Assessments and Assessments of Independence of Independent Directors (collectively referred to as "the Assessments"). Based on the results of the Assessments, the NRC was satisfied with the performance and effectiveness of the Board.

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

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

Pursuant to Practice 5.1 of the Code, the Board had engaged an external expert to review and facilitate the Board Evaluation of the Company for the next financial year 2021.

5. Directors' Training

During the financial year, all the Directors have attended various relevant in-house and external training programmes, workshops, seminars, briefings and/or conferences. The trainings attended by the Directors were related to corporate governance, finance, industry knowledge, cybersecurity and resilience, digitalisation, sustainability and legislations (including the Malaysian Anti-Corruption Commission (Amendment) Act 2018). The Board has undertaken an assessment of the training needs of each Director through the Self & Peer Assessment during FY2020.

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

Where possible and when the opportunity arises, Board visits are organised to locations within the Group's operating businesses to enable the Directors to obtain a better perspective of the business and enhance their understanding of the Group's operations. Some of the Directors had visited the Dewas Bypass Tollway Project, First City Project, Solapur – Bijapur Tollway Project, Raintree Park Phase 1 & 2 Project and Vijayawada Tollway Project in India, and WCE Klang Project (Sections 4 & 5) during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

III. REMUNERATION

1. Remuneration Policy and Procedures

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

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

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

For the year 2020, the remuneration review was deferred and carried out in May 2020 due to the implementation of the Covid-19 Movement Control Order on 18 March 2020, and the proposed remuneration of the Executive Directors and senior management was presented to the NRC and approved by the Board in June 2020.

2. Directors' Remuneration

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

A. Aggregate remuneration of Directors categorised into appropriate components:

The Company

	Salaries RM'000	Fees RM'000	Bonuses, Incentives & Others RM'000	EPF RM'000	Benefits-In-Kind RM'000	Total RM'000
Executive Directors	2,074	–	9,449^	555	73	12,151
Non-Executive Directors	–	1,223	102*	–	45	1,370
Total	2,074	1,223	9,551	555	118	**13,521**

** Includes an allowance of RM1,000 paid to the Non-Executive Directors for each of the Board and Board Committee meetings attended.*
^ Includes retirement gratuity of RM7,631,360 paid to Dato' Soam Heng Choon.

Other Related Companies

	Salaries RM'000	Fees RM'000	Bonuses, Incentives & Others RM'000	EPF RM'000	Benefits-In-Kind RM'000	Total RM'000
Executive Directors	–	99	6	–	–	105
Non-Executive Directors	–	283	14	–	–	297
Total	–	382	20	–	–	**402**

B. Aggregate remuneration of each Director:

	Remuneration Received from The Company RM'000	Remuneration Received from Other Related Companies RM'000
Executive Directors		
Liew Hau Seng *(appointed on 1 September 2019)*	657	61 #
Lee Chun Fai	1,699	–
Dato' Soam Heng Choon *(retired on 28 August 2019)*	9,795	44 #
Non-Executive Directors		
Tan Sri Dato' Tan Boon Seng @ Krishnan	206	88 #
Tan Sri Abdul Halim Bin Ali *(retired on 28 August 2019)*	133	–
Datuk Lee Teck Yuen	139	–
Datuk Ir Hamzah Bin Hasan	182	–
Pushpanathan A/L S A Kanagarayar	222	209 #
Dato' David Frederick Wilson	112	–
Goh Tian Sui	112	–
Tunku Alina Binti Raja Muhd Alias	127	–
Tan Ting Min	137	–
Total	**13,521**	**402**

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

To demonstrate the support of the Board for the initiatives taken by the Company in response to the Covid-19 pandemic, the Non-Executive Directors had offered to reduce their fees by 5% for FY2020. Management and affected staff (based on salary range bracket) of the Group had also given consent to a salary reduction ranging from 5% to 15%.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

1. Composition of Audit Committee

The Audit Committee comprises entirely of Independent Non-Executive Directors. The Chairman of the Audit Committee, Mr Pushpanathan A/L S A Kanagarayar is a member of the Institute of Chartered Accountants of Scotland (ICAS), the Malaysian Institute of Certified Public Accountants (MICPA) and a Chartered Accountant of the Malaysian Institute of Accountants (MIA). He is not the Chairman of the Board. The other members of the Audit Committee are Datuk Ir Hamzah Bin Hasan and Ms Tan Ting Min. Ms Tan was appointed as a member of Audit Committee on 28 August 2019 following the retirement of Tan Sri Abdul Halim Bin Ali at the last AGM and as a member of the Audit Committee.

2. Relationship with the External Auditors

Through the Audit Committee, the Board has a direct relationship with the external auditors. The role of the Audit Committee in relation to the external auditors is set out on pages 112 to 116. The external auditors were invited and had attended all the Audit Committee meetings and the AGM of the Company during the financial year.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The details of the External Auditors Policy are available for reference at www.ijm.com and the last review of the Policy was done in February 2020. Pursuant to the policy, the engagement and concurring partners responsible for the Group audit are rotated at least every seven (7) cumulative financial years, and in the event of a former audit partner being appointed as a member of the Board and Audit Committee, he/she shall observe a cooling-off period of at least two (2) years before such appointment.

3. Related Party Transactions

Significant related party transactions of the Group for FY2020 are disclosed in Note 52 to the Financial Statements. Except for those disclosed in the Financial Statements, there were no material contracts of the Group involving Directors' and major shareholders' interests during the period.

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

4. Directors' Responsibility Statement

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

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

i) adopted appropriate accounting policies which were consistently applied;

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

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

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

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

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

The details of the internal audit function of the Group are set out in the Audit Committee Report on pages 112 to 116, and the overview of the risk management and internal control framework of the Group is set out on pages 117 to 125 of the Statement on Risk Management and Internal Control.

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

I. COMMUNICATION WITH STAKEHOLDERS

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

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

The Company also conducts regular dialogues with financial analysts. As at 31 March 2020, IJM was covered by 22 research houses, of which 5, 10 and 7 had "Buy", "Hold" and "Sell" calls respectively.

Company Briefing, Wisma IJM, Petaling Jaya

IJM Corporation Berhad's 35th Annual General Meeting, Holiday Villa, Subang

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

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

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

II. CONDUCT OF GENERAL MEETINGS

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

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

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

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

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

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

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors dated 7 August 2020.

AUDIT COMMITTEE REPORT

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

MEMBERSHIP AND TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Membership

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

The Chairman of the Audit Committee, Mr Pushpanathan A/L S A Kanagarayar is a member of the Institute of Chartered Accountants of Scotland (ICAS), the Malaysian Institute of Certified Public Accountants (MICPA) and a Chartered Accountant of the Malaysian Institute of Accountants (MIA). The other members of the Audit Committee are Datuk Ir Hamzah bin Hasan and Ms Tan Ting Min. Ms Tan was appointed as a member of the Audit Committee on 28 August 2019 after Tan Sri Abdul Halim Bin Ali ceased to be a member of the Audit Committee following his retirement at the conclusion of the last Annual General Meeting held on 28 August 2019.

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

Meetings and Minutes

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

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

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

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

		No. of meetings attended
1.	Pushpanathan A/L S A Kanagarayar *Independent Non-Executive Director (Chairman)*	4/4
2.	Datuk Ir Hamzah Bin Hasan *Independent Non-Executive Director*	4/4
3.	Tan Ting Min *(appointed as member on 28 August 2019)* *Independent Non-Executive Director*	2/2
4.	Tan Sri Abdul Halim Bin Ali *(ceased as member on 28 August 2019)* *Independent Non-Executive Director*	2/2

Authority and Duties

The terms of reference of the Audit Committee have been revised to incorporate the additional duties of the Audit Committee in relation to the implementation of the anti-bribery and corruption system across the Group. The details of the terms of reference of the Audit Committee are available for reference at www.ijm.com.

REVIEW OF THE AUDIT COMMITTEE

An annual assessment and evaluation on the performance and effectiveness of the Audit Committee was undertaken by the Board of Directors for the financial year ended 31 March 2020. The Audit Committee was assessed based on four (4) key areas, namely effectiveness and quality, internal and external audit, risk management and internal control, and financial reporting, to determine whether the Audit Committee had carried out its duties in accordance with its terms of reference.

As of the appropriate level of knowledge, skills, experience and commitment of its members being critical to the Audit Committee's ability to discharge its responsibilities effectively, an assessment of the Audit Committee members (self and peers) was also carried out for the financial year ended 31 March 2020.

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

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR

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

1.0 Financial Reporting

- Reviewed the quarterly financial results and announcements as well as the year-end financial statements of the Group and Company, and recommended them for approval by the Board;
- In the review of the quarterly financial results and annual audited financial statements, the Audit Committee discussed with Management and the external auditors, amongst others, the accounting principles and standards that were applied and their exercise of judgement on the items that may affect the financial results and statements; and
- Confirmed with Management and the external auditors that the Group's and Company's annual audited financial statements have been prepared in compliance with applicable Malaysian Financial Reporting Standards.

2.0 Internal Audit

- Reviewed and approved the annual internal audit plan as proposed by the internal auditors to ensure the adequacy of the scope and coverage of work;
- Reviewed the effectiveness of the internal audit process, the Group Internal Audit Department's ("IAD") organisation structure, resource requirements (adequacy and suitability) for the year and assessed the performance of the overall Internal Audit function;
- The Audit Committee met with the Chief Audit Executive twice during the year, without the presence of Management, to review key issues within their sphere of coverage and responsibility. During the private session with the Chief Audit Executive, it was noted that there were no major concerns and he conveyed that the internal auditors had been receiving full cooperation from the Management and staff throughout the course of their work;
- Reviewed the audit reports presented by the internal auditors on their findings and recommendations with respect to system and control weaknesses. The Audit Committee then considered those recommendations including the Management's responses thereon, before proposing that those control weaknesses be rectified and recommendations for improvements be implemented;
- Reviewed the internal auditors' findings on significant whistleblowing cases, if any, and Management's responses and resolutions thereon; and
- Reviewed the report on the verification of allocation of options and shares conducted by the internal auditors in relation to the Employee Share Option Scheme and Employee Share Grant Plan under the Long Term Incentive Plan ("LTIP") of the Company to ensure that it is in compliance with the criteria set out in the By-Laws of the LTIP that has been disclosed by the Company to eligible employees of the Group.

AUDIT COMMITTEE REPORT

3.0 External Audit

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

  The amount of the external audit fees and non-audit fees incurred for the financial year ended 31 March 2020 were as follows:-

Fees incurred	Audit Fees RM'000	Non-Audit Fees RM'000
The Company	464	937
The Group	4,583	1,441

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

  During the year, the Policy was amended to comply with the Audit Partner rotation requirements of the Malaysian Institute of Accountants. Pursuant to the Policy, the Key Audit Partner ("KAP") can be classified as Engagement Partner, Engagement Quality Control Reviewer and Other Key Audit Partners. The rotation requirements of the KAP are set out as below:-

Role	Cumulative Stay-on Period	Cooling-off Period
Engagement Partner	7 years	5 years
Engagement Quality Control Reviewer	7 years	3 years
Other Key Audit Partners	7 years	2 years

  In the event of a former audit partner being appointed as a member of the Board and Audit Committee, he/she shall observe a cooling-off period of at least two (2) years before such appointment.

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

4.0 Risk Management Committee

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

5.0 Related Party Transactions

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

TRAINING

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

INTERNAL AUDIT FUNCTION

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

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

The Internal Audit Charter sets out the purpose, functions, scope and responsibilities of the IAD and how it maintains independence from the first and second lines of defence by Management. The four (4) main functions of IAD are to:

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

The Internal Audit Plan for 2019-2020, which was approved by the Audit Committee in February 2019, reflected the Group's 2019-2020 Operational Plan that was prioritised following a risk-based assessment of the business and a review against the Group's risk policies. The reviews carried out covered an extensive sample of controls over all risk types, business units and entities. During the year, the Internal Audit Plan for 2020-2021 was reviewed and approved by the Audit Committee in February 2020.

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

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

AUDIT COMMITTEE REPORT

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

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

The total cost incurred in managing the IAD for the financial year under review was RM2.6 million (FY2019: RM2.8 million).

A summary of the internal audit cost distribution is as follows:

Cost Category	% of total cost
Manpower	81%
Training	1%
Travelling (inclusive of accommodation)	8%
Overheads	10%

INTERNAL AUDIT ACTIVITIES FOR THE FINANCIAL YEAR

During the financial year, the IAD completed and reported on 96 assignments where audit testings were conducted and thus providing independent assessments covering the Construction, Property, Industry, and Infrastructure Divisions, as well as the overseas operations of the Group and functional audits of the Group Support Services. These included ad-hoc audits conducted on the basis of special requests from the Board, Audit Committee, Senior Management or those arising from the Group's Whistleblowing Programme. Subsequently, Internal Audit performed follow-up procedures to determine the adequacy, effectiveness, and timeliness of actions taken by Management (or as a result of other internal or external factors) to correct reported issues and recommendations.

During the financial year, IAD provided internal audit services to IJM Plantations Berhad ("IJMP"), and in an effort to provide value added services, it also played an active advisory role in the review and improvement of existing internal controls within the IJMP Group. IAD had completed and reported on 37 audit assignments to the Audit Committee of IJMP which were included in the 96 assignments mentioned above.

IAD comprises 20 auditors and the level of expertise and qualifications within the IAD as at the end of 31 March 2020 was as follows:

Expertise Category	Percentage of total auditors
Diploma Level	10%
Bachelor's Degree	40%
Post Graduate Degree (MBA, MA, etc)	10%
Professional Qualification (CPA, CIA, ACCA, CIMA, etc.)	40%

The internal auditors also strive to continuously keep updated with current developments to equip themselves with the awareness to address new risks and knowledge to better understand existing ones. A total of 561 hours were spent on structured training and development, which averages to 28 hours per person per annum. This is in addition to the numerous hours spent on self-learning for audit purposes. The category of structured trainings attended are as follows:

Training & Development Category	Percentage of hours
Technical (for example auditing, accounting and tax)	70%
Management, leadership & soft skills	19%
Industry related trainings	11%

IJM is a Corporate Member of the IIA Malaysia.

This Audit Committee Report is made in accordance with the resolution of the Board of Directors dated 7 August 2020.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

BOARD'S RESPONSIBILITY

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

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

Recognising the ever-changing risk landscape, the Group's system is designed to effectively manage rather than completely eliminate the risks of failure to achieve the Group's business objectives. Accordingly, such systems can only provide a reasonable and not absolute assurance against material misstatement, loss or fraud. The aim, however, is to ensure that any adverse impact arising from a foreseeable future event or situation on the Group's objectives is mitigated and managed.

For the financial year ended 31 March 2020 ("FY2020"), the Board has received assurance from the Chief Executive Officer & Managing Director and the Chief Financial Officer of the Company that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control framework of the Group.

During the FY2020, the Risk Management Committee ("RMC") reviewed, appraised and assessed the controls and actions in place to mitigate and manage the overall Group's risk exposure, as well as raised issues of concerns and recommended mitigating actions. The RMC reports to the Audit Committee on a quarterly basis, and as part of its monitoring activity ensures key risks are deliberated and mitigating actions are implemented. The Audit Committee has presented a summary of its deliberations and decisions to the Board on a quarterly basis.

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

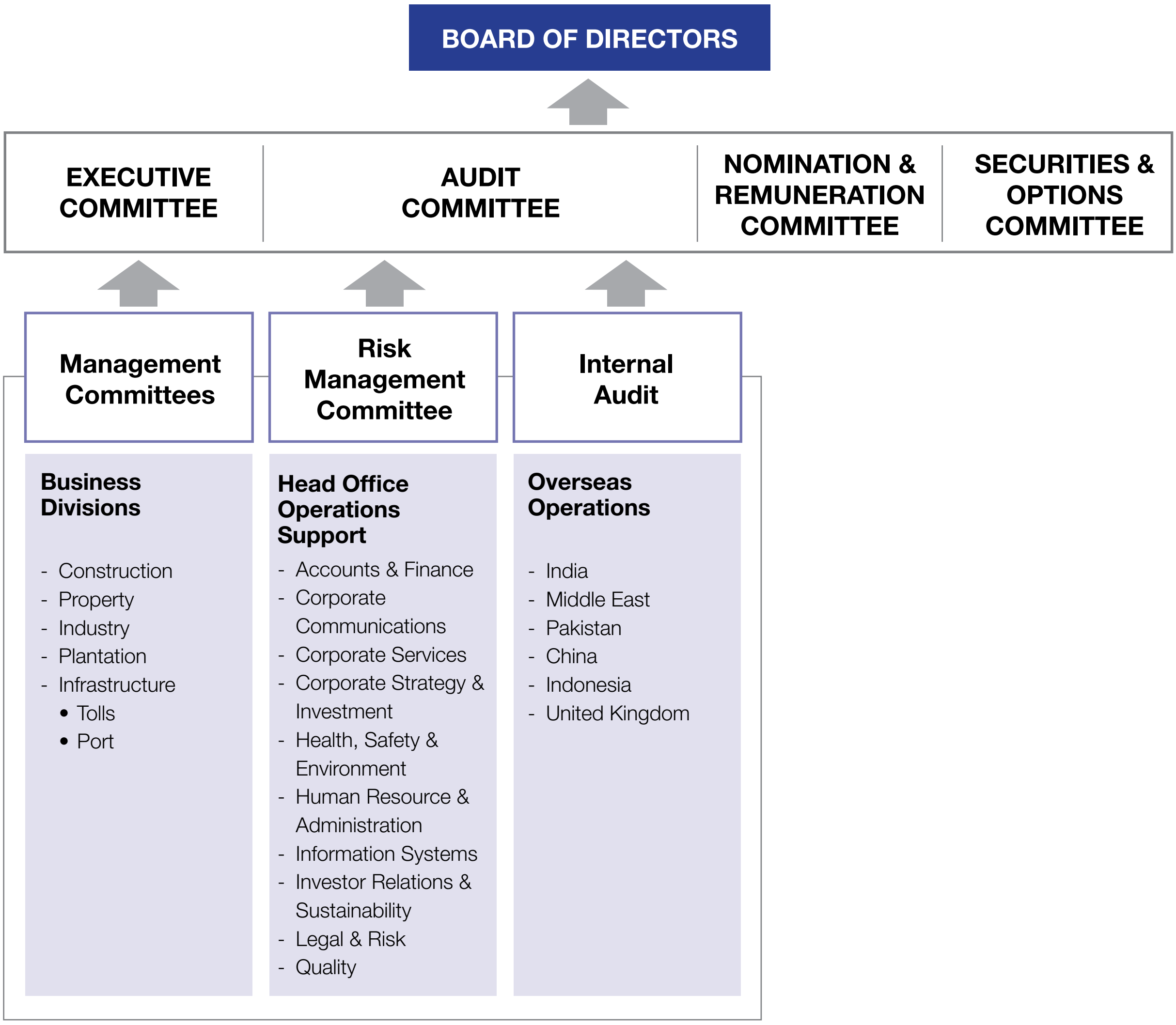
KEY FEATURES OF THE RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORKS

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

1. **Authority and Responsibility**
    - The Executive Committee supports the Board in the operations of the Group and manages all the Group's business divisions in accordance with corporate strategies and business objectives, policies, key performance indicators and annual budgets as approved by the Board.
    - The Audit Committee, with the assistance of the RMC, has oversight over the Group's risk management framework, and obtains assurance through the IAD, on the adequacy and effectiveness of the risk management and internal control systems. The Audit Committee also consults the independent external auditors of the Group, whenever required.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- The RMC oversees and performs regular reviews on the risk management processes of the Group's business and operations to ensure prudent risk management. The RMC is chaired by the Chief Financial Officer and includes representatives from all business divisions, both local and overseas, as well as from the relevant Head Office operations support departments. Each business division's risk management function is led by the respective head of the division.
- The Nomination & Remuneration Committee assists the Board including but not limited to reviewing and recommending appropriate remuneration policies for Directors and senior management, reviewing succession plans, recommending candidates to the Board, and evaluating the performance of the Board as a whole and the contribution of each individual Director (including Board Committees) on an annual basis.
- The Securities and Options Committee administers options and/or shares under the employee share scheme of the Company and regulates the securities transactions in accordance with established regulations and bylaws.
- Management committees of the respective business divisions of the Group are established to review and manage their operations and report to the Executive Committee at the Group level.



2. **Planning, Monitoring and Reporting**

- Regular, comprehensive and up-to-date information are conveyed to the Board, its committees and management committees of the Group and business divisions covering finance, operations, key performance indicators and other business indicators such as economic and market conditions at their monthly or periodic meetings, facilitating the monitoring of performance against the corporate strategy and business plans.
- Annual budgets by the business divisions and Group for the forthcoming year are prepared and approved by the Board. These budgets are used to monitor actual versus budgeted and prior period's performance with major variances being reviewed and management actions taken as necessary.
- Half-yearly company briefings with analysts are conducted on the day of release of the financial results to apprise the shareholders, stakeholders and the general public of the Group's performance whilst promoting transparency and open discussions.
- Annual validation of the Group's sustainability materiality matrix identified in FY2019 was carried out at the divisional and Group levels to ensure that the identified factors remained relevant and material to their business and stakeholders. Adjustments are made in line with current circumstances facing the Group. The outcome is disclosed in the Sustainability Statement of the Annual Report.

3. **Policies, Procedures and Values**

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

4. **Audits**

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5. Risk Management

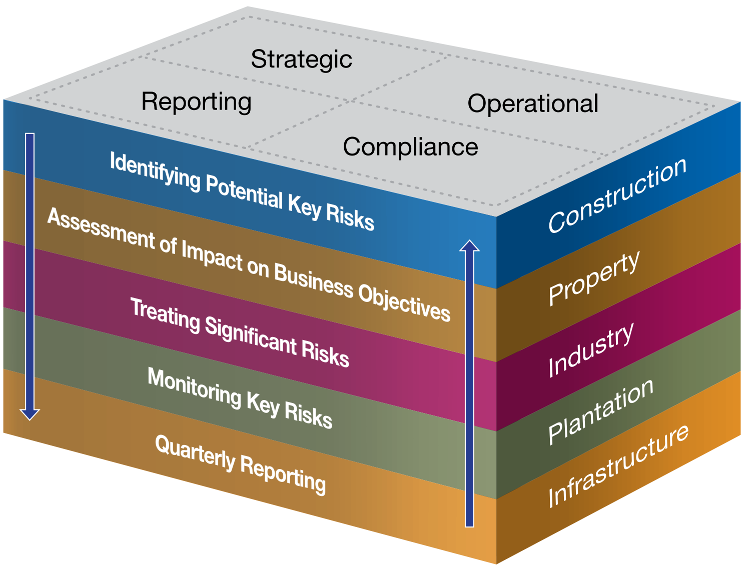
The RMC principally develops, executes and maintains the enterprise wide risk management system to ensure that the Group's corporate objectives and strategies are achieved within the acceptable risk appetite of the Group. The Group's risk management framework conforms with international guidelines of the *ISO 31000* and the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) *Enterprise Risk Management Framework 2017*. The risk management reviews cover responses to significant risks identified which would ensure the achievement of: the corporate strategies and business objectives; effectiveness and efficiency of operations; integrity of information and reporting; and compliance with the relevant laws, regulations, policies and procedures.

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

As the business risk profiles change, new areas are introduced for risk assessment and the necessary updates are made to the existing risk register.

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

Risk Management Process



Risk assessment reviews

During the financial year ended 31 March 2020, all business divisions performed their risk assessment and mitigation actions including internal control system reviews were assessed by the RMC and reported to the Audit Committee each quarter. The Group identified significant risk areas of concern and mitigating actions were undertaken within appropriate timeframes. The management of the Group's significant risks identified for the financial year 2020 is outlined below:

Significant Risks				
Market	**Credit and Liquidity**	**Operational**	**Cybersecurity**	**Disaster Recovery**
• Economic • Political • Commodity • Currency • Regulatory	• Debt recovery	• Health • Inadequate skilled workforce • Climate change • Physical progress	• Information technology and cybersecurity	• Crisis management

a) Market risk management

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

Economic risks

In the current economic climate of geopolitical tensions, trade wars and the coronavirus ("Covid-19") pandemic, the slowdown in the local and global economy may affect the Construction and Industry Divisions' order book replenishment and result in overcapacity situations in their factories. During the financial year, the Industry Division's performance was affected by the softening demand for its piles and quarry products and lower selling prices, while the Property Division continued to face challenges of a subdued and saturated market as well as stiff competition from established competitors in Malaysia. The government-imposed movement restrictions and directives in dealing with the Covid-19 pandemic have increased cost to the Group as well as impacted the port throughput and highway traffic volume. All of these factors affect the Group's profitability, liquidity and cash flows.

To mitigate such economic risks, the Group has put in place various measures as outlined below:

- securing long term Build-Operate-Transfer ("BOT") projects. In recent years, the Group secured the Solapur to Bijapur Section of the National Highway, NH-13 (New NH-52) (109.08 km) and Dewas Bypass (19.8 km) BOT projects in India. The Dewas Bypass commenced tolling in January 2020 while the Solapur to Bijapur Section is under construction;
- exploring various business and geographical diversifications including real estate investment through the development of Menara Prudential, a 27-storey office building within the Tun Razak Exchange, Kuala Lumpur. The respective office floors were handed over to Prudential in May 2019, generating recurring leasing income to the Group;
- regularly reviewing the business plans against performances to address any shortfalls;
- maintaining good relationships with vendors and negotiating for more favourable terms;
- maintaining existing customers and winning new customers;
- seeking alternative uses of available capacity for its factories and shutdown of certain plants such as the Kuala Terengganu, Senai and Line 2 of the Lumut plants to reduce manpower and increase cost efficiency in other plants. These plants can be revived swiftly once the market improves;
- enhancing efficiency and productivity in its operations;
- cost control initiatives such as delaying capital spend, sourcing cheaper alternative raw materials, reducing marketing spend and discretionary items and freezing company-wide recruitment; and
- adopting innovative marketing strategies with appropriate product differentiation and flexibility in product offerings to suit the market demand for its properties.

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

Political risks

Political risks refer to the change of government, government decisions, reforms, events or conditions that may affect the performance of the Group's businesses such as new laws and regulations, minimum wage increase, new taxes and renegotiation of major contracts. With the recent change of government in Malaysia in March 2020, coupled with the government-imposed movement restrictions since 18 March 2020 as part of preventive measures in meeting the challenges posed by the Covid-19 pandemic, there may be policy modifications, changes, monetary and economic stimulus plans affecting the Group moving forward.

In addition, the Group's overseas operations may be impacted by Britain's departure from the European Union in January 2020, the general election outcome in India and Indonesia in 2019 as well as the Covid-19 pandemic and government-imposed movement restrictions in those countries. The Group will closely monitor and be proactive in the management of associated risks by engaging and working with the governments in office to improve business, consumer and market sentiments in addition to complying with the governments' directives to address the Covid-19 pandemic impacts.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Commodity risks

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

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

Currency risks

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

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

Regulatory risks

The Group's businesses are governed by relevant laws, regulations, standards, licenses and concession agreements. The Group constantly assesses the impact of new laws or changes to laws and regulations affecting its businesses to ensure that its processes and infrastructure settings are able to operate under the new requirements.

With the change of Malaysian government in March 2020, the Group is mindful of the government's plans for various modifications and will take cognisance of the legal and regulatory changes being implemented in due course and will make the necessary adaptations and changes to comply with the new requirements.

New laws and regulations which have an impact to the Group during FY2020 include the following:

- *LR of Bursa Securities*;
- *Malaysian Budget 2020 and Finance Act*;
- Minimum wage increases under the *Minimum Wages Order 2020*;
- New *Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009* on corporate liability for corruption;
- Lower toll rates by 18 per cent across all PLUS highways; and
- Government-imposed movement restrictions, following the Covid-19 pandemic.

The Group manages these regulatory risks with the following measures:

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

The Group adopted an Anti-Bribery and Corruption ("ABC") Policy in 2019 in view of the introduction of *Section 17A of the MACC Act 2009*. With effect from 1 June 2020, a commercial organisation may be found liable for acts of corruption committed by any persons associated with the organisation. During FY2020, the Group has undertaken risk assessment and gap analysis exercises for the implementation of adequate measures to prevent bribery and corruption. The Group has also enhanced its policies, procedures, manuals and code of conduct and ethics for employees as part of its anti-bribery and corruption system. Through the code of business conduct for third parties, these anti-bribery and corruption principles are extended to the Group's associates, business partners and its supply chain.

The lower toll rates by 18 per cent across all PLUS highways effective 1 February 2020 may affect the performance of the Group's highways. The Group's Toll Division will continue to liaise closely with the government and industry associations on the toll rate disparity and monitor the impact to the profitability and cash flows of the Group.

The government-imposed movement restrictions are aimed at restricting mass movements and gatherings to contain the Covid-19 pandemic and break the chain of transmission. The Group has complied with the directive and closed its offices, factories and work sites except for those subsidiaries providing essential services such as Plantation, Toll and Port Divisions as well as instituting new work arrangements for business continuity. As the restrictions are relaxed in phases, the Group will comply with the government directives accordingly.

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

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

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

b) Credit and liquidity risk management

These risks arise from the inability to recover debts in a timely manner and lower business activities during the government-imposed movement restrictions period which may affect the Group's profitability, liquidity and cash flows, and funding. Such risks are more widespread in the Construction, Property and Industry Division's operations. The Group minimises such exposures with the following measures:

- assessing the creditworthiness of potential customers before granting credit limits and periods;
- employing strict debt repayment policies;
- persistent and close monitoring of collections and overdue debts;
- ensuring effective credit utilisation to keep leverage at a comfortable level;
- continuous financial planning taking into consideration the contractual obligations, financial impacts and liquidity requirements and optimising assets for healthy cash flows; and
- considering and accepting the loan moratoriums afforded by banks and restructuring of loans as appropriate.

c) Operational risk management

Health risks

The Group is wary of the Covid-19 pandemic and has taken the necessary steps to protect its employees, visitors, customers, subcontractors and suppliers at its properties and work sites. These measures are updated from time to time and include the following: establishing crisis management teams and emergency response systems; instituting daily precautions, sanitisation and daily temperature readings; introducing alternative work arrangements; postponing group events and trainings; issuing travel advisory guides for business and non-business travels; and enforcing quarantine rules in accordance with the health authorities. The Group will continue to monitor the situation closely and will do whatever is necessary to protect its employees, visitors, customers and the supply chain whilst ensuring business continuity.

Temperature taking as part of Covid-19 SOP

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Inadequate skilled workforce risks

Similar to many other companies in the same line of business, the Group faces a common challenge in the form of inadequate skilled workforce. This risk is more acute in the Plantation Division where skilled workers are needed in the harvesting operations. Various measures carried out by the Plantation Division to attract more skilled labour include the following:

- working with the industry fraternity to improve the availability of labour;
- upgrading the living quarters of guest workers complete with amenities including electricity and water, medical care, crèche, education centres, recreational and sports facilities, in phases;
- entering into partnership with NGOs such as the *Borneo Child Aid* to provide education to the children of guest workers;
- encouraging local school leavers to participate in the plantation sector and to offer suitable internship programmes for undergraduates via joint ventures with universities and agricultural/labour authorities;
- collaborating with the Montfort Youth Training Centre in training youths in the *Oil Palm Plantation Conductorship Programme*; and
- reviewing the remuneration benefits of workers from time to time to stay competitive.

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

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

Climate change risks

The Group is aware that climate change including adverse weather patterns and sea level rise may present significant risks and opportunities. The Group is assessing the risks, opportunities and ways to address and mitigate these risks in its climate change assessment.

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

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

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

Physical progress risks

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

d) Cybersecurity risk management

Information technology continues to be a key means to manage our business risks. The implementation of the *SAP Enterprise Resource Planning, Human Capital Management* and *e-Procurement* systems across the Group, which began in 2018, will be completed by the third quarter of FY2021. These systems are expected to provide greater transparency, insight and control over the Group’s businesses, especially in the areas of cost management and human resources.

Mission-critical workloads, including SAP, have been migrated to the cloud and enables an access from anywhere, at any time and from any device philosophy. Together with improvements in collaboration and communication tools, the Group was able to carry on with the limited business activities allowed during the Covid-19 pandemic while remaining connected to all our employees and stakeholders.

Cyberattacks can cause major damage to the bottom line, as well as loss of business reputation and stakeholders' trust. The Group's business initiatives are supported by corresponding cybersecurity monitoring and reviews in line with our *ISO/IEC 27001:2013 Information Security Management System* certification. The Group will continue to focus on strengthening its digital capabilities and security to support evolving work requirements.

e) Disaster recovery management

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

During the Covid-19 pandemic, the Group activated crisis management teams in all divisions and implemented emergency response systems as well as workstreams and protocols on staffing guidelines in preparation for all possibilities in response to the crisis, to ensure business continuity and compliance with the stringent directives from the governments.

Mock up accidents for crisis management at Toll Division

6. Sustainability

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

7. Insurance

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

CONCLUSION

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

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

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board of Directors dated 26 June 2020.

Developing inspired connections and mobility

In tandem with population growth and urbanisation, mobility requirements are rapidly expanding. The Group's Infrastructure Division participates in the entire infrastructure development value chain – from investing, designing and building to operating infrastructure concessions. Our development of highways, tollways and ports connects communities and encourage the mobility of people and goods, which are fundamental in stimulating the socio-economic growth of the cities and countries where we operate.

5

SUSTAINABILITY STATEMENT

SUSTAINABILITY
STATEMENT

COMMITMENT TO SUSTAINABILITY

ADAPTING TO A CHANGING MARKETPLACE

MANAGING ENVIRONMENTAL IMPACT

INVESTING IN COMMUNITIES

PROMOTING A SAFE, INCLUSIVE AND REWARDING WORKPLACE

COMMITMENT TO SUSTAINABILITY

Sustainability to IJM means providing products and services in a responsible manner – in a way that balances short- and long-term interests; and that integrates economic, governance, environmental and social considerations into decision making. Our commitment to operating responsibly is driven by a long-term mission to deliver sustainable value to our stakeholders and enrich lives with the IJM *Mark of Excellence*.

Enhancing sustainability was a major thrust that was identified under the Group's Strategic Blueprint FY2016-FY2020 and coincided with a new Sustainability Framework launched by Bursa Malaysia in October 2015, comprising amendments to the Listing Requirements and the issuance of a Sustainable Reporting Guide and Toolkit. Since then, we enhanced our sustainability disclosures by adopting best practices in reporting standards under the Global Reporting Initiative and also included quantitative measurements to track our progress, whilst allowing our stakeholders to better understand us. Annual materiality assessments were also performed by incorporating feedback from stakeholders and sustainability trends, better informing our business priorities. The established sustainability governance framework has also facilitated the management and operationalisation of our sustainability efforts.

As our sustainability journey continues, we are driven to create value that benefits all our stakeholders and will be aiming to share more of our ambitions through our Sustainability Roadmap that will be published on our Company's website this year.

We are pleased to share our responsible practices in FY2020 in the **Marketplace**, **Environment**, **Community** and **Workplace** sections of this Sustainability Statement ("Statement"). This Statement presents sustainability matters that are material to our stakeholders and to our business. The Statement should be read in conjunction with the Annual Report 2020 and other sustainability-related disclosures on the Company's website.

STATEMENT OVERVIEW

Sustainability reporting is important because it provides our stakeholders with a reflection on how our efforts in the financial year are aligned around our material topics and business priorities. The process of measuring, managing and disclosing our material sustainability impacts allow us to make informed decisions concerning the relationship of our activities and its impact on sustainable development.

Reporting period and scope

This Statement covers IJM Group's sustainability performance of its business operations in Malaysia and Indonesia for the financial year from 1 April 2019 to 31 March 2020. The operations in Malaysia and Indonesia accounted for 74% and 6% of the Group's total operating revenue in FY2020 respectively.

Performance data

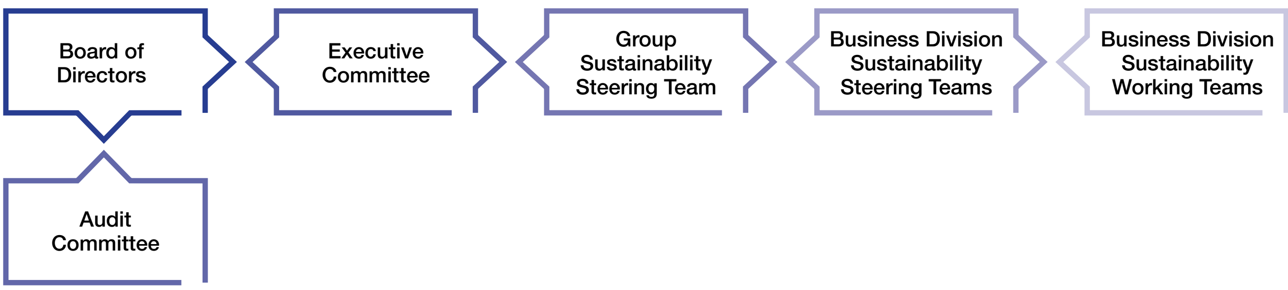
The Statement includes data from IJM's subsidiaries but excludes data from associates and joint ventures which are outside of Management's control. Data presented in this Statement, including the comparative data from the previous two years, have not been verified by any independent third party.

Frameworks and benchmarks

This report is aligned with relevant global and local disclosure frameworks and benchmarks, namely the Global Reporting Initiative ("GRI"), Bursa Malaysia's Sustainability Reporting Guidelines, FTSE4Good Bursa Malaysia Index, Sustainable Development Goals ("SDGs") and LBG Framework.

SUSTAINABILITY GOVERNANCE

In FY2017, IJM established a Group-wide governance framework for sustainability that defines and guides the Company towards impact-focused targets. The sustainability governance framework is available on the Company's website.



COMMITMENT TO SUSTAINABILITY

ENGAGING WITH STAKEHOLDERS

In December 2019, the World Economic Forum updated its guiding document for the modern era and issued a new Davos Manifesto, a set of ethical principles that guides companies to grow from a shareholder-centric view to a stakeholder-centric perspective to include shareholders, employees, customers and the community.

As expressed in our Vision and Mission statements, creating long-term, sustainable value for all our stakeholders is of core importance to us. We strongly believe in collective efforts and inclusive partnerships for long-term positive impacts as set out in SDG 17.

Identified key engagement topics with various stakeholder groups in FY2020

Stakeholders	Shareholders, Investors and Lenders	Clients/Customers	Subcontractors and Suppliers
Why We Engage	Shareholders, investors and lenders provide us with the financial capacity to sustain our growth. We work to ensure they have a strong understanding of our strategy, performance and business fundamentals.	Focusing on customers' needs is a core value. We engage with our customers to understand their needs and identify opportunities to improve our products and services.	Our broad range of subcontractors and suppliers support many aspects of our business. We encourage them to adhere to high standards of professionalism and collaborate with us to ensure we can continually improve our operations and deliver mutual benefits.
Method and Frequency of Engagement	• Annual general meetings • Annual reports • Bi-annual analyst briefings • Company's website • Investor conferences • Regular meetings • Scheduled site visits	• Annual customer satisfaction surveys • Customer satisfaction platforms i.e. phone calls, email, social media • Events and scheduled site visits	• Annual subcontractors/ suppliers HSE performance evaluations • Briefings such as product/ technology briefing sessions • Events and trainings • Tender sessions
Key Topics Raised	• Business outlook and strategy • CEO&MD transition • Covid-19 impact on business • Environment, social and governance practices and commitments • Financial and operational performance • Impact of new government policies and regulations • Risk management	• Customer service and experience • Environment, social and governance practices and commitments • Health, safety and environment ("HSE") practices • Product/service quality and support • Responsible planting practices	• HSE practices • Legal compliance and contractual commitments • New equipment/technology reliability and performance • Product/service quality and delivery • Workers' welfare and well-being

We engage in meaningful dialogues with our diverse stakeholder groups, which help enhance our mutual understanding of interests, concerns and aspirations, as well as strengthen relationships. We also participate in industry association activities to learn, develop and contribute to a collective voice towards best practices for the industries we serve. The list of associations where our Group and Divisions are members of and active partners with, can be found on our Company's website.

Regulators and Government Authorities	Media	Employees	Local Community, Industry Associations, Academia and Non-Governmental Organisations
Regulators and the government set the legal framework for our business operations. We engage with them to ensure we comply with existing legislations.	The media is our primary channel of communication to a wide spectrum of stakeholders. We rely on the media to disseminate information on the Group's financial performance, business updates and provide us with valuable feedback and insights about our business environment.	We work to create a diverse and inclusive workplace where every employee is encouraged to reach their full potential. This enables us to develop and retain the best talents.	We work in partnerships with the local community, industry associations, academia and non-governmental organisations to build positive relationships and ensure that we can deliver mutual benefits.
• Annual reports • Company representations at industrial association initiatives/technical working groups • Compliance and certification exercises • Consultations, briefings and trainings • Periodic site visits and audits	• Annual general meetings • Annual reports • Company's website • Events and site visits e.g. media appreciation events, project launches • Media relations e.g. press releases, press conferences and interviews	• Annual performance appraisals • Employee events and roadshows e.g. festive celebrations, annual dinners, IJM Games • Employee wellness initiatives • Regional Alignment Forums and townhall meetings • Sports and social programmes via Kelab Sukan IJM, IJM Toastmasters Club • Trainings and workshops • Triennial MyVoice employee engagement surveys • Workplace and intranet	• Annual reports and social media • Community outreach and development programmes • Company's website and advertisements • Educational briefings and site visits • Events e.g. product launches and festive celebrations
• Certifications and awards • Compliance with laws and regulations • Corporate governance • HSE practices • Industry updates and best practices • Preparedness for the Malaysian Anti-Corruption Commission (Amendment) Act 2018	• CEO&MD transition • Company events such as product launches, awards, community initiatives and sports programmes • Company's financial and non-financial performance • Company's strategy for growth and value creation • Industry outlook i.e. project wins, order book replenishment, property sales	• Changes in operations arising from Covid-19 pandemic which include employee welfare and health concerns, as well as new working arrangements due to government-imposed movement restrictions • Employee engagement and development opportunities • Regular health and safety practices • Human rights	• Community investment programmes and partnerships • Company's branding and reputation • Industry-related developments, research and knowledge sharing • Regular local community engagements in the vicinity of our projects

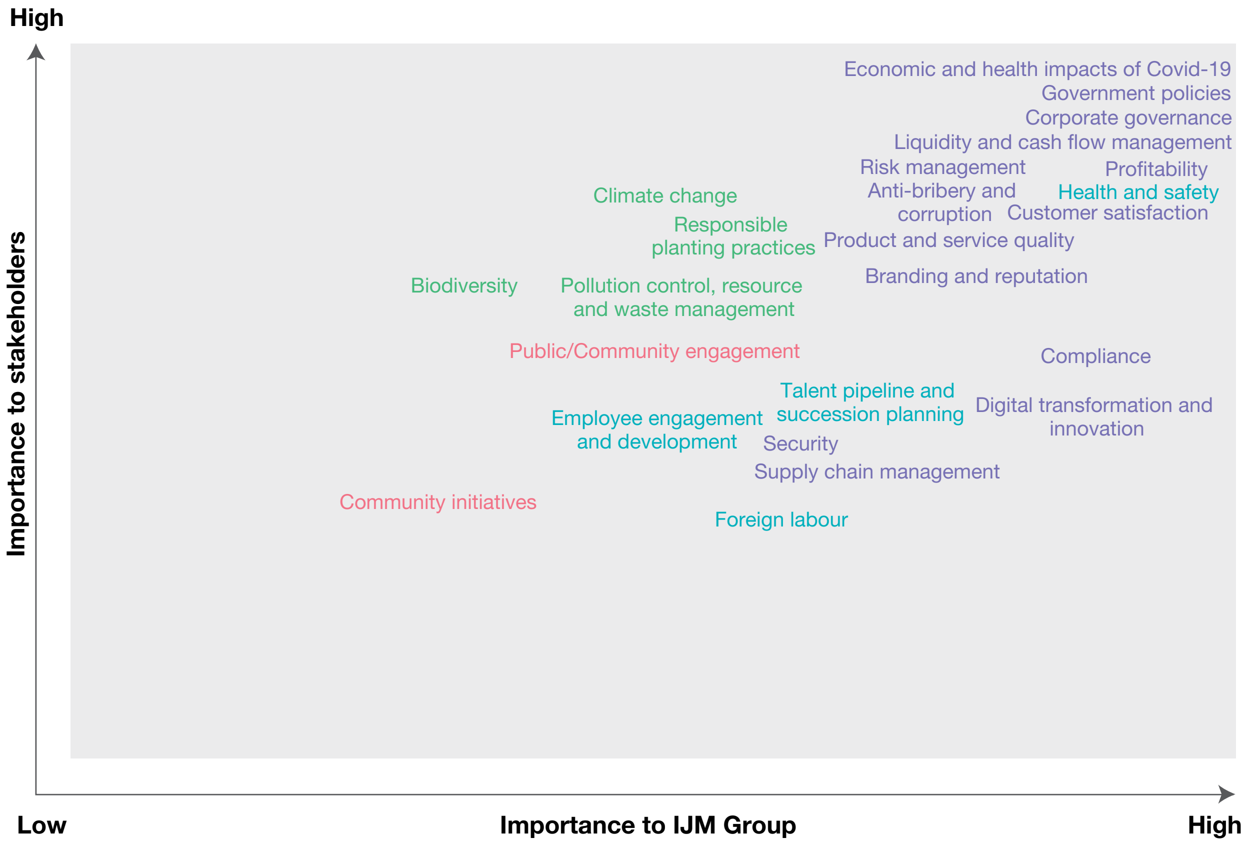
COMMITMENT TO SUSTAINABILITY

FY2020 MATERIALITY MATRIX

The Statement is our primary means of conveying our environmental, social and governance (ESG) practices to our stakeholders. The content of the Statement is determined after going through a detailed materiality assessment, a process for identifying and evaluating the sustainability topics that matter most to our stakeholders and our businesses. We also consider sustainability matters spelt out in the *Statement on Risk Management and Internal Control*, assessments by various financial and sustainability-related rating agencies as well as research publications.

The annual process for determining material sustainability topics involves three steps: identification, prioritisation and validation. All business divisions, together with Group Services, identify and prioritise sustainability matters on the matrix along two axes: importance to stakeholders and importance to the IJM Group. The respective matrices are reviewed and validated by the Management of each Division before being consolidated into the IJM Group matrix and reviewed by the Group Management. The top right corner of the matrix underscores topics most material to our stakeholders and the IJM Group.

IJM Corporation Berhad's FY2020 Materiality Matrix



Legend:
Marketplace, Environment, Community, Workplace

Supporting Sustainable Development Goals ("SDGs")

The SDGs are a universal call to action to end poverty, protect the planet and improve the lives as well as the prospects of everyone, everywhere. The 17 Goals were adopted by all United Nations Member States in 2015, as part of the 2030 Agenda for Sustainable Development.

In FY2020, the significant issues faced by the Group were in relation to the Covid-19 pandemic and its economic consequences as well as changes in the Malaysian Government that created policy uncertainty. Following this, the top five most material topics identified were under the Marketplace pillar as depicted in the top right corner of the materiality matrix.

The following table summarises the Goals that we believe align with our material issues.

Top 5 Material Topics and Supporting SDGs				
Economic and health impacts of Covid-19 pages 56 to 101; 134 to 135	Government policies pages 56 to 101; 181 to 360	Corporate governance pages 136 to 138	Liquidity and cash flow management pages 56 to 101; 181 to 360	Profitability pages 56 to 101; 181 to 360
SDG 1, 3, 8, 10, 17	**SDG 1, 8, 9, 11**	**SDG 5, 16**	**SDG 8**	**SDG 8**


Employees experienced the power of collaboration through the experiential 2030 SDGs Game simulation


Sustainability Champions discussed the latest sustainability trends on 20 February 2020

COMMITMENT TO SUSTAINABILITY

BUILDING BUSINESS AND COMMUNITY RESILIENCE TO COVID-19

In early 2020, the world grappled with the outbreak of an infectious disease caused by the novel coronavirus. On 11 February 2020, the World Health Organization ("WHO") officially named it the Coronavirus Disease-2019 or Covid-19. The impact of this pandemic, declared by WHO a month later, caused severe disruptions, widespread lockdowns and uncertainty globally. The world is still dealing with an unprecedented challenge that affects people, communities and economies everywhere.

On March 18, the Government implemented the Movement Control Order ("MCO") to address the Covid-19 outbreak in Malaysia which entailed a comprehensive restriction on movements and public gatherings nationwide, including the shutdown of business premises. With the exception of our Plantation, Port and Toll Divisions which fall under essential services, all IJM sites and offices in Malaysia were closed during the MCO which resulted in our employees working remotely from their own homes.

IJM has been closely monitoring the development concerning the Covid-19 pandemic with a primary focus on the safety and well-being of all our employees and associates. At all times, we have been striving to respond appropriately, adhering to the expert advice from the health authorities; while improving risk awareness and resilience in our operations and supply chains within this ever-changing environment. We have implemented prevention and control measures at all our office and operation sites, which include social distancing, wearing of masks, health declarations and temperature checks for our employees and visitors to our premises.

We assembled a cross-functional task force to provide support in the areas of human resources, health and safety, IT and communications in response to the Covid-19 situation. The Covid-19 working committee ensures constant communication with our employees via emails, SMS blasts, including intranet platforms. The regular emails from the Group CEO and Human Resources provide Covid-19 responses and situation updates, whereas the SMS blasts ensure that all our employees receive important announcements in a timely manner. The dedicated Covid-19 sites on the intranet features important guidelines and advisories, preventive personal health and wellness recommendations, useful resources and materials, work-from-home tips as well as the latest Covid-19 news media updates. Functional processes were put in place and adequate technology support were provided to enable our workforce to work from home each day while ensuring a smooth offsite operation.


Group Human Resources briefed employees on Covid-19 and work-from-home arrangements prior to the Movement Control Order


Employees on site are reminded to take precautionary measures as well as remain vigilant and adopt good hygiene practices at all times

IJM iPortal dedicated to Covid-19 includes human resources advisory and guidelines, prevention plans, CEO&MD communications and a Covid-19 live map tracker

We have been responding to the situation to make sure our employees, suppliers and customers are supported and we can maintain business continuity. While the majority of our employees rapidly adjusted to the new normal of working from home; our employees in the essential services continued to work on site to ensure operational continuity. The Plantation Division ensures the steady supply of crude palm oil to the refineries, while the Port and Toll Divisions maintain their infrastructure to facilitate connectivity of essential goods and services to the public.

In parallel, we are also stepping forward to ensure that our broader communities are supported. For example, IJM contributed RM1 million to The Edge Covid-19 Health Care Workers Support Fund. This fund provides financial assistance to healthcare workers who are infected while caring for Covid-19 patients.

In a separate effort, we coordinated with our partners and suppliers in response to calls for personal protective equipment for healthcare workers and other front-line responders battling the Covid-19 pandemic. Malaysia-China Kuantan Industrial Park ("MCKIP") partnered with its joint venture partner, Guangxi Beibu Gulf International Port Group as well as Jian Hui Paper, a MCKIP investor, to supply 200,000 face masks to various establishments in the Klang Valley. In addition, 50,000 face masks were contributed to the Pahang state government including the State's Disaster Operation Controlling Center.

Some additional 30,000 face masks secured from China by the MCKIP team and 3,000 latex gloves secured by our employees were also distributed to Wisma IJM's neighbouring community in Petaling Jaya, including the district police headquarters, hospital, municipality, fire station, non-governmental organisation and nursing homes.

In Indonesia, our Plantation Division assisted neighbouring villages, such as Desa Susuk Dalam, Desa Susuk Tengah, Desa Susuk Luar and Desa Marukangan in sanitising their common areas as well as conducted awareness briefings to the villagers on the importance of self-hygiene. Regular screenings for Covid-19 symptoms were also carried out on the villagers in neighbouring communities. Contributions of test kits, face masks, personal protective equipment, medicines, disinfectants and other necessities were extended to the local surrounding communities.

Dealing with this health crisis highlights the importance of cooperation with the different stakeholders. This challenging period serves as a catalyst to learn, adapt and adjust so that we will emerge stronger post the Covid-19 pandemic.

Sanitisation and awareness briefing on Covid-19 to the nearby villages in the Plantation Division's Indonesian operations

MCKIP donates 200,000 face masks to front-liners and health care workers on 27 March 2020

Employees in the essential services ensuring operational continuity

Face mask distribution to our local community in Petaling Jaya

Workplace do's and don'ts handbook

ADAPTING TO A CHANGING MARKETPLACE

As we step into the new decade and look back on our presence over the last 37 years, we have demonstrated our track record of business resiliency, adaptability to meeting the changing needs of our customers and workforce, compliance with evolving regulations, as well as upholding numerous environmental and social responsibilities. We value the positive reputation that we have built with our stakeholders across our footprint. We continue to be committed to high standards of corporate governance, upholding the trust in the IJM brand, ensuring customer satisfaction through our quality products and services. Our awards and accolades are listed on pages 10 and 11 of the Annual Report.

CEO&MD briefing analysts and fund managers on the Q2FY20 financial results

CREATING SUSTAINABLE VALUE FROM GOOD GOVERNANCE AND ETHICS

Sound corporate governance is a material sustainability matter to IJM and is critical in helping us shape strategy, manage risks and ensure long-term viability and business growth. IJM Group is a professionally managed company and is committed to delivering sustainable value to our stakeholders. We are guided by the Malaysian Code on Corporate Governance in ensuring the principles and best practices of good corporate governance are applied throughout the Group. The corporate governance framework and practices, as in the Corporate Governance Overview Statement on pages 102 to 111 of the Annual Report, demonstrate the robust board and management accountability to our stakeholders.

In July 2019, IJM took home three awards at the Minority Shareholders Watch Group (MSWG)-ASEAN Corporate Governance Awards 2018 – a recognition of our efforts to elevate our corporate governance disclosure and practices. IJM won the Excellence Awards for Corporate Governance Disclosure, ranking 10 out of the 100 companies; Industry Excellence Award for the Construction and Plantation industries based on the ASEAN Corporate Governance Scorecard assessment.

IJM won three awards at the MSWG-ASEAN Corporate Governance Awards 2018

Business ethics and policies

In line with the Group's commitment to conduct its business professionally, ethically and with the highest standard of integrity, the Board and all employees of IJM Group are committed to upholding the highest standards of professionalism and exemplary corporate conduct in our daily operations by adhering to the Code of Conduct and Ethics. It sets out the principles and standards of business ethics and conduct, and each employee has a duty to read and adhere to it.

IJM Group has in place a number of Company codes and policies that establish the rules of conduct within the organisation; representing the main points of reference for all who work for and with us. These codes and policies can be found on the Company's website.

Board Policy	Corporate Codes and Policies	Sustainability Policies
Board Diversity Policy	Anti-Bribery and Corruption Policy Code of Conduct and Ethics for Employees Code of Business Conduct for Third Parties Corporate Disclosure Policy External Auditors Policy Privacy Policy Remuneration Policy Whistleblowing Policy	Community Investment Policy Diversity and Inclusion Policy Environment Policy Human Rights Policy Responsible Supply Chain Policy Occupational Safety and Health Policy Quality Policy

Anti-bribery and corruption system

We remain committed to behaving professionally and with integrity in our business dealings with our customers, shareholders, business associates, third parties as well as towards one another. Pursuant to the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which took effect from 1 June 2020, we have implemented an Anti-Bribery and Corruption System ("ABCS") across the Group to strengthen our integrity, governance and anti-corruption framework. The Group practices a zero-tolerance approach against all forms of bribery and corruption, and upholds all applicable laws in relation to anti-bribery and corruption.

The ABCS, as a management system, comprises a manual which contains principles and policies that guide our ethical decisions. We enhanced and strengthened our business ethics framework by updating the IJM Code of Ethics and Conduct and developed a Code of Business Conduct for Third Parties ("CBC for 3rd Parties") and relevant policies and procedures on anti-bribery and corruption.

Compulsory internal e-learning on ABCS was conducted for all employees. Dedicated communication channels to create awareness and disseminate information on anti-bribery and corruption as well as to promote a culture of integrity and compliance have been set up on our intranet. Where applicable, relevant employees were sent for external training on corporate liability and corruption risk management. Each employee is expected to read, familiarise and strictly comply with the ABCS in carrying out their duties. Third parties performing work or services for or on behalf of IJM are also required to acknowledge conformity to the CBC for 3rd Parties as well as comply with all applicable laws and our ABCS manual. All investments including mergers, acquisitions, joint ventures and projects are reviewed for anti-bribery and corruption risk with appropriate due diligence conducted on the counter party and owners of the counter party, where relevant.

Integrity pledges were signed by the IJM leadership team to demonstrate top level commitment. We have in place control measures for compliance and to mitigate corruption risks which are assessed, monitored and regularly audited. In addition, we have in place robust testing and monitoring programmes to ensure that our control environment is effective. IJM Group continues to take all necessary measures and promote a culture of integrity through awareness campaigns and regular communications.

Department and divisional representatives engaged on Anti-Bribery and Corruption System at Wisma IJM

ADAPTING TO A CHANGING MARKETPLACE

Port Division collaborates with University Malaysia Pahang on creating awareness on ethics and integrity

The Port Division has been putting in additional measures to increase employees' awareness on ethics and integrity in their business. The Division collaborates with University Malaysia Pahang, who has created modules and conducted training programmes for the Port's management team and nominated successors on corporate governance between July and August 2019. The six training modules covered governance, risk and compliance, as well as acts and regulations pertaining to unethical behavior. The Malaysian Anti-Corruption Commission has also been invited to conduct awareness training on corruption for Port employees and business associates.

COMMITMENT TO QUALITY

Staying on top of the fast-changing business environment, especially in the diverse businesses we are involved in, requires tenacity for continuous improvement. We continue to be committed to our motto of *Excellence Through Quality*. This steadfast commitment stamps our *Mark of Excellence* in all our products and services.

All our business divisions implement management systems and are certified in accordance with relevant local and international benchmark standards. We build a culture of excellence by providing clear principles, unified standards and guidance for our processes and activities. This empowers our employees to take ownership and drive results through commitment and competency.

Our Construction, Property, Industry, Port and Toll Divisions are certified with the ISO 9001:2015 Quality Management System. The ISO 9001:2015 defines the way we operate to meet the requirements and satisfaction of our customers and stakeholders. This international standard promotes the adoption of a process approach, using the Plan-Do-Check-Act cycle with an overall focus on risk-based thinking aimed at taking advantage of opportunities and preventing undesirable results.

We are dedicated to exceeding industry standards for the quality and reliability of our products and services. The Construction Division's self-regulated assessment system, IJM Quality and Safety Assessment System ("IQSAS"), provides a quality assessment framework for civil engineering projects. The Quality Management Committee along with the Occupational Health and Safety Management Committee conducts an annual review of this Quality Management System and Safety and Health Management System. In this reporting period, the West Coast Expressway Sections 8 and 9 were completed and have been assessed with an IQSAS score of 81% and 84% respectively.

The construction industry also employs the Quality Assessment System in Construction ("QLASSIC"), a system to measure and evaluate the workmanship quality of a building construction work. QLASSIC assessments are carried out through site inspections, where marks are awarded if the workmanship complies with the CIS 7:2014 Construction Industry Standard following the first-time inspection principles.

In addition, the Construction Division contributes through the Construction Industry Development Board ("CIDB") and Master Builders Association Malaysia ("MBAM") in development initiatives relating to construction quality such as on the development of standards and training modules. In February 2020, the Property Division performed a CIDB QLASSIC assessment on the Sandakan Rimbayu Indah Phase 1C and achieved a score of 83%. In addition, the Property Division also achieved a QLASSIC score of 84% for Bandar Rimbayu in the reporting year.

Our Industry Division's products are certified with MS 1314:Part 4:2004 Precast concrete piles, SS EN 206:2014 Concrete, MS EN 206:2016 and CIS 21:2016 Ready-mixed concrete, JIS G 3137:2008 Small diameter steel bars for prestressed concrete, MS 1138:Part 3:2007 Prestressing steel and MS 1462 Metal scaffolding. The Division is also certified with the C60 Shoring system, BS 5975 Code of practice for temporary works procedures and the permissible stress design of falsework and BS EN 12812 Falsework.


Industry Division hosted a technical sharing session with members of the Technological Association Malaysia and Institution of Engineers Malaysia at its Nilai factory

Industry Division's ICP Kuantan factory obtained the Product Certification of Conformity for its spun piles

Our Plantation Division adheres to stringent production requirements and delivers the best quality products to meet customer demands and standards. The Division is governed by national and international certification standards such as the International Sustainability and Carbon Certification ("ISCC") for the Malaysian operations, Malaysian Sustainable Palm Oil ("MSPO") and Indonesian Sustainable Palm Oil ("ISPO"). The Division's processing operations and palm products are certified with Good Manufacturing Practice Plus. Also, all processing plants in the Malaysian operations are now certified with the MSPO Supply Chain Certification Scheme.

Successful recertification of ISCC and surveillance audits for MSPO and ISPO in all of Plantation's operations

ENSURING CUSTOMER SATISFACTION

The satisfaction of our customers is paramount to the continuity of our business. A material topic to all our divisions, customer satisfaction determines our ability to secure new and repeated business as well as fortify our ongoing relationships to achieve economic success. We strive to fulfil our customer needs and exceed their expectations with the IJM *Mark of Excellence*. Each Division adopts different targets and measures of customer satisfaction due to the diversity of its business.

Construction	Property	Industry	Port	Toll
Customer satisfaction survey	Customer satisfaction index	Customer satisfaction survey	Customer satisfaction survey	Highway users satisfaction survey
Achieved average **81%** for all projects (target: 80%)	Achieved average **85%** for all projects (target: 75%)	Achieved average **96%** for all products and services (target: 80%)	Achieved **94%** (target: 80%)	Achieved average **88%** for all highways (target: 85%)

For the Property Division, the Customer Satisfaction Index (CSI) measures satisfaction levels when customers make any interaction with IJM Land, while the Net Promoter Score ("NPS") indicates the willingness of our customers to recommend us to others. In the reporting year, the Division recorded an NPS of +15, indicating that IJM Land retains a positive level of customer loyalty that generates word-of-mouth referrals.

An employee based in Bandar Rimbayu recognised via the Moment of Truth Programme

ADAPTING TO A CHANGING MARKETPLACE

The survey results prove that the Division's efforts have been reaping positive outcomes. Since 2018, the Property Division has carried out internal customer-centric trainings to attain enhanced levels of service excellence to elevate customer experiences namely;

- CX Chats – Monthly employee sharing sessions on products and promotions
- Moment of Truth Programme – Recognise exemplary employees who have delivered quality service
- GM Awards: VIP Role Models – Empower employees to reward colleagues who demonstrate the IJM Land VIP Principles
- EXT Customer Survey – Collect on-site customer feedback using dedicated QR codes

For highway concessionaires, road user safety is an important element in maintaining high standards of the highway service. The Toll Division does this through road safety audits, accident investigations and propose counter measures that are linked to the Malaysian Highway Road Accident Database and Analysis System ("MHRoad"). The MHRoad integrated database is formed by the Malaysian Institute of Road Safety Research (MIROS) and the Malaysian Highway Authority (MHA), that allows concessionaires to monitor traffic more effectively, identify accident-prone areas, as well as conduct analytical assessments of accident patterns.

On top of road user safety, the Toll Division does 24-hours monitoring through the Traffic Control and Surveillance System equipped with closed-circuit television and conducts regular traffic patrols along the highway. Readable Variable Message System is also placed at strategic locations to notify road users with customisable messages. In the reporting period, we installed blue flashing lights for traffic attentiveness at road curves, anti-skid traverse bars at designated locations to reduce overspeeding and improved on skid resistance through micro surfacing at motorcycle lanes. The highway is also equipped with users' facilities such as pedestrian bridges, highway lighting system and emergency telephones.

Toll Division provided customer service training for highway patrol, toll collectors and supervisors

Micro surfacing, a preventive maintenance technique that improves skid resistance at NPE

ICP's new Kuantan spun pile factory up and running on 13 August 2019 to support the growing demand in the East Coast

NPE highway's Traffic Control and Surveillance System Control Center

BRANDING AND REPUTATION

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

At IJM, our commitment to meeting the needs of our stakeholders is expressed in our brand promise: *Delivering Inspired Solutions*. For us, it is the guiding philosophy that drives all our business decisions and actions, and steers us both internally and externally. For our clients and customers, it is a promise that we will continue to leverage our decades of experience and know-how to find and reinvent solutions that will inspire better benefits for all.

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

A familiar sight: IJM logo atop a building under construction – a testament of our track record as a builder of prestigious and iconic high-rise buildings in the city centre

IJM Land: The trusted value creator

IJM Land's brand reputation as a trusted value creator has served the Property Division well through the years. Its belief of delivering quality products with good customer service at the price that fulfills the hopes of all tiers of purchasers, builds brand presence and loyalty. IJM Land developments are recognised by its hallmarks of thoughtful design, accessibility and connectivity. Its efforts in creating enduring value are not only recognised by the numerous prestigious accolades we have acquired but also affirmed by homeowners and the community at large. Beyond IJM Land's role as a property developer, it sees itself as being a lifestyle integrator and community builder with the responsibility of creating spaces that benefit the neighbourhood, community and society at large.

IJM Land finds new ways to enrich the lives of its homeowners and deliver solutions that really matter to them. Constant conversations with its customers have kept IJM Land up-to-date, as it evolves with the homebuyers' lifestyle needs and housing preferences to create liveable spaces that they love. At the end of the day, branding is how IJM Land makes a difference and remains relevant in its customers' lives.

IJM Land wins the Platinum Award at the prestigious Putra Brand Awards 2019

Kuantan Port rebranding

For almost five decades, the establishment of Kuantan Port as a premier seaport has boosted the livelihood and economy of Malaysia's east coast region. Throughout this journey, the Port has experienced numerous changes and expansion to keep up with the evolving shipping business and global trade landscape and increasing demand from foreign direct investments.

The completion of Kuantan Port's New Deep Water Terminal in 2018 was a game-changing development for the Group – one that will see the Port doubling its capacity and transforming the Port into a major transshipment hub on the east coast of Malaysia for trade in and out of Asia.

Kuantan Port's rebranding exercise gives the Port a new look and feel to reflect its growing prominence

ADAPTING TO A CHANGING MARKETPLACE

Along with this development, Kuantan Port embarked on a rebranding exercise, giving the Port a new look and feel that reflects how far the Port has come and where it is today. This rebranding exercise also symbolises the Port's readiness to embrace and connect to opportunities of the future while making a mark on its employees, investors, customers and the local community.

The Port's rebranding exercise culminated in the launch of a new logo – the most visible symbol of the brand; a brand promise that is the guiding philosophy that drives all its business decisions and actions; a brand identity guideline to ensure the correct and consistent application of Kuantan Port's core identity elements across all communications; and the implementation of the new brand identity on internal and external communication touchpoints including stationery, signage, advertising and livery.

FOSTERING DIGITALISATION AND INNOVATION IN PRACTICE

IJM has been undertaking digital transformation and innovation initiatives to enable and integrate technology into all areas of our businesses. The implementation of our digital backbone with SAP for Enterprise Resource Planning, Human Capital Management and e-Procurement is ongoing with phased rollouts continuing until the end of 2020. While a few of our businesses have started using some components of the SAP system, fine tuning of processes across all businesses are expected to continue into 2021.

Digital transformation roadshow at Wisma IJM

Our investment in SAP Ariba for strategic sourcing, which was initiated in May 2019 for cost reduction and procurement transparency purposes, has been yielding good results with all Divisions ramping up their procurement spend through the system. The SAP implementation is supported by coordinated change management initiatives such as nationwide roadshows, user training, as well as regular email and intranet messaging, to prepare our staff with an understanding of business expectations and the required digital skills to effectively use the system.

Digital transformation train-the-trainer session

Innovation brainstorming workshop to generate new ideas

Digital transformation: The four pillars of change management

Change management workstream has been established to ensure that our employees have a smooth transition in the journey of digital transformation as they embark on a new system and new ways of working. There are four key pillars in the Change Management framework, namely:

COMMUNICATIONS

Disseminate consistent messaging to raise awareness and create understanding about the digital transformation

The Communication Plan has been established with the following channels of communication:

- Newsletters
- Go-Lives and cutover communications
- Awareness teasers, banners and contests
- FAQ documents
- Stakeholder Engagement and Communication Plan

ENGAGEMENTS

Engage all employees to promote enthusiasm and foster buy-in

The Engagement Strategy and Plan covers the following:

- Engagement roadshow nationwide
- Identification of and regular engagement with Change Agents across Divisions
- Senior Management engagement sessions
- Breakfast engagement sessions with key users
- Regular briefing sessions with Business Process Owners & Business Champions
- Go-Live high-tea engagement sessions

TRAINING

Identify gaps to educate employees on the changes observed to facilitate and ensure smooth transition

The Training Strategy and Approach included the below interventions:

- Change Impact Assessments
- Stakeholder Analysis
- Training Needs Analysis
- Training Materials, Assessment Questionnaires and Effectiveness Reports
- Soft Skills Training in managing change

FEEDBACK CHANNELS

Address concerns obtained in order to implement the necessary change interventions

Multiple feedback channels have been established to gauge users' level of adoption, which included:

- Change Readiness Assessment and Reports
- Post Go-Live Surveys
- Dedicated email channels for feedback collation
- Monthly Change Agents meetings to gather users' feedback

Build innovation: Four-pronged approach

For businesses to stay relevant and resilient, we need to develop innovative processes and business models. The continuous journey of embedding innovation within the Group consists of a four-pronged approach which covers culture building, process innovation, leveraging on collaborations and strategic investments.

BUILD INNOVATION CULTURE AND SKILLSET

Objective:
Embed innovation culture and skillset among IJM employees

The IJM Intrapreneurship Organisation Program incorporated Design Thinking and Business Model Canvas to facilitate the process from ideation to pilot projects

IMPLEMENT DIGITAL PROCESS INNOVATION

Objective:
Digitalise manual processes using existing productivity tools

Workplace modernisation initiative such as Digital Clinics enhance paper-less working environment and promotes online team collaboration

BUSINESS COLLABORATION INNOVATION

Objective:
Address business needs through collaboration with start-ups and technology partners

Innotech Day invites start-ups and technology partners to showcase innovation and explore collaboration for value creation

STRATEGIC BUSINESS INVESTMENT

Objective:
Invest in high potential and innovative start-ups that complement IJM core businesses

Invested in a property-technology start-up that provides an online platform to match landlords and tenants

ADAPTING TO A CHANGING MARKETPLACE

Building Information Modelling

Building Information Modelling ("BIM"), which entails the digitalisation of construction information on construction projects, has continued to expand in scope and scale. BIM is now adopted for nine ongoing projects compared to three projects when we first started in 2016. BIM allows the involvement of all relevant disciplines among our Construction Division personnel throughout the project's development. The utilisation of BIM technology during the pre-construction phase facilitates the team by enabling early visualisation and planning using 3D model-based simulation, reducing friction during construction. BIM has become an increasingly crucial tool during construction, promoting better coordination between trades and subcontractors benefitting from every phase of the project life cycle. Upon project completion, modifications and additional input included in the BIM model significantly eases work for renovation and facilities management.

The use of BIM is also in line with the Construction Industry Transformation Programme ("CITP") for all public and private projects using BIM to adopt national specifications for construction by 2023. IJM is collaborating with Universiti Teknologi Malaysia (UTM) to conduct research on a real-life building for modeling and analysis using BIM tools and computational methods. The findings of the research will develop a BIM-based method to increase the level of automation for Green Building Index assessment and Industrialised Building System supply chain management.

BIM coordinators from the Bukit Bintang City Centre project became Champions of the BIM Contest Malaysia 2019 for the Contractor Category

Flexi home

In line with enhancing housing affordability through creative design concepts and cost optimisation, our Property Division introduced the flexi home layout in its developments, namely Ara Impian at Seremban 2, as well as Livia and Starling at Bandar Rimbayu. These houses have an open-plan with flexible layouts, where the structural design of the home can be personalised to the different needs of homebuyers or expanded when future needs arise.

Industrialised Building System – the smarter way to build

We are always finding ways to improve productivity in a sustainable manner. On 8 August 2019, IJM held a groundbreaking ceremony for a fully automated Industry 4.0 Industrialised Building System ("IBS") facility that marked the Company's venture into producing IBS precast products. The construction of this IBS facility represents our industry commitment through the alignment with the CITP. The CITP agenda is aimed at shaping a modern, sustainable and productive construction industry in Malaysia.

The 200,000 sq ft factory is located at the growing industrial hub of Bestari Jaya, Kuala Selangor. It is built on a 25-acre site with an annual output capacity of 500,000 sq m (equivalent to 3,000 homes) that is set to be completed in 2021. The RM165 million facility showcases our capabilities in providing end-to-end digital IBS solutions – from design, costing, manufacturing to delivery and on-site installation.

A controlled manufacturing environment ensures product consistency enabling us to deliver increased end product quality to our customers. The adoption of the IBS system improves productivity as the construction period is shortened by up to 40% compared to the conventional method. It also reduces dependency on foreign labour while upskilling our local workforce. The system also has an aesthetic versatility where it enables customisable design requirements to allow efficient use of living space. This leads to a sustainable construction with lower carbon footprint and wastage apart from providing a safer and more conducive workplace.

The state-of-the-art fully automated Industry 4.0 IBS facility marks IJM's venture into producing a wide range of IBS precast products that cater to diverse building applications – from affordable housing, low- and high-rise residentials, commercial buildings to public infrastructure such as schools and hospitals.


IJM IBS factory groundbreaking ceremony

Toll Division receiving the Highway Digitalisation Excellence Award in July 2019

Plantation digital supervision

In FY2017, the Plantation Division initiated the use of digital devices in its supervision of estate operations. The digital supervision enabled the Division to utilise GPS signals on Android hand-held devices to track plantation activities through a web-based backend system. In the conventional method, information on the crops and the productivity of harvesters were manually recorded and subsequently transferred to the administrative system. By using this digital data logger, in-field information is better analysed, reducing human error and facilitating an improvement in efficiency and response time. The reports are a useful toolkit for the supervisory staff and management to rectify any shortcomings in the fields, faster and more accurately. Presently, the digital devices are used in all Plantation estate operations in Malaysia. Subsequently, the system will be extended to apply into other plantation management activities, such as in pest, disease and agronomy monitoring.

Highway Digitalisation Excellence Award

In July 2019, the Toll Division received a Highway Digitalisation Excellence Award (HDEA) at the Highway Concession Conference 2019 under the category of Workplace Modernisation (Document Management and Work Order System). This award recognises leading players in the highway industry who keep their services at the very best through creative and innovative ideas, right technologies, devices and instruments.

SECURITY

Security is a material issue for all our Divisions. We believe in the right to security: for the public and our customers, residents, employees and partners.

The Property Division recognises the importance of safety and security at our townships. Security is built into the design of its townships and facilities using an approach called Crime Prevention through Environmental Design (CPTED) principles. Most of our development parcels have single ingress and egress points to screen off intruders, while pedestrian walkways and motorised lanes are separated by buffers to deter snatch thieves. To ensure quieter and safer neighbourhoods, we have introduced cul-de-sac layouts and traffic calming measures, whilst bright light emitting diodes ("LED") street lighting contributes to overall urban safety. Physical elements such as landscaping and perimeter fencing are used to enhance homeowners' sense of belonging and responsibility. We also collaborate with local law enforcement agencies and the police. The local force conducts regular patrols throughout the townships to maintain the safety and security of township residents.

The Industry Division implements a number of security measures for the transport, storage, handling, use and disposal of explosives at all quarry sites. All workers handling the explosives are trained with relevant safety procedures in accordance with all national regulations and health and safety standards. All relevant authorities are pre-informed of any planned use of explosives at the quarry sites.

ADAPTING TO A CHANGING MARKETPLACE

As the locations of our estates are in the interior, the operating units within the Plantation Division are always attentive to the surrounding areas. The Division works closely with related local government agencies to safeguard the estates and associated facilities in order to provide a secure environment for the employees living in the operating units. Internal security personnel enhance the security patrolling and form the *Rukun Tetangga* patrol teams in order to be always watchful and alert. During the nationwide Movement Control Order, the Division adopted a closed-door policy to protect its employees from visitors entering the premises without prior management approval.

The Port Division's security regulations are based on the International Ship and Port Facility Security ("ISPS") code. The ISPS code is an essential maritime regulation for the safety and security of ships, ports, cargo and crew. There are strict requirements for entrance permits under the National Security Council, unauthorised access restrictions to ships and port facility areas, as well as control of port facilities through CCTV surveillance and physical patrolling.

CCTV cameras are also installed at toll plaza areas to monitor highway movements; and at gated walkways assigned to our toll collectors and operational staff for their safety. Additionally, security guards are appointed around the toll plaza areas to ensure that only employees are allowed to enter authorised areas.

Data security and privacy

Digitalisation and information technology systems are becoming increasingly important in our operations. As a result, cybersecurity is central to managing the risk of data or information loss that could impact our business operations. We value our customers' trust and are committed to safeguarding their privacy by ensuring security of the collection, storage and handling of their personal information. We protect our customers' personal information in accordance with the Personal Data Protection Act (PDPA) 2010.

In the area of providing security for digital information and service management, we are certified with both the ISO/IEC 27001:2013 Information Security Management System (ISMS) and ISO/IEC 20000-1:2011 Information Technology Service Management System (ITSMS). During the reporting year, there were no cases of complaints filed by external parties or regulatory bodies nor cases of non-compliance concerning breaches of customer privacy or identified leaks, thefts or loss of customer data. The Privacy Policy, in both English and Bahasa Malaysia is available on the Company's website.

RESPONSIBLE SUPPLY CHAIN

Our supplier base is large making our supply chain both complex and deep. We extend IJM's values and principles to our suppliers, service providers and contractors in order to foster trust and long-term mutual benefits with all our stakeholders. IJM's Responsible Supply Chain Policy, available on the Company's website, sets out the same expectations from our operations to our supply chain: good ethics, healthy and safe workplace, minimise the risk of violating human and social rights, good environmental practices and ensure strict compliance to local laws and regulations. We address responsible sourcing issues through a multifaceted approach, including supplier assessments, audits and direct engagements.

As an example, in January 2020, the Port Division engaged with all stevedore companies to obtain their commitment on the prevention of fatalities and injuries. These stevedore companies provide waterfront manual workers to load and unload cargoes to and from ships that dock at the port. The engagement involved the Kuantan Port Authority, 11 stevedore companies, and the Port Division's management. Top hazards and accident types were identified and discussed; resulting in a contractor management plan in accordance to the ISO 45001:2018 to monitor contractors' operations and OSH capabilities.

A similar engagement was done with a Port customer, Alliance Steel and its transporters, to identify hazards within the port and public area. As a forward commitment to reduce accidents, the Port Division implemented the Machinery Permits to ensure that all lorries that come through the port meet the Road Transport Department's specifications and are roadworthy.

In November 2019, the Plantation Division hosted journalists from the European Union to appreciate the supply chain from seed to oil


High-level luncheon with key leaders of the construction industry on 10 January 2020

Fire-resistant test furnace (hydraulic tilting type) at SIRIM's test laboratory

Supporting the local industrial ecosystem

The Government supports the local industry, especially in their capabilities and capacities to meet the global standard requirements. One such platform is the Industrial Collaboration Programme that provides opportunities and a competitive edge for local industry players in the global supply chain and market. Leveraging on the programme, the Construction Division collaborated with a local company, Mudahjuta Industries Sdn Bhd and has successfully developed a locally designed, sourced and fabricated high-performance board that has high impact and superior fire-resistant properties.

This non-combustible fire protection board involves the adoption of green technology in its development and meets stringent international standards. The central cementitious core design includes 30% of components formulated with waste materials from blast furnaces and cement plants and harvested rainwater. The Construction Division supported the tests at SIRIM's test laboratory and obtained the local Fire and Rescue Department's approval for the board to be made available to the local and international construction market, including our own construction projects.

MANAGING ENVIRONMENTAL IMPACT

We are determined to operate responsibly to safeguard the environment. In consideration of the impact of our activities on both the environment and surrounding communities, we set ourselves stringent environmental standards and strive to exceed regulatory requirements. We manage our emissions, optimise energy and water use, respect biodiversity and ecosystems, as well as reduce the generation of pollution and waste in our operations.

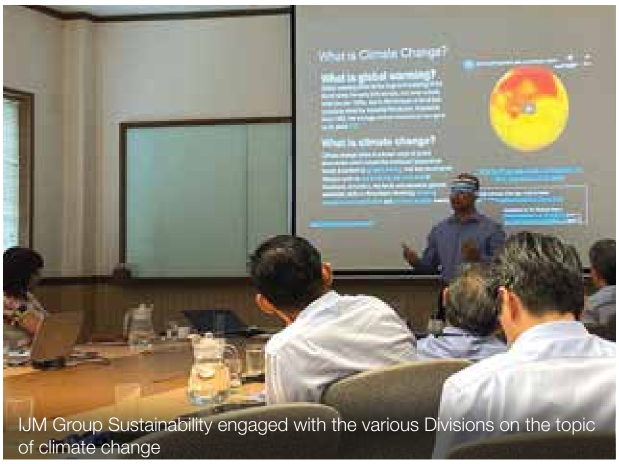
IJM's commitment to protect the environment is an intended outcome of our Environmental Management System ("EMS"). Our Environment Policy makes this everybody's responsibility, including those in our supply chain. The Construction and Industry Divisions continue to be certified with the ISO 14001:2015 while the Property Division was successfully certified with the ISO 14001: 2015 on 25 October 2019.

Property Division successfully completed the ISO 14001 certification audit

RESPONDING TO CLIMATE CHANGE

Environmental concerns were prominently featured in the World Economic Forum's annual Global Risk Report 2020. The top five global risks in terms of likelihood and severity were climate-related such as extreme weather events, failure of climate-change mitigation and adaptation, biodiversity loss and ecosystem collapse, natural disasters as well as human-made environmental damage and disasters.

With the last decade being the warmest on record, the effects of climate change are becoming increasingly noticeable around the world. Governments, businesses and society each have respective roles to play in mitigating climate change if we are to stay within the aspirational 1.5°C of the Paris Agreement. Recognising this, IJM supported the launch of the Climate Governance Initiative Malaysia in May 2019, which was formed to work with various stakeholders in developing mutually supportive outcomes to address climate change.



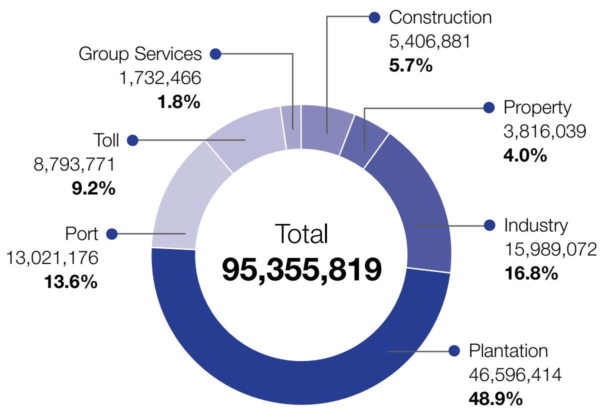
IJM Group Sustainability engaged with the various Divisions on the topic of climate change

At the last Group Strategic Visioning session, the Board was briefed on climate change and how the present CO_2 emission pathways presents risk and opportunities to the Group's various businesses. In line with SDG 13, we are building internal capacity to address the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

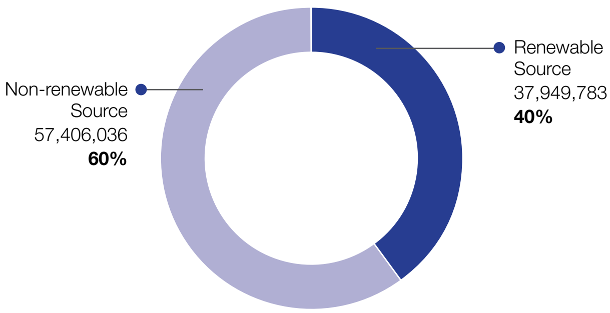
Enhancing energy efficiency

Improving energy efficiency is one of the main ways we manage our greenhouse gas ("GHG") emissions as a means of climate mitigation. As a sustainable business practice, we strive to improve our energy efficiency and use renewable energy in our energy mix as much as possible. As a Group, we consumed 95.4 million kWh of energy in FY2020 where 40% of our energy was generated by renewable sources such as biomass and solar energy. The Plantation, Industry and Port Divisions constitute 79% of the total Group energy consumption.

Total Energy Consumption by Division in FY2020 (kWh)



Total Renewable and Non-renewable Energy Consumption in FY2020 (kWh)



Rooftop solar photovoltaic ("PV") systems have been progressively installed at the Industry Division's factories since 2016 to help mitigate carbon emissions at its operations. The Division's renewable energy usage avoided a total of 5,758 tonnes in CO_2 emissions since FY2017.

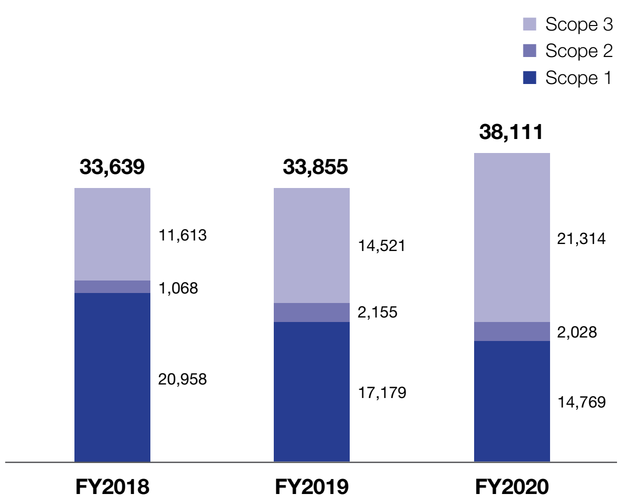
The rooftop solar PV systems have been installed in five ICP factories and have generated a total solar energy of 2.9 million kWh in the reporting year. We are presently undertaking a preliminary energy efficiency assessment on our building premises, including ICP and Durabon factories, to ascertain any opportunities that may further reduce our energy consumption.

Factories	Kapar	Jawi	Senai	Ulu Choh	Lumut
Solar capacity (kWp)	445	700	666	900	776
Total solar energy generated in FY2020 (kWh)	471,122	729,007	272,212	922,002	528,160

Tackling carbon footprint

We track our carbon footprint emissions in Scope 1, Scope 2 and Scope 3 in accordance with the Greenhouse Gas Protocol. In FY2020, the Industry Division recorded a 13% increase in the total carbon reduction from the previous year. The biggest reduction was seen in Scope 1 and Scope 3 at 39% and 56% respectively in the reporting year.

Total CO_2 Reduction by Source for Industry Division (tCO_2e)



Note:
- Scope 1: Direct CO_2 emissions that are emitted from sources owned or controlled by our organisation such as from stationary combustion of light fuel oil, diesel and natural gas to produce steam
- Scope 2: Indirect CO_2 emissions that are consumed by our organisation such as purchased electricity for factory use, that may be offset by using renewable energy such as solar PV systems
- Scope 3: Other CO_2 emissions by related activities not owned or controlled by our organisation such as cement purchased for our consumption

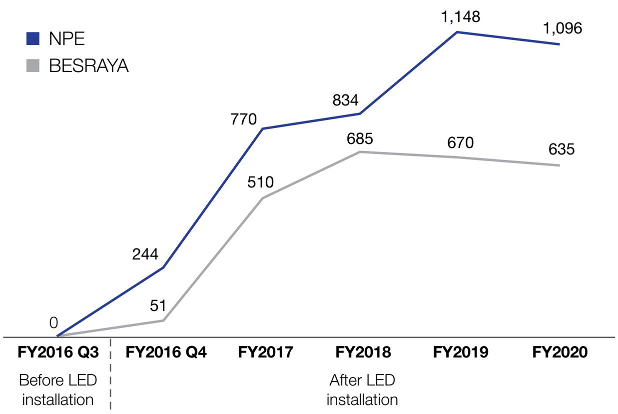
MANAGING ENVIRONMENTAL IMPACT

The Plantation Division closely monitors and measures emissions from its business activities using toolkits that are aligned to the EU Renewable Energy Directive, guidelines from the ISCC 205 – Greenhouse Gas Emissions 3.0 and the Greenhouse Gas Protocol accounting standard. In the reporting year, the Plantation Division saw a 7% increase in total carbon emissions to 231,679 tonnes of carbon dioxide equivalent ("tCO_2e") from last year, mainly due to the increased volume of Palm Oil Mill Effluent ("POME") generated, arising from the Division's additional crop production. However, a reduction was observed in the GHG emissions intensity for both the estate and palm oil mill operations, compared with the base year FY2016. The operational emissions and reduction strategies are reported in detail in the IJM Plantations Berhad's Annual Report 2020.

We often engage with our customers for feedback to improve our operational efficiency and value of service. In FY2020, the Port Division purchased four units of hybrid Rubber Tired Gantry ("RTG") cranes to replace the existing conventional diesel-powered yard equipment. At the Port, RTG cranes are used to stack and move containers at the yard. The hybrid RTG cranes are powered partly by electricity allowing for fuel savings of 60%. The new automated equipment will reduce emissions, cut cost and noise while making container handling safer, more productive and reliable. In another effort to conserve energy, the Division is exploring shore power to reduce diesel consumption and cut exhaust emissions when the tugboats are not in use or when on standby. Another initiative of the Port Division is replacing conventional bulbs to LED for all high masts with the main objective to save energy. The replacement will be done in stages in the next reporting period and is expected to see 40% in energy savings.

One of the ways the Toll Division addresses its carbon footprint is through the use of energy saving equipment. Since the installation of LEDs, Besraya Highway ("BESRAYA") and New Pantai Expressway ("NPE") have seen a total reduction of 6,643 tCO_2e. This resulted in corresponding cost savings of 49% and 46% for BESRAYA and NPE respectively against the base year FY2016.

Annual CO_2 Emissions Reduction Following Installation of LED Lighting (tCO_2e)



LEKAS highway awarded *Silver* at the MyGHI 2018 ceremony by the Malaysian Highway Authority

On 4 December 2019, the Toll Division received the Silver Award at the Malaysia Green Highway Index ("MyGHI") 2018 ceremony for our Kajang Seremban highway ("LEKAS"). The MyGHI manual promotes sustainable green highway construction and its assessment system measures the level of greenness throughout the planning, designing and construction of highways in Malaysia. The LEKAS highway integrates both transportation functionality and ecological sustainability that encourages urban growth while securing environmental stewardship.

Our involvement with industry and stakeholders

IJM sits on the committee that develops the CIDB's Sustainable Infrastructure Rating Tool ("Sustainable Infrastar") which was launched in March 2019. The Sustainable Infrastar addresses environmental concerns for the construction industry, and complements other existing tools such as CIDB's Malaysian Carbon Reduction and Environmental Sustainability Tool (MyCREST) for building construction and the MyGHI by the Malaysian Highway Authority. The West Coast Expressway (Banting to Taiping – Section 4) was used as a pilot project to develop the Sustainable Infrastar rating tool. The rating tool covers infrastructure construction, including highways and roads, railways, water treatment plants, airport rail links, jetties and marinas, sewerage pipe networks, wastewater treatment plants and telecommunication networks.

For the fourth year, IJM continues to sponsor the World Class Sustainable Cities Conference 2019 themed *Next KL2040* – a 20-year plan for the Kuala Lumpur city. This event, held on 19 September 2019, brings together government agencies, city and industry experts, academicians and non-governmental organisations to address challenges of a livable and sustainable Kuala Lumpur and other cities in Malaysia, through better planning, technology and social innovation. On 6 October 2019, the Property Division honoured the Seberang Perai City Council's elevation to city status through a tree planting programme.

Launch of Sustainable Infrastar rating tool at the International Construction Week 2019

Together with the local authorities and communities, 5,555 Malayan Yellow Dwarf coconut tree saplings were planted in 40 locations throughout Seberang Perai. The programme is in line with the local council's target to turn Seberang Perai into a low carbon city by 2022.

Mitigating through green buildings

By constructing green buildings, we help reduce the impact that buildings have on climate change. At IJM, we work to build environmentally friendly buildings with construction features that ensure efficient use of resources such as water and energy. The market and clients' demand for green buildings sets the tone for our growing list of project portfolios with green building certifications that support SDG 9, to build resilient infrastructure, promote sustainable industrialisation and foster innovation.

List of IJM's completed green building projects

Green Building Index (GBI)	
• The Address • Bandar Rimbayu • G Tower • Kondominium Altitude 236 • The Light Linear • The Light Point • The Light Collection I • The Light Collection II • The Light Collection III • The Light Collection IV	• Menara Binjai • Platinum Park Phase 3 – Naza Tower • Somerset Damansara Uptown • The Starling Damansara Utama
Green Real Estate (GreenRE)	
Pantai Sentral Park (Parcel 2)	
Leadership in Energy and Environmental Design (LEED)	
Menara Prudential	

Menara Prudential, a 27-storey Grade-A office tower at the heart of Kuala Lumpur, is the Group's only investment property. The building was recently constructed and has been tenanted since June 2019. Energy and water consumption data for FY2020 were 5.0 million kWh and 40,368 m^3 respectively. As a green building, Menara Prudential features several smart and sustainable office building attributes such as the use of smart meters for energy efficiency, rainwater harvesting system, advanced security features as well as being disabled friendly.

PRESERVING BIODIVERSITY AND LAND USE

We recognise our duty to minimise any potential impacts of our activities on biodiversity and the surrounding ecosystem. Our projects undergo the Environmental Impact Assessment ("EIA") prior to project approval and implementation. We seek to minimise our impact on the ecosystem and where appropriate, carry out biodiversity conservation activities.

We have found ways to incorporate biodiversity into our property projects. A prominent feature of The Light Collection project in Penang is the waterways teeming with marine life. As the residential phase has been completed and handed over to the residents, the maintenance of the 1.5 acres salt-water waterways is undertaken by marine aquatic professionals, overseen by the residents' association. The marine life includes corals, turtles and fish species such as baby sharks, blue tang, angelfish, clownfish, pomfret, stingray and threadfin.

Our Erosion and Sedimentation Control Plan enhances project aesthetics and eliminates damage to natural resources. Best management practices include usage of sand bunds for land reclamation works along the seaside to prevent sea pollution, control of surface water runoff by constructing temporary drainage systems to prevent flooding and use of temporary measures such as groundcover, turfing, vegetation and hydroseeding to prevent slope erosions.

MANAGING ENVIRONMENTAL IMPACT


Plantation Division hosted the Human-Elephant Conflict meetings through the Rurality Project by Earthworm Foundation for the Sabah Wildlife Department and affected stakeholders


Community engagement on open burning, initiated by the Plantation Division with local authorities and communities

Responsible planting practices and biodiversity protection

The Plantation Division's commitment to No Deforestation, No Peat and No Exploitation, established in February 2019, ensures no deforestation of High Conservation Value ("HCV") and High Carbon Stock (HCS) areas for any new plantings.

The Division implements conservation of HCV areas, areas defined as natural habitats which are rich in biodiversity, and make efforts to rehabilitate the ecosystem found within the Division's concession areas. One of its estates, Minat Teguh, has demarcation and buffer zones along its 6km boundary with the Kabili-Sepilok Forest Reserve. This acts as a wildlife transition zone between the gazetted forest reserve and the estate.

The Plantation Division has set aside 5,299 hectares of HCV areas in its Malaysian and Indonesian operations for conservation, biodiversity protection and rehabilitation purposes. Poaching is not allowed in these conservation areas and at the adjacent gazetted forest reserves. Regular encroachment and anti-poaching patrols are conducted to monitor any illegal activities. Flood prone areas and wetlands are rehabilitated where suitable tree species are identified and planted in both in-situ and ex-situ rehabilitation sites. Furthermore, IJM Plantations undertakes climate adaptation efforts through tree planting, preservation of riparian reserves and high conservation areas, as well as having water catchment ponds.

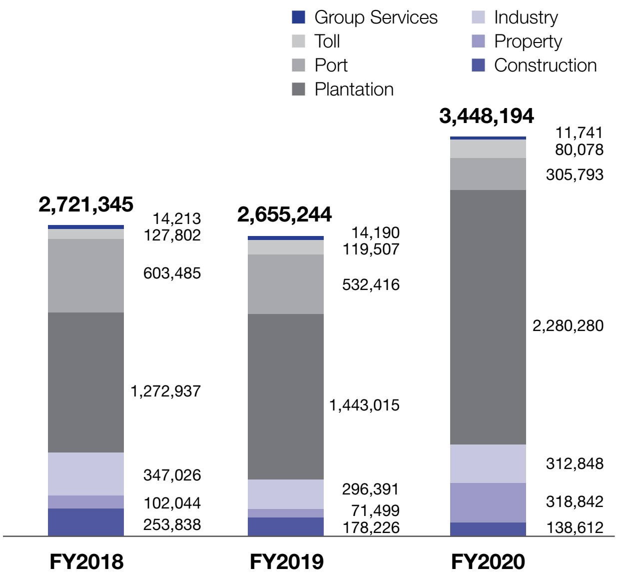
For more information on our efforts, please refer to the IJM Plantations Berhad's Annual Report 2020.

WATER USE

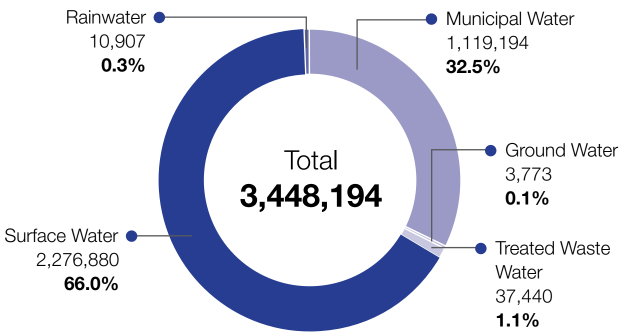
The World Economic Forum's Global Risk Report 2020 identified water crises as one of the top five global risks by impact. As a business, we acknowledge that water is a critical resource and we are committed to managing our water use and discharges. This is in line with SDG 6 in ensuring the availability and sustainable management of water, as we proactively increase water efficiency across all businesses.

In this reporting period, IJM Group consumed a total of 3.45 million m^3 of water. The Plantation and Property Division were the largest consumers, accounting for 75% of our total water consumption. The increase in water consumption by the Group is partly due to enhancements in our environmental management system that has better enabled us to include additional data from our supply chain. During the reporting year, we have been in full compliance with water quality and quantity permits, standards and regulations.

Total Water Consumption by Division (m^3)



Total Water Consumption by Source in FY2020 (m^3)

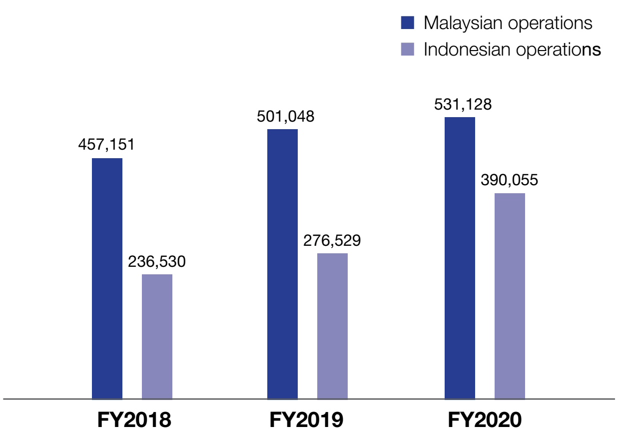



Environmental monitoring programme across our Plantation operations

We invest in technologies to treat, reuse and recycle water from our operations so that we can responsibly manage our water footprint while meeting environmental standards. At one of the construction projects, MRT V203, we implement a water treatment system where chemical agents are applied to the water discharged from the site. Similar efforts were previously undertaken at other construction projects at appropriate stages of their construction cycle. Any discharge of water from the construction site will be channeled through this system, which reduces the suspended solids content to below 50 mg/litre. The treated water can either be discharged into the public drainage system or recycled for further use.

Similarly, at our Plantation Division, stringent water management plans and audits are in place to deal with the wastewater generated from palm oil milling activities, comprising different suspended components. Generated POME is treated to meet the stipulated limits and channeled to the fields for land irrigation. River water samples are periodically collected and tested with parameters to ensure no hazardous agrochemicals contaminate the water sources.

Total POME Generated from Oil Palm Mill Operations (m^3)



TREATED WATER SAFE FOR DRINKING

At the Plantation Division, treated water supply is provided to all employees and their dependent's living in the operating units. Treated water samples are tested to ensure the quality is in compliance with the World Health Organization (WHO) drinking water standards.

Several Divisions have implemented rainwater harvesting systems to reduce our consumption of water.

Division	Examples of Harvested Water Usage
Property	Landscaping at Menara Prudential at TRX, Kuala Lumpur; The Arc at Bandar Rimbayu, Selangor; The Light Waterfront, Penang; and residential projects in Sandakan
Industry	Road cleaning at all quarries and factories
Plantation	Mill processing, nursery irrigation and domestic use
Port	Washing bays
Toll	Landscaping and road cleaning at Loke Yew and Eco Majestic Toll Plazas

PREVENTING POLLUTION

IJM upholds the highest level of environmental standards in managing potential environmental risks and pollution at our work sites. We regularly monitor the quality of water discharge, air, noise and vibration levels, including spills at all our sites. Each business division has proper procedures in place to prevent operational spills. No significant spills were reported for the Group during the reporting period. The environmental quality monitoring is carried out to ensure compliance with regulatory limits as defined in the EIA approval conditions or relevant Malaysian standards.

Erosion and sedimentation can cause environmental pollution if not controlled properly. IJM has in place best management practices to control erosion and sedimentation impacts from our activities, that arise mainly from earthworks. All project sites implement suitable practices for erosion and sedimentation control which includes silt traps, check dams, silt fences and slope protection.

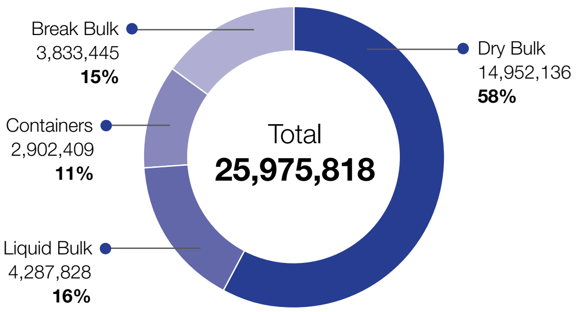
MANAGING ENVIRONMENTAL IMPACT

In FY2020, nine Property Division projects, all with more than 50 hectares each, performed the EIA. The Division adapted the Environmental Quality Monitoring Programme at its projects to monitor and protect the surrounding environment from risks of pollution. The Division is in compliance with the EIA requirements on water quality, silt trap discharge, and air, noise and vibration levels.

The Industry Division monitors air, water and noise quality. At our quarries, apart from the sprinkler system applied at our production areas, dust pollution is minimised through road spraying exercises with collected rainwater. Fugitive dust are also controlled by limiting vehicle speed at 15 km per hour at operating areas. Where possible, the Division also uses *Kelat Paya* trees to create dust barriers to protect roads and the surrounding environment. We have also employed hydroseeding on loose soil on slopes to catalyse grass growth for soil erosion control. Hydroseeding involves the application of slurry, combining seeds and mulch to ensure quick growth, and is now widely used to control soil erosion on hillsides. Over 5,000 sq ft of sloping ground at each site have now been planted using the technique.

The Port Division handles various forms of bulk cargo, and continuously seeks to improve its handling methods for productivity gains, health and safety practices as well as to minimise the environmental impacts. In July 2019, the Port Division completed the installation of a CB6 conveyor system that consists of a ship loader, stacker (bucket wheel) reclaimer, belt conveyor and corridor as well as the steel structure of the transfer station. The new conveyor system decreases the likelihood of cargo spillage at port roads, berth areas, trenches and the sea. Moving forward, the Division will extend the use of this system to other types of bulk cargo such as iron ore and manganese ore. Ongoing efforts to reduce air pollution in the port area are the use of water retention ponds, sprinklers and washing bays at the yard area and exit gate to ensure that cargo trucks are cleaned before going back onto public roads.

Port Division's Throughput by Cargo Type in FY2020 (Freight Weight Tonnes)




Dust control via the power broom and access retractable gate


Port Division collaborates with Gebeng Fire Department and CSA Chemicals Sdn Bhd for a chemical spill and fire drill


Noise barriers installed to ensure environmental impact due to noise generation is minimised

Heavy downpours and surrounding developments around our highways can cause flash floods. Our Toll Division has taken a few measures to minimise the impact of these flash floods by coordinating with neighbouring project developments, conducting routine cleaning work, desilting, pumping via portable water pumps, upgrading the drainage and constructing retention sumps. The Toll Division has also put in counter measures to eliminate the risk of slope failure through a combination of hydroseeding and vibromat protection or gabion and permanent sheet piles.

Erosion Control Blanket for temporary slope protection

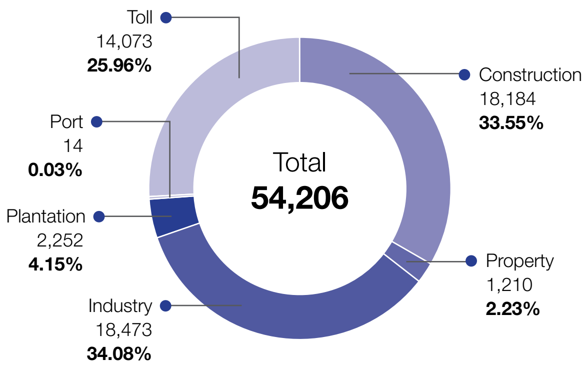
RESPONSIBLE HANDLING OF RAW MATERIALS

Aggregates, cement, concrete, sand, steel, timber and diesel constitute the main components of our raw materials mix. Materials like these are essential inputs to the development of the commercial and residential buildings, transportation and industrial infrastructures that drive economic growth. While we are unable to control the demands of our clients, we strive to make the most efficient use of these materials. We remain committed to source raw materials responsibly from reliable vendors; where raw materials are produced in a responsible manner.

REDUCING AND MANAGING WASTE

We aim to reduce the amount of waste we generate and to reuse or recycle materials. We also ensure that waste is disposed in accordance with the highest standards of environmental practices. In FY2020, IJM Group generated 54,206 tonnes of wastes, mainly from the Construction, Industry and Toll Divisions. In the reporting period, 19% of our waste footprint was reused or recycled.

Total Scheduled and Non-Scheduled Waste Generated in FY2020 (MT)



Recycling and reusing waste

The Construction Division manages wastes according to the requirements set by the law and industry certifications such as the Green Building Index. Wastes such as timber, steel and concrete are segregated at the point of generation. We also designate waste collection points at construction sites where licensed contractors are responsible for the waste disposal. We make best efforts to reduce the amount of waste sent to the landfills by recycling and reusing construction wastes on-site. Moving forward, the Division intends to work on identifying the source of waste generation at the planning stage and explore means to reduce the waste before it is generated.

Reused or Recycled Construction Waste

Waste Type	Reused (MT)	Recycled (MT)
Timber	17	722
Steel	17	401
Concrete	4,311	3,048

In the reporting year, IJM was awarded the Certificate of Appreciation by the Solid Waste and Public Cleansing Management Corporation (SWCorp) for our Best Practices on Construction Solid Waste Management at the Affin Bank Project at TRX.

MANAGING ENVIRONMENTAL IMPACT

In support of World Environment Day, Property Division organised the Spring Cleaning and Recycling Day at Seremban 2 to raise environmental awareness

Since January 2016, our Industry Division has been reclaiming concrete waste generated from operations. The concrete reclaimer is used to segregate sand, aggregates and slurry effluents from unused concrete resulting in cost savings and effective waste management. In FY2020, the system reclaimed 382 tonnes of sand and 479 tonnes of aggregates for production use instead of landfilling. The recovered sand and aggregates are mixed into the stockpile and reused in production. Slurry effluents from the concrete reclaimer flows into the tank and allows suspended particles to settle out of water as it flows slowly through the tank, thereby providing recycled water. Water separated by this method, totalling 903 m^3, is reused for concrete batching, truck washing, sprinkler systems and cleaning purposes.

Our Plantation Division generates oil palm biomass which includes chipped trunks from replanting, fronds, empty fruit bunches, shredded fibre and shells, which are effectively utilised and recycled as organic matters back to the fields, or as a fuel source, reducing the use of fossil fuels.

By-products Generated from Mill Operations

Raw Material	Percentage Recycled from Raw Materials	Usage
Fibre	100%	Fuel
Shell	98%	Fuel
Empty fruit bunches	95%	Mulch and fuel

Designated bins provided to segregate between different types of construction waste


Commenced replanting phase in Sugut region with the first planting in Sungai Sabang estate

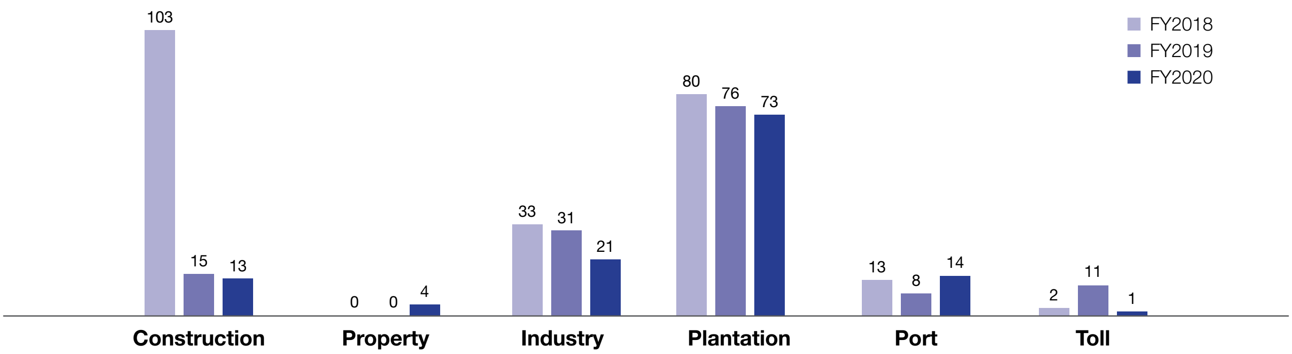
Handling scheduled wastes

We manage scheduled wastes according to the stipulated legislations where a designated storage area is constructed at all sites based on guidelines and specifications. Licensed contractors are appointed to transport these wastes off site to a treatment facility. We emphasise on reducing the generation of such wastes through proper handling of chemicals or materials that are disposed as scheduled wastes. We inspect and maintain our machineries and equipment frequently to avoid any spillage or leakage that may contribute to the generation of scheduled wastes.

In FY2020, our Construction and Industry Divisions received notifications of non-compliance with environmental laws and regulations relating to storage of scheduled wastes exceeding the allotted time limit of 180 days.

Centralised and fully equipped storage for scheduled wastes

Scheduled Wastes by Division (MT)



E-waste or electrical and electronic equipment wastes can be a valuable resource as different materials within the equipment can be recycled and reused as new raw materials if treated properly at the end of life. IJM practices the disposal of this scheduled waste as set under the Environment Quality (Scheduled Wastes) Regulations 2005, via contractors registered with the State Environmental Department.

Electrical and Electronic Equipment Wastes (By Number of Units)

E-waste Type	2017	2018	2019
Monitors	96	50	80
Desktop computers	78	101	80
Notebook computers	59	39	24
Printers	37	31	47
Servers	-	27	-
Others i.e. scanner, fax machine, AVR, UPS, keyboard, hard disk, projector, network equipment	56	122	2

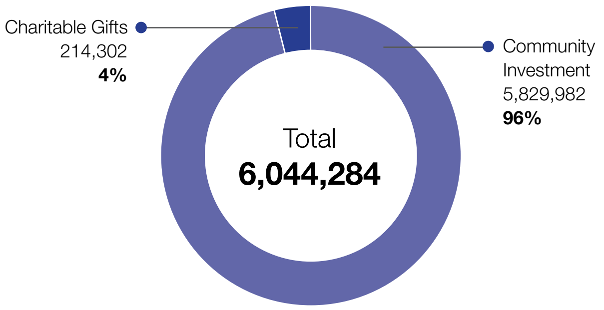
INVESTING IN COMMUNITIES

We strive to play a positive role and create mutually beneficial relationships with the communities where we operate and in the wider society. We invest in community projects so that neighbouring communities can benefit from social and economic development. We are guided by our Community Investment Policy and our programmes are focused largely in the areas of community development, sports and education; with immense consideration for local community needs and priorities. We work with the locals, governments and non-governmental organisations to ensure the programmes we support are beneficial to the people that need them.

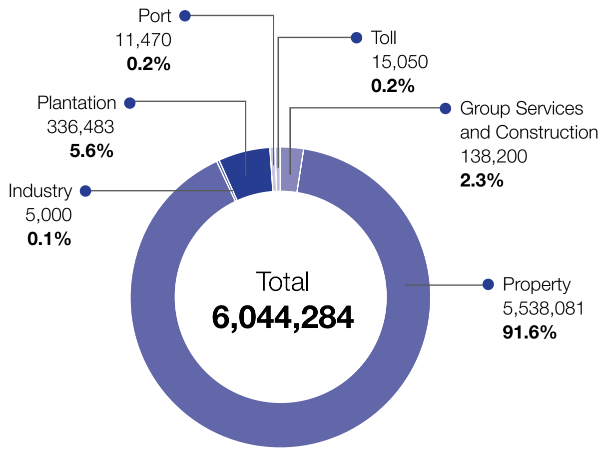
We abide by the LBG Framework, the global standard for measuring corporate community investment, which helps us understand the scale and value of the Company's investment to support the community. In FY2020, IJM Group contributed RM6.04 million to the community, amounting to 1.2% of the Group's pre-tax profit.

Our motivations matter too – 96% of our efforts are strategic community investments where we consciously invest resources to bring about social and environmental change where we operate; with the remaining 4% invested as charitable gifts which are often regarded as a response to short-term events.

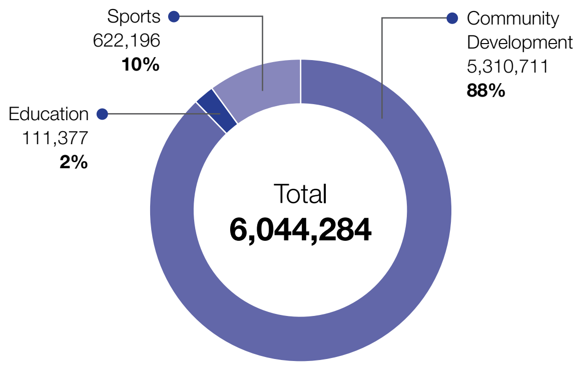
Motive for Contribution in FY2020 (RM)



Expenditure by Division in FY2020 (RM)



Supported Causes by Community Investment Pillars in FY2020



DEVELOPING AND WORKING WITH COMMUNITIES

Core to our work within the sustainability space is building and maintaining strong relationships with communities. We are committed to collaborating with willing partners to generate economic benefits and improve community well-being.

We believe everyone deserves a safe place to live; it can transform the quality of lives for people and their families. One major concern, due to population growth and urbanisation, is affordable housing. The concern around housing affordability is not just about being able to afford to buy or rent a house, but also being able to afford to live in one. This goes beyond meeting the maintenance of the house, with considerations for transport, infrastructure and services in its surrounding areas. During the year, the Property Division undertook projects where 671 affordable houses were built in the Klang Valley, Negeri Sembilan and Sabah, amounting to RM184 million.

Beyond our role as a property developer, we see ourselves as a community builder where we create spaces that benefit the communities at large. In a number of our townships, we have gone beyond the requirements stipulated by the local councils. In our Shah Alam 2 township, we have built a RM5 million Central Park as part of our contribution to our community of residents, by which 80% live within a 10-minute walk to the park. Completed in September 2019, the 11-acre park features an open air amphitheatre, children's play area, multipurpose courts, a skateboard rink and gazebos that encourage residents to lead a healthy outdoor lifestyle. With over 500 trees and 1,290 shrubs planted, the park facilitates community integration apart from improving human health and wellness.

The Property Division's decade-long commitment to the signature Home Rehabilitation Programme benefitted another family. Structural repairs were made to a once dilapidated house in Senawang, Negeri Sembilan ensuring a safe, sanitised, functional and aesthetically pleasing home environment for the family of four. Some of the changes made to the house were replacements to the damaged ceiling and piping, washroom fitted with disabled-friendly facilities, including a refitted kitchen. Such projects leverage our expertise as a contractor and property developer and are done annually in collaboration with the State Social Welfare Department, contractors and suppliers. In 2019, we managed the renovation works, with the support of our contractors and suppliers, for the Genetic Clinic at the Penang General Hospital so that patients with genetic diseases can receive proper medical attention in a comfortable environment.

Our business divisions adopt a philosophy of shared prosperity with our neighbouring communities - when they prosper, we do well too. For example, our Plantation Division has offices in the local towns of Sabah, namely Sandakan and Balikpapan where it provides the local communities with both employment and business opportunities. The multiplier effects on the business supply chain is able to bring and secure positive economic impacts to the local communities.

Breast health awareness outreach programme at Sekolah Menengah Kebangsaan Beluran 2, Sandakan

Property Division's decade-long commitment of the signature Home Rehabilitation Programme

Improving accessibility for the local community at Desa Binai, Kalimantan

INVESTING IN COMMUNITIES

Plantation Division hosted the World Elephant Day 2019 for its neighbouring communities at the Desa Talisai South Estate in collaboration with the Wildlife Department and Earthworm Foundation

Road safety campaign at the NPE

Toll Division in a dialogue with other highway concessionaires on highway operations and maintenance matters

The Port Division returned to reinforce the structures at the Bukit Pelindung Eco Forest Park which was last performed in 2016

In particular, the first Rurality Project in Malaysia started in June 2015 with farmers providing fresh fruit bunches to our Plantation Division's mill in Desa Talisai. The project aims to support farmers to develop their resilience for better productivity and livelihoods through income diversification opportunities, productivity training and connecting farmers to external stakeholders for information sharing and better decision making. Other efforts to elevate the livelihoods of the local communities are improving rural road infrastructure, access to clean water, breast health awareness programmes and youth sports development programmes.

The Plantation Division's operations in Indonesia assists local villagers to develop their land, including land preparation, provision of quality planting materials for cultivation of oil palms under the Plasma and Kemitraan schemes. The schemes have uplifted the living standards of the surrounding local communities and helped to alleviate poverty. A total of 7,459 hectares of outgrowers' schemes have been developed to date.

The Toll Division engages with the neighbouring residents' associations on safety and traffic planning matters, especially when there are construction or maintenance works. In FY2020, several community-based dialogue sessions were held to obtain feedback and concerns of the residents and traders around the Salak South Garden. The feedback and interest of these stakeholders are critical in ensuring the smooth construction of Kuchai Link 2 Project that links BESRAYA and crosses-over the Kuchai Entrepreneur Business Center and NPE (Kuchai Link 1).

We put high priority on our customers' as well as our employees' health and safety too. The Toll Division runs road safety awareness campaigns, *Ops Selamat*, in collaboration with the Royal Malaysia Police at its highways.

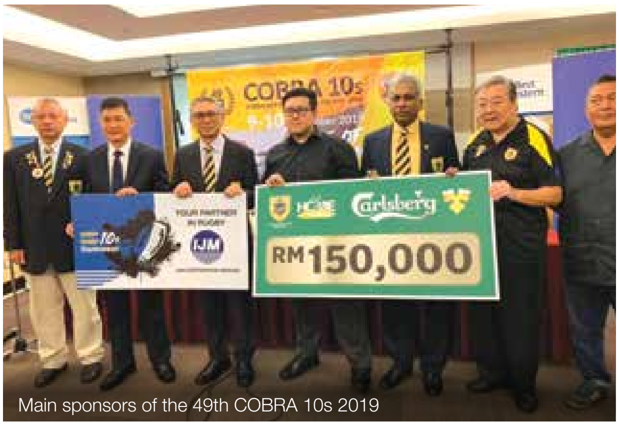
ENCOURAGING SPORTS PARTICIPATION AND PROMOTING HEALTH

As a business, we are motivated by the benefits and values offered from the competitive nature, determination and discipline of sports. We want to cultivate a healthy and cohesive society where everyone has equal opportunities to enjoy sports – whether they are playing, watching or cheering for any event. In FY2020, 10% of our community expenditure was focused on sports such as public running and cycling events as well as grassroots rugby.

We continue to support the COBRA Rugby Club, the oldest rugby club in Malaysia. IJM has been an ardent supporter of the club as well as a main sponsor for the COBRA 10s for over the past two decades. Our support has been instrumental in ensuring the club is able to host the 10-a-side rugby tournament every year. In Sabah, the Plantation Division's rugby development programmes are carried out through the Academy of Rugby Excellence. This effort of nurturing sports development among school children in Sabah is via a tripartite partnership between the Sabah Education Department, Sabah Rugby Union and Eagles Rugby Club. Aside from encouraging rugby excellence, the intention of the programme is geared towards inculcating character-building traits such as leadership, teamwork and discipline through sports.

The Property Division continued its signature IJM Land Half Marathon at its Seremban 2 township for the fourth year, attracting more than 10,600 participants in 2019. Through this event, RM52,480 was raised to support two charities – Pertubuhan Hospice Negeri Sembilan and Malaysia Lysosomal Diseases Association.

IJM-Allianz Duo Highway Challenge 2019



Main sponsors of the 49th COBRA 10s 2019


First girl with cerebral palsy in Cross Border Cycling Expedition organised by the Port Division

Funds raised during the IJM Land Half Marathon 2019 at the Seremban 2 Township

INVESTING IN COMMUNITIES

Dinosaur on the Run at Bandar Rimbayu's Run With Me 2019

RHB LEKAS Highway Ride 2019


Industry Division continues to support Sekolah Kebangsaan Tok Muda's sports programmes

We use our property and infrastructure spaces as a platform to highlight the importance of adopting a healthy and active lifestyle. We ran the fifth edition of the Run With Me 2019 at the Bandar Rimbayu township. Themed *Dinosaur on the Run*, it drew 2,200 community members. The fun-filled non-competitive run offers a carnival-like atmosphere that fosters family bonding and new friendships.

IJM also sponsored the IJM-Allianz Duo Highway Challenge at two of its highways – BESRAYA and NPE. The event connects customers, communities and employees through a shared passion for running. The BESRAYA Highway Challenge saw the participation of 7,000 runners. The NPE Highway Challenge attracted more than 9,000 participants, with a new international category introduced that attracted participants from various countries.

In addition, the Property Division sponsored the running mobile application for the Penang Bridge International Marathon 2019 which benefitted 25,000 runners. The application provides runners with the latest updates including live tracking, runner's guide, event programme, road closure information and running course map.

Our Divisions support various other sporting events campaigning for health awareness. The Property Division has supported the Relay for Life Penang in the last decade that is intended to advocate cancer awareness. The Port Division organised the First Girl Cerebral Palsy in Cross Border Cycling Expedition to create awareness on cerebral palsy and promote the values of openness and inclusiveness towards differently abled people.

IJM is once again one of the main sponsors of the RHB LEKAS Highway Ride 2019. Over the last three years, the cycling event has gained momentum to become Malaysia's No. 1 closed highway night cycling event, attracting more than 4,500 participants both from local and international cycling communities.

Our Industry Division continues to support students from Sekolah Kebangsaan Tok Muda in the area of non-mainstream sports since 2016. In FY2020, the Division contributed RM5,000 to the school for the continual support of sports development.

FOSTERING THE NEXT GENERATION THROUGH QUALITY EDUCATION

We invest in inclusive, quality education because we believe it has a profound positive impact on the society and provides people with the opportunity to access decent work. We do this through our scholarship and academic excellence awards, mentoring programmes, industry exposure through site visits, university outreach initiatives as well as learning and development programmes.

IJM continues its tradition of the Scholarship Award Programme established in 1994 that has benefitted more than 330 students to date. In FY2020, we awarded 14 students with scholarships totalling RM635,000 to pursue their tertiary education in various fields of studies. Selected from a group of 816 applicants, these students will pursue their choice of studies in different disciplines including civil engineering, mechanical engineering, quantity surveying and accounting. On top of financial assistance, the awarded scholars are supported by IJM employees as mentors for guidance. The mentorship will continue when they join IJM upon graduation. At the award ceremony, 45 IJM employees' children who performed well academically in their SPM, O-Level, IGCSE, STPM and A-level examinations were also presented with the Academic Excellence Awards.

IJM was also involved in the previously known *Skim Latihan 1Malaysia* (SL1M), which has been rebranded as the *Professional Training and Education for Growing Entrepreneurs* (PROTÉGÉ) launched in early 2019. This entrepreneurial and marketplace training programme is aimed at developing and guiding youths towards jobs that meet current industry needs. We welcomed 21 trainees into the 8 months programme and 14 of them were offered work with the Company upon programme completion in FY2020.

Preparing youths to be global citizens and to embrace talent mobility at Universiti Tunku Abdul Rahman's (UTAR) International Youth Development Conference 2019


Developing youths through the Professional Training and Education for Growing Entrepreneurs (PROTÉGÉ) programme

IJM Scholarship and Academic Excellence Award 2019

INVESTING IN COMMUNITIES

IJM supported the Association of Science Technology and Innovation ("ASTI") Young Inventors Challenge 2019, aimed at promoting science, technology and innovation among secondary school students from ASEAN countries. This year's competition theme revolved around SDG 12 on responsible production and consumption. In addition to a token sponsorship, IJM had a representative on the ASTI organising committee who were responsible for vetting through the invention proposals received from 446 participants from ten countries.

In a separate event, the Construction Division held an awareness campaign on 3 April 2019 in conjunction with Environmental Day at Sekolah Kebangsaan Kampung Batu, Jalan Ipoh Kuala Lumpur. This year's theme, *Protect our Species*, draws attention to the rapid extinction of species across the world, which is directly linked to human activities that cause climate change, deforestation and pollution. This campaign was attended by 200 primary school students.


Secondary school students from ASEAN countries finding innovative solutions to everyday science-related problems during the Young Inventors Challenge 2019

Construction Division hosted a visit for civil engineering students from Heriot-Watt University Malaysia Campus at the Affin Bank project at TRX


The Construction Division's MRT V203 and S203 project teams organised an environmental awareness campaign, themed *Protect our Species* at Sekolah Kebangsaan Kampung Batu, Kuala Lumpur


Port Division provided books and educational supplies to Sekolah Kebangsaan Jabor


Toll Division hosted students from University Technology Petronas at BESRAYA

IJM LAND DESIGNER AWARDS 2019

In the true innovative and nurturing spirit of IJM Land, we held our very own IJM Land Designer Awards ("iLDA") last year with the theme of *Modern Family & Space*. iLDA aims to nurture young talent and uncover the excellent ideas from participants aged 40 and below. With a budget of RM120,000, the two selected finalists, from 116 concept entries, implemented their designs for an apartment unit at IJM Land's very own Kalista 2 Executive Apartments in Seremban 2. IJM Land awarded an aspiring young interior designer the coveted *Best Young Interior Designer of iLDA 2019* on 20 November 2019 based on design concept, design innovation, colour concept, green and sustainable design, and space management.

iLDA 2019 kicked off at IJM Land Seremban 2 sales gallery with the announcement of the competition theme, *Modern Family & Space*

IJM believes in fostering a culture of continuous innovation and creative thinking. The Property Division continues to support the Asia Young Designer Award ("AYDA") which is in its sixth year. This year's AYDA, in collaboration with Nippon Paint Malaysia, saw a total of 1,230 submissions of architectural or interior design projects from 45 universities.

Besides nurturing the next generation of architectural and interior design talents, AYDA serves as a platform to inspire students to develop their skills through cross-learning opportunities and networking with key industry players. Our employees also served as mentors and supported the judging of this competition.

AYDA is also supported by the Ministry of Education, Malaysian Institute of Architects, CIDB, the youth wing of the Real Estate and Housing Developers' Association, the Malaysian Green Building Confederation, and the Malaysian Institute of Interior Designers.

The Plantation Division, in collaboration with the Montfort Youth Training Centre, Malaysian Estate Owners and Eurostar Tractors (M) Sdn Bhd, started a course in oil palm plantation conductorship programme in July 2019. The programme aims to respond to the market demand for trained and skilled manpower for the industry, with a primary target of youths who are orphans, from single parents, and poor families from the rural interiors of Sabah.

Asia Young Designer Award 2019

Plantation Division supports the conductorship programme at the Montfort Youth Training Centre

PROMOTING A SAFE, INCLUSIVE AND REWARDING WORKPLACE

A large part of IJM Group's success is attributed to our dedicated and inspired employees. Recognising that they are our most important resource, we ensure that our workplace promotes a robust talent pipeline through meritocracy, our employees are fairly remunerated and our workforce thrives in an inclusive work culture. We are committed to providing a safe and healthy workplace for our employees so they feel motivated and at their best.

PROVIDING A SAFE AND HEALTHY WORKPLACE

We recognise that safety and health at work is fundamental and requires continuous effort. IJM's Occupational Safety and Health Policy, available both in English and Bahasa Malaysia on the Company's website, underscores our commitment to provide safe and healthy work conditions at all our operations. Our suppliers, service providers and contractors are expected to have the necessary safety and health measures in place to minimise workplace risks and hazards. Health and safety risks and opportunities are determined in the Organisational Context, Risk and Opportunities Register which takes into consideration all existing projects or any potential new projects pursued by the Company.

Construction and Industry Divisions successfully upgraded the Occupational Safety and Health ("OSH") Management System standard certification from the preceding OHSAS 18001 to the latest standard, ISO 45001:2018. During the year, the Port Division too obtained the ISO 45001:2018 certification. Adopting this risk-based approach addresses new requirements and builds on the effectiveness of the Company's OSH management system. Among the main aspects of the upgraded management system are emphasis on leadership and participation among employees. In the process of maintaining certification to ISO 45001:2018, our health and safety data is verified by SIRIM as part of their audit criteria.

Safety and health milestones

1995	2000	2006	2008	2012	2019
Established IJM's Safety and Health Department and OSH Management System	First Malaysian construction company to be certified OHSAS 18001:1999	Certified MS 1722: Part 1 2005	Upgraded to OHSAS 18001:2007	Upgraded to MS 1722:2011	Upgraded to ISO 45001:2018

Celebrating 1 million man-hours without lost time injury at Affin Bank project at TRX

We carry out Chemical Health Risk Assessment ("CHRA") in compliance with the Occupational Safety and Health (Use and Standard of Exposure Chemical Hazardous to Health) Regulations 2000 requirements, at operational areas where hazardous chemicals are utilised at both ongoing and new project sites. The objective of this assessment is to determine the health risk to workers who may be exposed to hazardous chemicals. The results from the assessment will determine the need to carry out subsequent processes such as Chemical Exposure Monitoring and Medical Surveillance at the workplace.

For our Construction Division, this assessment has been carried out at 5 project sites throughout FY2020, where approximately 150 assessments were conducted on various chemicals at the workplaces involved. From the assessments, the Division identified one project that required further Chemical Exposure Monitoring.

At our Port Division, the CHRA is conducted every 5 years in order to study the chemical hazards at the port, associated risks and the mitigation actions required.

Chemical health risk assessment process carried out at project sites


Passenger hoist to safely transport workers from one level to another


Edge protection railing at our project sites


Joint consultative committee meeting between employees' representatives and management at the Plantation Division's operating units

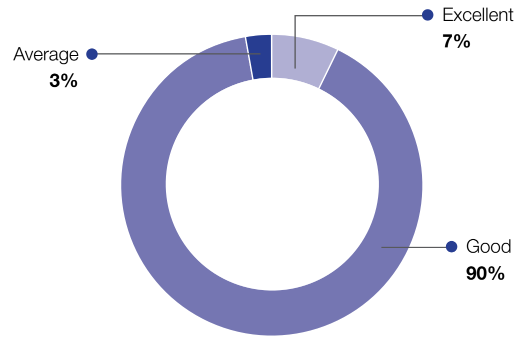

Toolbox talk by a project manager

Safety screen system at Affin Bank project at TRX

PROMOTING A SAFE, INCLUSIVE AND REWARDING WORKPLACE

IJM makes every effort to ensure that all necessary requirements are met within its operations, and aspires to go beyond compliance whenever possible. We employ a high degree of self-regulation, carrying out processes of monitoring and measurement at our workplaces. We conduct regular site consultations and provide advisory and guidance to elevate the projects' performance. In addition, we conduct internal audit programmes to evaluate the construction projects' performance and its Health, Safety and Environment ("HSE") management system. A total of 61 HSE consultation programme sessions and 15 HSE internal audits were carried out in FY2020.

HSE Consultation Programme in FY2020



HSE roadshow conducted at Wisma IJM


Biometric system at some project sites prevent unauthorised entry of individuals without valid credentials and CIDB green cards, also enabling real time monitoring of personnel count within the site

Four construction projects achieved a 5-Star rating in the SHASSIC audits

CIDB RECOGNITION

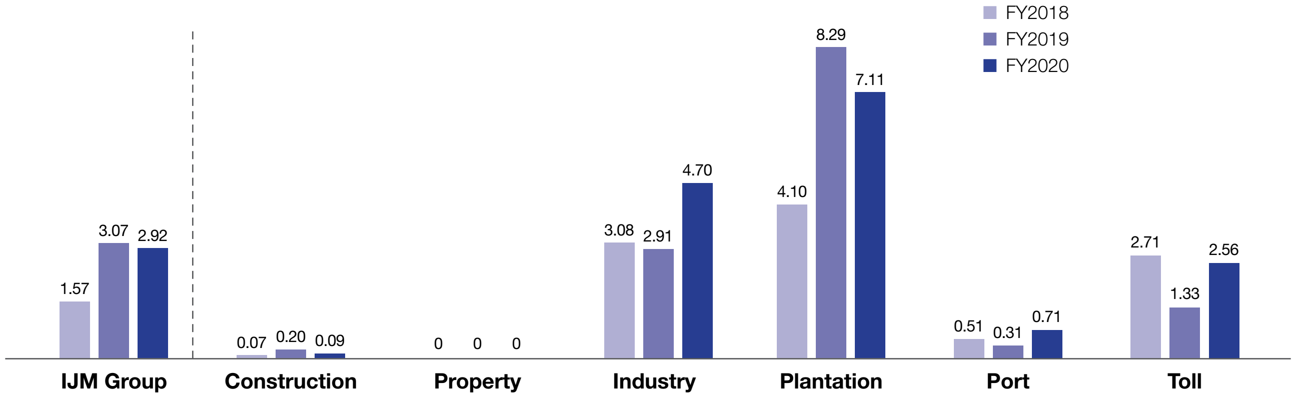
In the reporting period, IJM received a Certificate of Appreciation during the CIDB's Safety and Health Assessment System in Construction ("SHASSIC") Day, in recognition of IJM projects' performance. The SHASSIC audit programme looks at the contractors' safety and health management and practices for various aspects of construction activities. The following IJM construction projects achieved a 5-Star rating in the SHASSIC audits – Kuchai Link 2 (BESRAYA), HSBC's new headquarters at TRX, West Coast Expressway Section 3 and Seremban 2 development.

Construction Division shared their learnings after receiving a Certificate of Appreciation during the CIDB's SHASSIC Day

Managing and monitoring our safety and health performance

In FY2020, the Group recorded a Lost Time Injury ("LTI") frequency rate of 2.92. This indicator reflects the number of incidents occurring every 1 million working hours. The Group documented a reduced total of 175 accidents across all divisions during the reporting period as compared to the previous year.

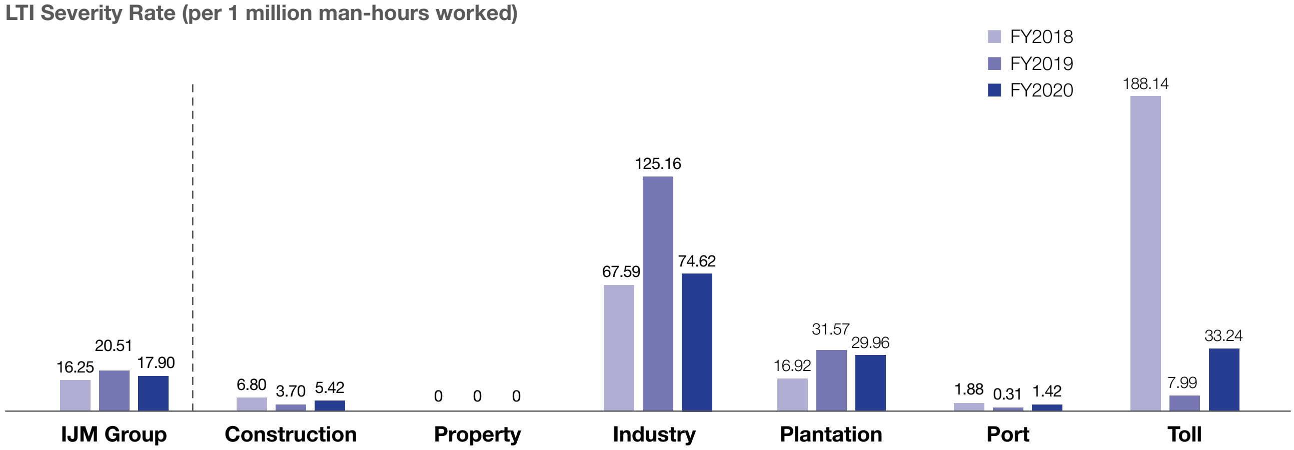
LTI Frequency Rate (per 1 million man-hours worked)



Note: Property Division incidences are accounted for under the Construction Division

In FY2020, the Group recorded a severity rate of 17.90. The severity rate measures the amount of time lost due to work-related injuries occurring for every 1 million working hours.

LTI Severity Rate (per 1 million man-hours worked)



Note: Property Division incidences are accounted for under the Construction Division

In FY2020, there were six fatalities involving two IJM employees, three subcontractors and a site consultant. IJM regrets all fatalities at the workplace and continues to tighten internal safety controls, assess the risk of fatalities and have regular employee and worker engagements on accident prevention and safety.

One of the fatal cases that occurred on 5 August 2019 was categorised as a fall from height case, where the site consultant fell through an opening after encroaching into a restricted area. The Construction Division had immediately stopped operations for the entire work section to facilitate the investigation and determine the root cause of the accident. Another fatal case had occurred on 29 September 2019, where a subcontractor's worker was struck by a falling object during a lifting operation due to a mechanical issue. The root cause of the accident was presented to the authorities and enhancements were made to the existing safety devices of the machinery. The change was also shared with other industry players through MBAM to prevent similar incidents from recurring. The Construction Division has since communicated with all site personnel as well as made necessary enhancements to the current operational controls and HSE management system procedures.

On 31 July 2019, a subcontractor's worker lost his life when rocks and earth fell on the excavator cabin during a slope repair work at one of the quarries. The Industry Division has since tightened the standard operating procedures for excavation and slope repairing activities. In addition to enhancing training and assessments, the Division also strengthened quarry face and slope stability inspections.

PROMOTING A SAFE, INCLUSIVE AND REWARDING WORKPLACE

On two separate occasions at the Plantation Division, a worker suffered fatal injuries after being hit by falling fresh fruit bunches (FFB) while harvesting on 25 January 2020; while another worker fell from a tractor on his way back to the living quarters on 4 February 2020. The Plantation Division has since reviewed all operations that pose safety hazards and potential safety risks, revised standard operating procedures with stricter accident mitigating measures and retrained workers in accordance to the Hazard Identification, Risk Assessment and Risk Control (HIRARC).

At the Port operations, a stevedore contractor fell into the hopper conveyor system during the cargo loading process on 22 December 2019. In view of this occurrence, the Port Division enhanced preventive actions such as inspecting and removing all obstacles at the operations area that led to the accident and improved the standard operating procedures for cleaning and handling of the conveyor. The Division also conducted a full investigation of the machineries and the contractor rental areas to evaluate safety controls. In addition, frequent toolbox talks and awareness are also conducted for workers.

We will continue to pursue our targets of zero fatality and zero accidents and tackle safety issues by ensuring our work progresses in accordance with the IJM OSH management system. Zero fatality and zero accidents targets are key performance indicators included in the incentive packages for all project directors.

Deepening OSH awareness and competencies

IJM recognises the importance of developing the OSH knowledge and competencies among our people. The success and high level of sustained OSH performance is dependent on their capability and motivation to execute and implement work processes. We encourage a culture of ownership when it comes to occupational safety by supporting them to prioritise safety as well as improve their awareness and competencies through engagements and promotional programmes.

Several HSE campaigns were organised throughout the reporting period. On 30 April 2019, the Construction Division launched the annual HSE campaign with the theme *Zero Fatality – Take Ownership for a Safer Workplace*. This campaign provides a platform for all construction projects to emulate HSE practices thereby empowering all our people to take ownership and share the sentiments of the Company. At the project sites, the project teams ensure that all parties involved at the workplace are on the same page in ensuring a healthy and safe workplace. Each site sets up their respective joint management-worker health and safety committees. The combined participation allows the direct participation of workers from all job levels to contribute to OSH-related discussions.

The launch of the HSE campaign FY2020 at 3 Residence project, Penang


Property Division conducted HSE best practices and workplace inspection trainings


Theoretical and practical training on overhead crane operation at the ICP Kuantan Factory


On 17 and 18 April 2019, participants from Kuantan Port and stevedore companies attended the Fall Prevention Programme organised by the Port Division in collaboration with NIOSH and PERKESO


Technical sharing on crane operation by an industry expert

In FY2020, the project sites conducted 384 On-Job-Training sessions for a total of 1,429 participants, which involved our employees and subcontractors. The training covered topics such as working at height, scheduled waste management, housekeeping arrangement, chemical management as well as the use of plant and machinery. Understanding the operational and demanding nature of construction projects, IJM created a platform, *Micro Learning*, that allows for condensed learning at sites, whereby the HSE department is able to address high impact topics arising from issues affecting HSE performance at sites.

The Port Division organised a road safety awareness within the Kuantan Port's operations to increase the awareness level among the employees and port users. Government agencies such as the Road Transport Department and the Royal Malaysia Police were invited to share their recommendations on road safety including legislative provisions.

Road safety is a material topic for the Toll Division too. Mock up accidents are performed by the Toll Division in collaboration with certain government agencies – the Fire and Rescue Department, Royal Malaysia Police and State Health Department – to assess the level of readiness and efficiency in managing an emergency situation, including the cohesiveness of our communication.

In FY2020, the Construction and Industry Divisions received a cumulative summon of RM4,700 due to non-compliance relating to mosquito breeding, conducting a test run on a newly installed overhead crane before obtaining a Certificate of Fitness and delay in the audiometric test at one of the quarries.

Industry Division held an HSE awareness competition among its factories and quarries

The Toll Division simulating a mock up accident at one of its highways in collaboration with government agencies

PROMOTING A SAFE, INCLUSIVE AND REWARDING WORKPLACE

COLLABORATING AND SHARING BEST PRACTICES WITH THE INDUSTRY AND ACADEMIA

We believe that our businesses can benefit through impactful collaborations. We work with stakeholders such as regulatory authority bodies, academia and non-governmental organisations on industry matters to elevate standards of practice through improving or innovating processes and operations.

In FY2020, the Construction Division was involved in various collaborations:

- IJM's Head of HSE department was appointed as the Subject Matter Expert (SME) Buddy by the CIDB for their CITP Thrust Output KPI to reduce the number of accidents in the construction industry
- IJM was appointed as a member of the technical committee to review CIDB's new standards on various OSH aspects including:
  - CIS 14 Guidelines on construction activities at night
  - CIS 15 Guidelines on prevention of fall at construction sites
  - CIS 16 Guidelines for works at confined areas
  - CIS 25 Construction activities risk assessment (CARA-HIRADC)
- IJM was appointed as the industry representative in the NIOSH Committee for competency of Site Safety Supervisor
- Sharing session with the DOSH on beam launching best practices and methods
- Involvement and support in various MBAM programmes, including its multiple subject matter expert discussions as well as Safety and Health conference
- Sharing session with crane industry experts on crawler cranes, including specifications and safe operations

Our Property Division was invited by DOSH Malaysia who conducted a pilot study to verify the practicalities of the Guidelines on the Occupational Safety and Health in Construction Industry (Management) (OSHCIM). Between August 2018 to December 2019, DOSH shared the implementation methods of OSHCIM with our employees. This included engagements with our consultants, architects and contractors to identify the practical ways occupational safety and health risks of a project can be managed and minimised at the design planning stage. Identifying the risks before the construction work commences, reduces risks further into the project.

The Port Division signed a Memorandum of Understanding on 24 March 2018, entering into a collaboration with Universiti Malaysia Terengganu ("UMT"). Both the industry and academia stand to benefit from this collaboration that fuses the academia's theoretical and research capabilities with the practical know-hows of the industry. In FY2020, three students majoring in maritime management concluded their year-long industry placement at Kuantan Port after completing their 3-year degree at UMT. In addition, four Port employees delivered lecture sessions for the students, sharing their knowledge and experience in the areas of occupational safety and health administration, marine safety, container management system, logistic management and liners system.

Project engineer wins the 8th MBAM Safety and Health Awards for Site Personnel Category


Knowledge sharing session on beam launching between our Construction Division and DOSH on 14 January 2020 at Wisma IJM

DECENT WORK FOR ALL

Our businesses will benefit from greater productivity that comes from a healthy, secure and motivated workforce. IJM upholds the principle of diversity of workforce, equal opportunity, non-discrimination and fair treatment in all aspects of employment. This includes recruitment and hiring, compensation and benefits, working conditions and career development. We support SDG 8 which aims to promote inclusive and sustainable economic growth, full and productive employment and decent work for all.

Embracing a diverse and inclusive workforce

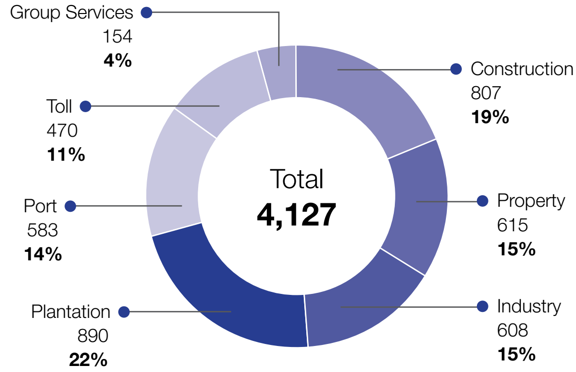
As at 31 March 2020, IJM Group has a total strength of 4,127 employees across our business divisions. The biggest employers are the Plantation, Construction and Property Divisions who collectively employ 56% of the total workforce (excluding workers). Permanent full-time employees make up 87% of the total IJM workforce while contract full-time employees make up the remaining 13%.

In FY2020, 64% of IJM's total Malaysian workforce were Bumiputra, 27% Chinese and 7% Indian. Non-Malaysians constitute less than 1% of the workforce in all divisions except for IJM Plantations Berhad and Group Services. The Plantation Division employs 49% of non-Malaysians in Sabah, East Malaysia and in its Indonesian operations, while Group Services employs 2% of non-Malaysians.

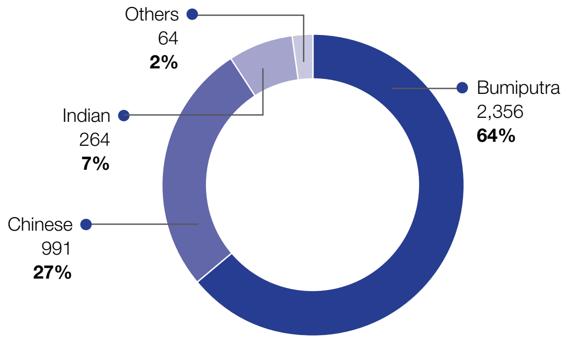
Attracting and retaining the right employees is essential to achieving our business goals and maintaining a competitive edge. Our Employee Value Proposition ("EVP") sets standards of high performance in the various industries we serve. The EVP ensures that the like-minded candidates are drawn to IJM and existing employees remain productive and focused. The majority of new employees are hired via online job portals, employee referral programme and IJM Scholarship Award Programme.


20-year Long Service Award recipients at the IJM Annual Dinner 2019

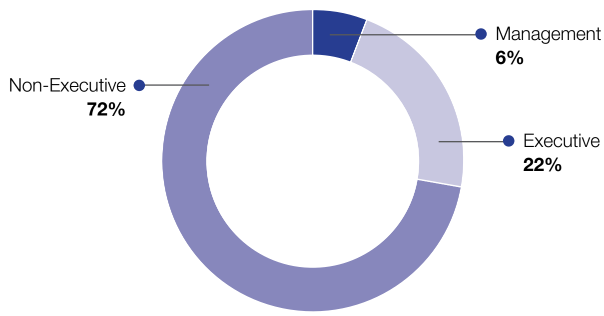
Employees by Division as at 31 March 2020



Malaysian Employees by Ethnicity as at 31 March 2020

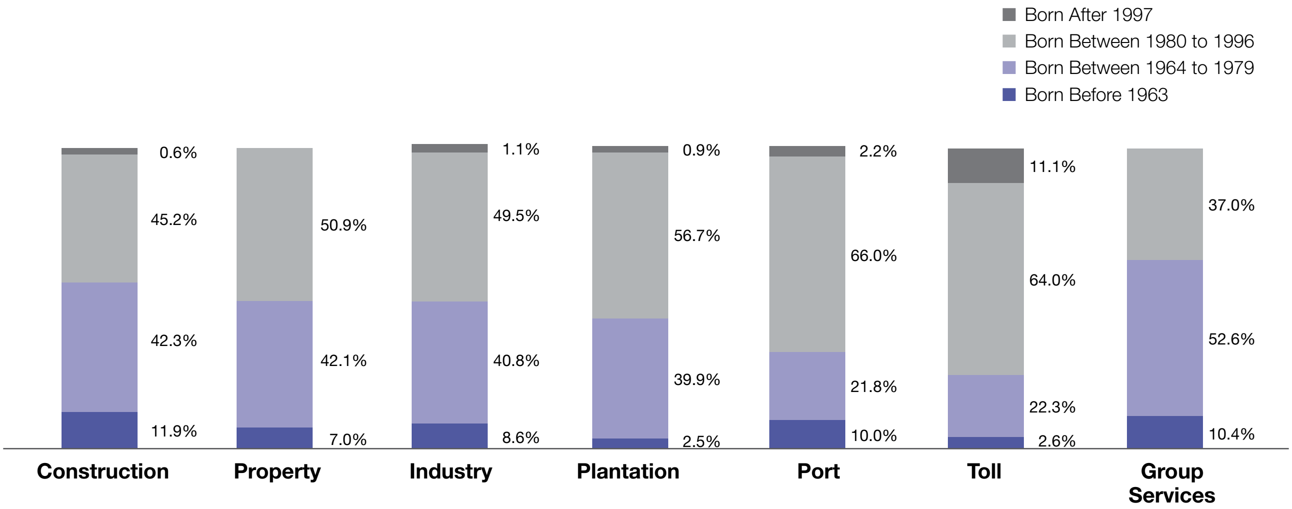


New Employee Hires by Employee Category in FY2020



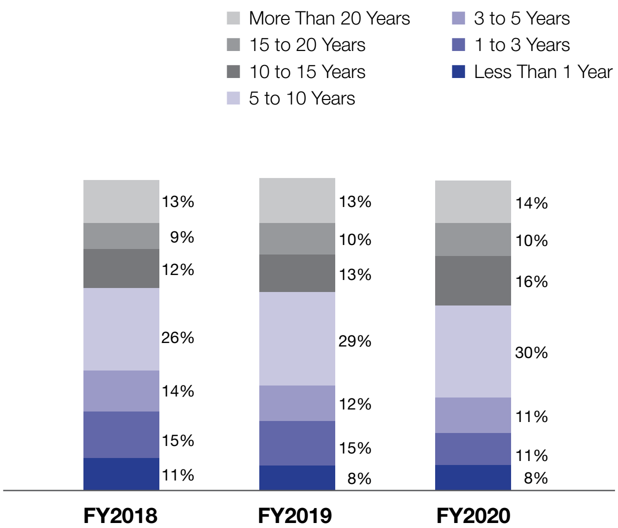
PROMOTING A SAFE, INCLUSIVE AND REWARDING WORKPLACE

Employees by Generation as at 31 March 2020

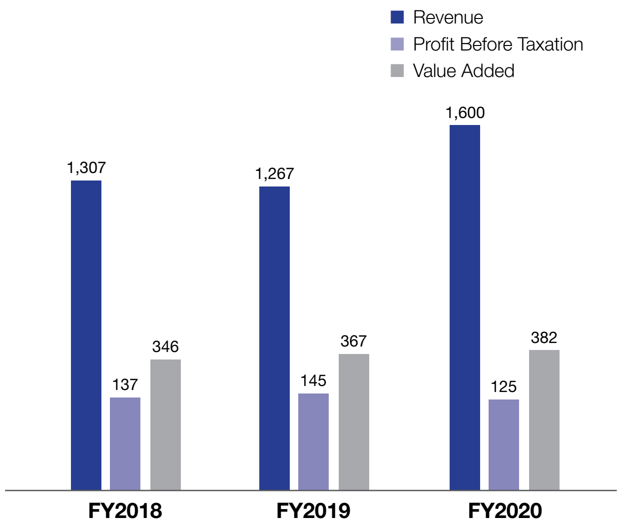


About 70% of our employees have been with IJM for more than five years and 14% of the workforce have been with the Company for more than 20 years. In the reporting year, we honoured 89 employees with the 20-year Long Service Award. Apart from highlighting their achievements, the award aims to recognise our employees for their commitment and loyalty to IJM.

Workforce by Length of Service



Productivity per Employee (RM'000)

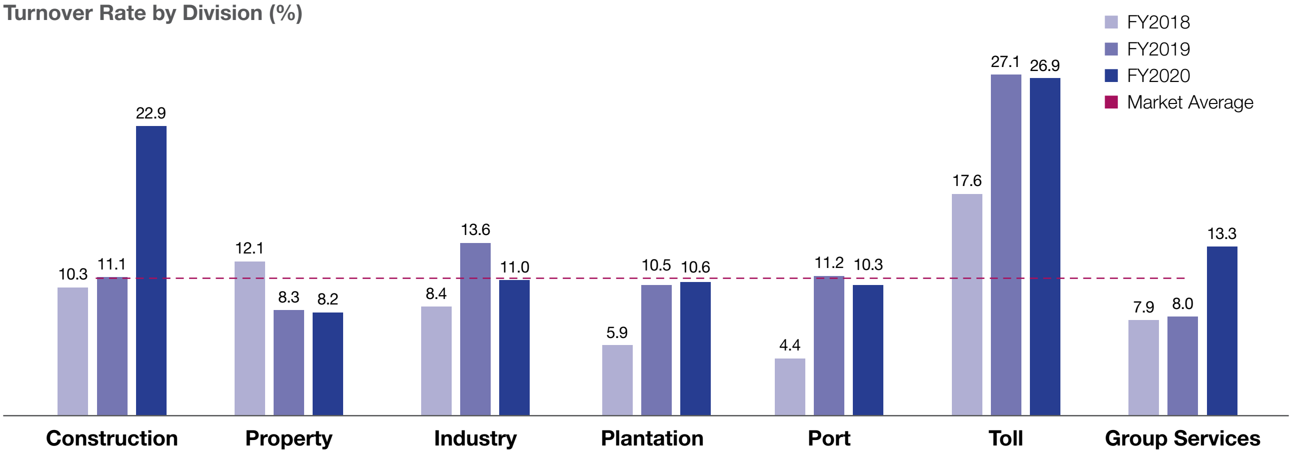


AWARDED AS MALAYSIA'S 100 LEADING GRADUATE EMPLOYERS 2019

IJM was voted as Malaysia's 100 most desired graduate employers for 2019 by local students and graduates in an annual national survey. The Graduate Choice Award is acknowledged and recognised by the Ministry of Education Malaysia, Malaysia Digital Economy Corporation and the Career Development Centre Club Malaysia.

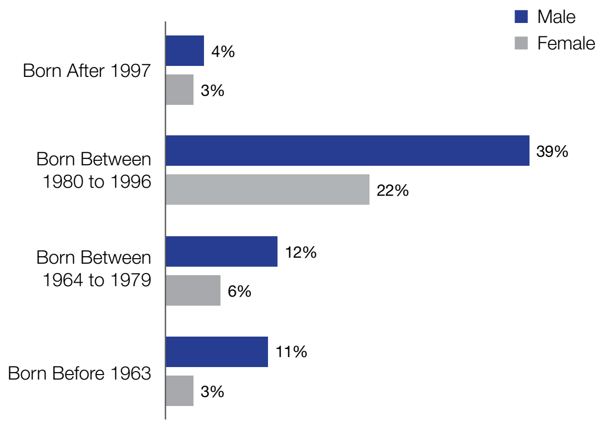
Over the years, we have actively promoted IJM's appeal as an employer of choice among undergraduates in local universities and schools through the *Inspire to Innovate* and leadership programmes. Last year, the *Inspire to Innovate* programme attracted more than 300 undergraduates from engineering and architecture backgrounds to participate in designing innovative township concepts. The programme was structured for undergraduates to have a feel of the real considerations that developers and architects undertake when designing a particular project.

Turnover Rate by Division (%)



Note: Market average turnover rate is as published in the Korn Ferry's Compensation and Benefits Report 2019

Employee Turnover by Generation and Gender in FY2020



An attractive working environment that is good to work in keeps our employees engaged and interested. Our employee turnover rate continues to remain lower than the national average of 11% for most of our Divisions. The Construction Division saw an increase in turnover rate mainly arising from natural separation upon completion of projects, whereas the Toll Division hires many part-timers where high turnover rates are normal. IJM continues to offer competitive salaries and benefits, creating opportunities for growth whilst recognising and appreciating employees in a timely manner.

Staff appreciation including the Best Employee Award for 2019

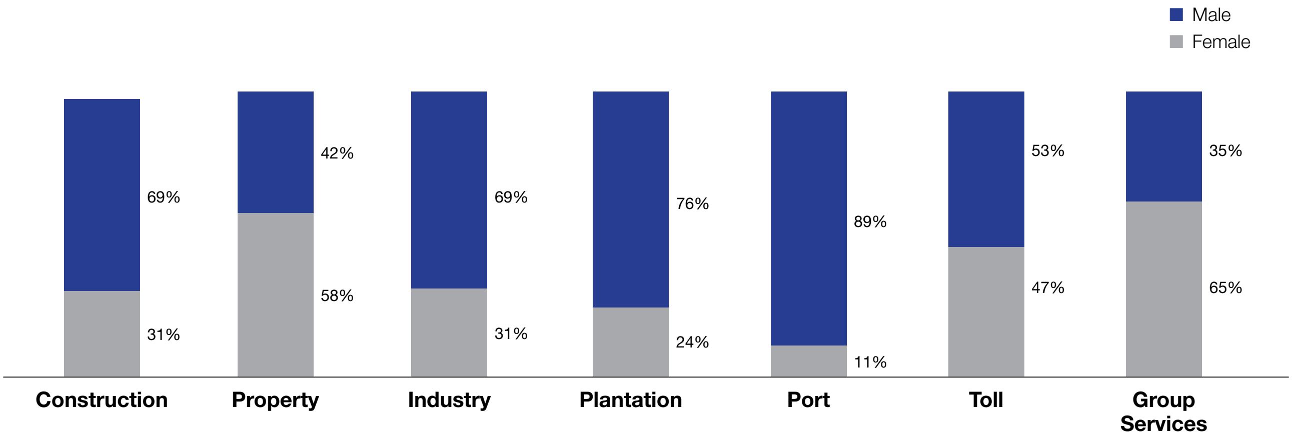
PROMOTING A SAFE, INCLUSIVE AND REWARDING WORKPLACE

Retaining women in the workforce

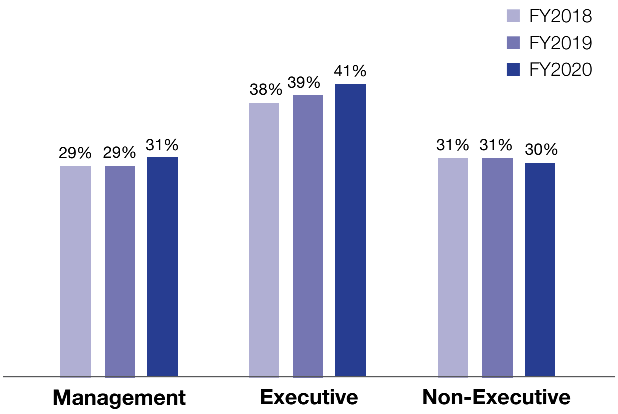
As women make up roughly half of the global population, we believe that unlocking the female talent through gender diversity and inclusion efforts can be a differentiating factor.

We take initiative to attract and retain qualified women in our workforce. Women make up about one-third of our total workforce – 31% in management roles, 41% in executive roles and 30% in non-executive roles.

Employees by Gender as at 31 March 2020



Women Representation by Employment Category



Celebrating International Women's Day 2020


Fertiliser application training at the Plantation Division

In the reporting year, 75 female employees went on maternity leave and continued to remain employed with IJM upon their return. We are proud of the 100% retention rate of these women.

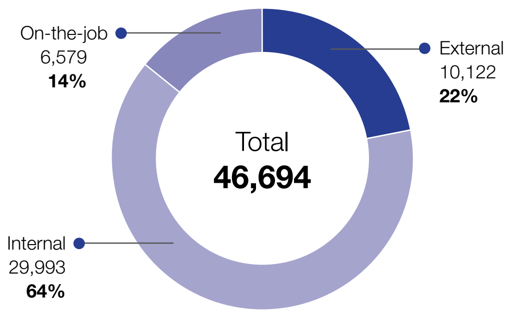
Gender	Female	Male
Total employees who went on maternity or paternity leave	75	98
Return to work rate	100%	100%

Developing and engaging our workforce

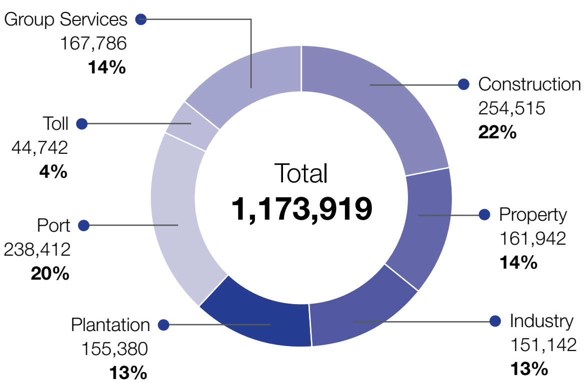
In early 2020, we implemented a new human resource system, which allows for more transparent regular performance and career development review. Continuous Performance Management (CPM) facilitates regular check-ins between employees and their managers to improve performance. Employees are able to track their progress towards their set goals; and include updates of their daily work activities and achievements. This provides an avenue for meaningful performance-oriented conversation with their managers who can then provide effective feedback and coaching, when required.

We are committed to enhancing the continual professional and personal growth of our employees. In FY2020, IJM invested RM1.2 million in learning and development, where our employees clocked over 46,600 training hours. We offered a wide spectrum of learning and development programmes in FY2020 to enhance our employees' potential, covering technical programmes, emergency response preparedness and crisis management, leadership skills, selling skills and other soft skills.

Training Hours by Type in FY2020



Learning and Development Spending by Division in FY2020 (RM)



Employee engagement is a critical driver of organisational performance as we seek to achieve our business objectives. We know that engaged employees create value and drive performance. We engage with employees through different means such as annual forums and townhall meetings, employee events and the triennial MyVoice employee engagement surveys.

Briefing on the new human resource system

IJM core values workshop held at the Toll Division

Managers building their financial acumen in an internal training session

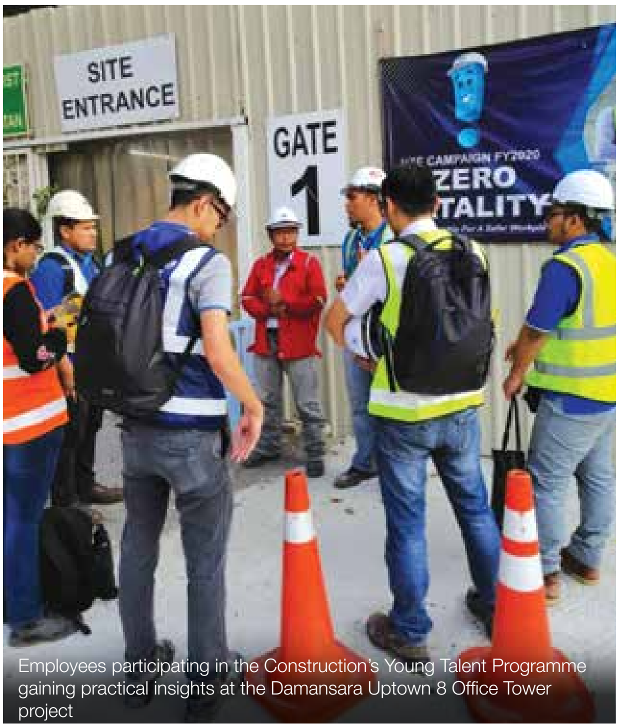
PROMOTING A SAFE, INCLUSIVE AND REWARDING WORKPLACE


A Lunch and Learn session as part of our Leadership Series


Incoming CEO&MD engaging with employees at Wisma IJM

Building global mindsets and talents

We are aware that for any business to succeed, it must identify, develop and support leaders that will drive future strategies. Effective succession planning is a material issue for the Group and therefore essential for continued business success. In this reporting period, the second cohort of employees completed their Leadership Accelerated Development Programme ("LEAD"). Since its launch in 2015, 88 high potential employees from junior and middle management levels across divisions and departments have participated in the two-year programme. One-fifth of the LEAD participants have been promoted since graduating from the programme.



Employees participating in the Construction's Young Talent Programme gaining practical insights at the Damansara Uptown 8 Office Tower project

The Young Talent Programme ("YTP") was launched as part of the Group's Strategic Blueprint FY2016-FY2020 to build global mindsets and talents. Through this five-year programme, new hires and young engineers are able to develop holistic skills in engineering, quantity surveying and project management by being exposed to different major construction modules such as site management and supervision, tenders and contracts, surveying, health and safety. Since its first launch in 2014, 34 young engineers, quantity surveyors and architecture executives have benefitted from the YTP. Through the separate Graduate Associate Programme, newly hired graduates are put on job rotations for two to three weeks in various departments for wider job exposure.

Another initiative under the Group's Strategic Blueprint FY2016-FY2020 is the establishment of a Career Pathing Framework for identified job functions across the Construction, Property and Industry Divisions. Through this programme, identified employees benefit by having greater clarity on their career progression prospects that are accompanied by structured training focusing on their competencies and technical and soft skills. The programme will be expanded to cover more job functions and will be included into the succession and career development module of the new human resource system.

The Group supports talent mobility and gives the opportunity for employees to expand their professional career through cross functional projects and short-term assignments by allowing them to spend 10% to 20% of their time with another department or project. Employees are also allowed to be seconded to another department to learn other skills. Besides this, IJM has enhanced its international assignment policy, remuneration package, orientation as well as allowance for family visits to encourage overseas postings and a global mindset among our employees to support the Group's overseas expansion.

RESPECTING HUMAN RIGHTS

We recognise our responsibility to respect human rights across our business operations. Our Human Rights Policy, available on the Company's website, provides guiding principles in the areas of diversity and inclusion, workplace security, child labour, and exploitations in all forms – forced labour, slavery, human trafficking and sexual exploitation, health and safety, as well as community rights especially in locations where we operate.

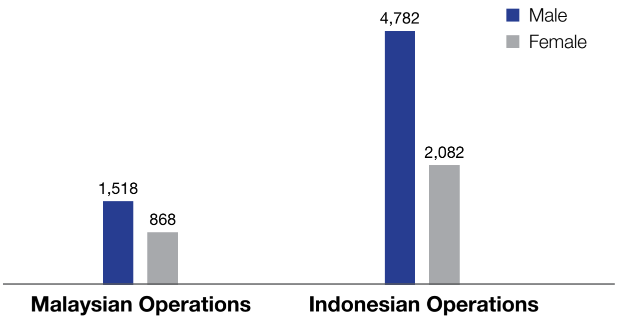
We do not tolerate child labour and any form of forced labour in our direct operations. IJM Group does not and will not employ any person below the age of 18 in Malaysia and 17 in Indonesia. We respect the rights of our employees to freedom of association and collective bargaining in accordance with national laws. We recognise unions, which represent 2% of the Group's workforce, all of whom are with the Port Division. The communication of the collective bargaining agreements is performed in English and Bahasa Malaysia.

We comply with all applicable labour laws, including working hours and overtime, in the countries where we operate. Employment law in Malaysia is governed by the Employment Act 1955 that sets out minimum benefits offered to applicable employees. Under the Minimum Wages Order 2020, effective 1 February 2020, the minimum wage is RM1,200 per month in major cities in Malaysia. Minimum wage rates payable to areas not encompassing the listed 56 cities and municipal council areas is at RM1,100 per month. The Plantation Division, which has operations in Indonesia, adheres to the minimum wage agreements set by each Indonesian provincial government and observes all related guidelines and revisions in the agreements.

The industries we are involved in – construction, industry, plantation and toll roads – greatly benefit from the employment of foreign workers. The majority of these workers are hired by our subcontractors, with the exception of our Plantation Division. As stated in our Responsible Supply Chain Policy, we expect our subcontractors to ensure that their foreign workers receive fair treatment such as equality in terms of wages, work hours, holidays, terminations, non-discrimination, freedom of association, access to complaint mechanisms and other established protection policies.


Plantation Division briefed workers on new and revised company policies

Plantation Workers by Gender in FY2020



At the Plantation Division, medical treatments in the clinics are provided free of charge to all our employees and their dependents. The Division has a total of 22 clinics and 6 ambulances with full-time certified hospital assistants or nurses in every operating unit. Visiting medical officers cum occupational health doctors and health officers from the local health departments make regular visits to these clinics. The local communities are also able to access these medical facilities, treatments and ambulance services during emergencies. Workers' children are provided vaccinations and vitamins at the clinics and through local health outreach programmes.

The Plantation Division funds four Humana Learning Centers in collaboration with the Humana Child Aid Society Sabah to provide basic education for guest workers' children aged between 5 to 12 years of age living in the estates around Sabah. This is on top of the two Community Learning Centers which house secondary school aged children, six kindergartens and 25 care centers for babies, toddlers and pre-school children at its estates.


Guest workers at the Plantation Division involved in recreational activities


Foreign workers receiving training at the Construction project site

6

FINANCIAL STATEMENTS & OTHERS

DIRECTORS' REPORT AND STATEMENT

The Directors have pleasure in submitting their report and statement together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The Company is principally engaged in construction and investment holding activities. The Group's principal activities are in construction, property development, manufacturing and quarrying, hotel operations, port operations, tollway operations, plantations and investment holding.

There have been no significant changes in these principal activities during the financial year.

FINANCIAL RESULTS

	The Group RM'000	The Company RM'000
Net profit for the financial year	328,186	552,007
Attributable to:		
Owners of the Company	250,590	552,007
Perpetual sukuk	43,386	-
Non-controlling interests	34,210	-
	328,186	552,007

DIVIDENDS

Dividends paid since the end of the previous financial year are as follows:

	RM'000
In respect of the financial year ended 31 March 2019:	
A single tier second interim dividend of 2 sen per share, paid on 19 July 2019	72,589
In respect of the financial year ended 31 March 2020:	
A single tier first interim dividend of 2 sen per share, paid on 27 December 2019	72,589
	145,178

On 26 June 2020, the Directors have declared a single tier second interim dividend in respect of the financial year ended 31 March 2020 of 1.0 sen per share to be paid on 21 August 2020 to every member who is entitled to receive the dividend as at 5:00 pm on 30 July 2020.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2020.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

DIRECTORS' REPORT AND STATEMENT (cont'd)

ISSUE OF SHARES

During the financial year, 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 First Employee Share Option Scheme ("ESOS") Award at RM2.16 per share.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

TREASURY SHARES

During the financial year, there were no share buybacks. Details of the treasury shares are set out in Note 14(B) to the financial statements.

LONG TERM INCENTIVE PLAN

At an Extraordinary General Meeting held on 19 October 2012, the Directors were authorised to proceed with the establishment and administration of the Long Term Incentive Plan ("LTIP"), which comprises an ESOS and an ESGP. The Directors have appointed a committee ("Committee") to administer the LTIP. The Directors and/or the Committee have also established trusts which are administered by a trustee in accordance with the trust deeds dated 20 December 2012 for the LTIP.

The main features of the ESOS are as follows:

(a) The ESOS was implemented on 24 December 2012, to be in force for a period of five years until 23 December 2017. On 24 November 2015, the Board of Directors had extended the scheme period of the ESOS for another five years effective from 24 December 2017 to 23 December 2022 pursuant to the By-Laws of the LTIP.

(b) Eligible employees are determined at the absolute discretion of the Committee subject to the employee, Executive Director (holding office in a full time executive capacity) and a Person Connected to an Executive Director, collectively known as "Group Employee", having been confirmed in the employment or appointment of the Company and its subsidiaries (save for any subsidiaries which are dormant or incorporated outside Malaysia) on or up to the date of the ESOS award ("ESOS Award") and has attained the age of eighteen (18) years. An Executive Director shall only be eligible if he is on the payroll and involved in the day-to-day management of the Company and his participation in the Scheme is specifically approved by the shareholders of the Company in a general meeting.

(c) In respect of a Group Employee, the employee who is a Malaysian citizen, has been in employment with the Company and its subsidiaries for a period of at least 3 consecutive years prior to and up to the date of the ESOS Award; the employee who is a non-Malaysian citizen, has been in employment with the Company and its subsidiaries on a full-time contract for a period of at least 4 consecutive years prior to and up to the date of the ESOS Award.

(d) The option price shall be the volume-weighted average market price of the Company's shares as shown in the Daily Official List of Bursa Malaysia for the five market days immediately preceding the date of the ESOS Award with an allowance for a discount of not more than ten per centum (10%) therefrom.

LONG TERM INCENTIVE PLAN (cont'd)

The main features of the ESOS are as follows: (cont'd)

(e) The details of the First, Second, Third, Fourth, Fifth, Sixth and Seventh ESOS Awards are as follows:

First ESOS Award

Award Date	Number of options awarded	Option Price on Award Date	Adjusted Option Price	Vesting Dates	
24/12/12	29,640,600 options	RM4.44 per share	RM2.16 per share Note 1	24/12/13	40%
				24/12/14	30%
				24/12/15	30%

Second ESOS Award

Award Date	Number of options awarded	Option Price on Award Date	Adjusted Option Price	Vesting Dates	
24/12/13	31,729,600 options	RM5.22 per share	RM2.54 per share Note 2	24/12/14	40%
				24/12/15	30%
				24/12/16	30%

Third ESOS Award

Award Date	Number of options awarded	Option Price on Award Date	Adjusted Option Price	Vesting Dates	
24/12/14	10,651,000 options	RM5.88 per share	RM2.91 per share Note 3	24/12/15	40%
				24/12/16	30%
				24/12/17	30%

Fourth ESOS Award

Award Date	Number of options awarded	Option Price on Award Date	Adjusted Option Price	Vesting Dates	
24/12/15	19,605,100 options	RM3.06 per share	RM3.03 per share Note 4	24/12/16	40%
				24/12/17	30%
				24/12/18	30%

Fifth ESOS Award

Award Date	Number of options awarded	Option Price on Award Date	Vesting Dates	
24/12/16	16,034,000 options	RM2.93 per share	24/12/17	40%
			24/12/18	30%
			24/12/19	30%

Sixth ESOS Award

Award Date	Number of options awarded	Option Price on Award Date	Vesting Dates	
30/3/18	79,522,700 options	RM2.70 per share	30/3/19	40%
			5/6/20 Note 5	30%
			30/3/21	30%

DIRECTORS' REPORT AND STATEMENT (cont'd)

LONG TERM INCENTIVE PLAN (cont'd)

The main features of the ESOS are as follows: (cont'd)

(e) The details of the First, Second, Third, Fourth, Fifth, Sixth and Seventh ESOS Awards are as follows: (cont'd)

Seventh ESOS Award

Award Date	Number of options awarded	Option Price on Award Date	Vesting Dates	
30/3/19	41,834,600 options	RM2.16 per share	5/6/20 Note 5	40%
			30/3/21	30%
			30/3/22	30%

Note:

1. The option price had been adjusted to RM4.37 on 13 June 2014, following the declaration of a single tier special dividend of 10 sen per share for the financial year ended 31 March 2014 on 27 May 2014. The option price was adjusted to RM2.18 on 11 September 2015, following the 1:1 Bonus Issue. The option price was further adjusted to RM2.16 on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.
2. The option price had been adjusted to RM5.14 on 13 June 2014, following the declaration of a single tier special dividend of 10 sen per share for the financial year ended 31 March 2014 on 27 May 2014. The option price was adjusted to RM2.57 on 11 September 2015, following the 1:1 Bonus Issue. The option price was further adjusted to RM2.54 on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.
3. The option price was adjusted to RM2.94 on 11 September 2015, following the 1:1 Bonus Issue. The ESOS exercise price was further adjusted to RM2.91 on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.
4. The option price had been adjusted to RM3.03 on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.
5. The vestings on 30 March 2020 were deferred to 5 June 2020 due to the implementation of Covid-19 Movement Control Order on 18 March 2020.

The vesting of the options is contingent upon the acceptance of the ESOS Awards by the eligible Group Employee and fulfilment of the relevant vesting conditions as at the relevant vesting dates. The vesting conditions include the tenure and performance of the eligible Group Employee who have accepted the ESOS Awards.

The number of outstanding options is set out in Note 14(C) to the financial statements.

The main features of the ESGP are as follows:

(a) The ESGP was implemented on 24 December 2012, and shall be in force for a period of ten years and expires on 23 December 2022.

(b) ESGP comprises a retention share plan ("RSP") and a performance share plan ("PSP").

(i) The RSP is a share plan for selected middle to senior management employees of the Group who are holding job grades 1 to 8 or such rank or position as may be designated by the Committee from time to time.

(ii) The PSP is a performance share plan for selected senior management employees of the Group who are holding job grades 1 to 3 or such rank or position as may be designated by the Committee from time to time.

LONG TERM INCENTIVE PLAN (cont'd)

The main features of the ESGP are as follows: (cont'd)

(c) The Company had made the following awards of shares under the ESGP to the eligible Group Employee:-

Date of Award	Awards	Provisional number of shares awarded to eligible Group Employee		Vesting Dates/ Tentative Vesting Dates	
		PSP[*1]	RSP[*2]	50%	50%
15 April 2013	First ESGP Award	1,516,100	4,559,300	15 June 2015	15 June 2016
15 April 2014	Second ESGP Award	1,357,100	5,034,400	15 June 2016	15 June 2017
15 April 2015	Third ESGP Award	1,429,000	5,321,900	15 June 2017	19 June 2018
15 April 2016	Fourth ESGP Award	3,701,400	11,552,800	19 June 2018	18 June 2019
15 April 2017	Fifth ESGP Award	3,379,200	11,605,800	No shares were vested	
15 April 2018	Sixth ESGP Award	3,169,000	11,600,600	27 July 2020	15 June 2021
15 April 2019	Seventh ESGP Award	3,181,200	11,661,600	15 June 2021	15 June 2022

[*1] The quantum of shares to be vested may vary from 0% to 200% of the provisional number of shares awarded.
[*2] The quantum of shares to be vested may vary from 0% to 150% of the provisional number of shares awarded.

The vesting of shares is contingent upon the acceptance of the ESGP Awards by the eligible Group Employee and fulfilment of the relevant vesting conditions as at the relevant vesting dates. The shares are vested to the eligible Group Employee at no consideration over a period of up to three (3) years.

The total number of new Company's shares which may be made available under the LTIP shall not exceed ten per centum (10%) of the total issued and paid-up share capital (excluding treasury shares) comprising ordinary shares of the Company at any time during the duration of the LTIP.

The aggregate maximum allocation of the options and shares to the Directors and senior management of the Group shall not be more than 50% of the Company's shares available under the LTIP. As at 31 March 2020, the total number of options (ESOS) and shares (ESGP) allocated to the Directors and senior management of the Group is 18.61% of the shares available under the LTIP. Whereas, the total number of options (ESOS) and shares (ESGP) allocated to the Directors and senior management of the Group during the financial year is 1.13% of the shares available under the LTIP.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report and statement are:

Tan Sri Dato' Tan Boon Seng @ Krishnan, *Non-Executive Chairman (ceased as Deputy Non-Executive Chairman & redesignated as Non-Executive Chairman on 29 August 2019)*
Mr Liew Hau Seng, *Chief Executive Officer ("CEO") & Managing Director ("MD") (appointed on 1 September 2019)*
Mr Lee Chun Fai, *Deputy CEO & Deputy MD*
Datuk Lee Teck Yuen*, *Senior Independent Non-Executive Director*
Datuk Ir. Hamzah bin Hasan#*, *Independent Non-Executive Director*
Mr Pushpanathan a/l S A Kanagarayar#, *Independent Non-Executive Director*
Mr Goh Tian Sui@, *Independent Non-Executive Director*
Dato' David Frederick Wilson@, *Independent Non-Executive Director*
Tunku Alina Binti Raja Muhd Alias*, *Independent Non-Executive Director*
Ms Tan Ting Min#, *Independent Non-Executive Director*
Tan Sri Abdul Halim bin Ali *(retired as Independent Non-Executive Chairman on 28 August 2019)*
Dato' Soam Heng Choon *(retired as MD on 28 August 2019)*

members of the Audit Committee
* members of the Nomination and Remuneration Committee
@ members of the Securities and Options Committee

DIRECTORS' REPORT AND STATEMENT (cont'd)

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, particulars of interests of Directors who held office at the end of the financial year in shares and options over ordinary shares of the Company and its related corporations during the financial year are as follows:

IJM Corporation Berhad

	Number of ordinary shares			
Name of Directors	Balance at date of appointment*/ 1.4.2019	Acquired	Disposed	Balance at 31.3.2020
Tan Sri Dato' Tan Boon Seng @ Krishnan				
Direct interest	6,493,066	-	-	**6,493,066**
Indirect interest	421,972(1)	-	-	**421,972**(1)
Liew Hau Seng*				
Direct interest	873,500	50,000	-	**923,500**
Lee Chun Fai				
Direct interest	596,500	85,300	-	**681,800**
Indirect interest	250,000(1)	-	-	**250,000**(1)
Datuk Lee Teck Yuen				
Direct interest	11,764,692	-	-	**11,764,692**
Goh Tian Sui				
Indirect interest	10,000(1)	-	-	**10,000**(1)

	Options over ordinary shares ("Options") under Employee Share Option Scheme ("ESOS")					
	Provisional Number of Options+		Number of Options			
Name of Directors	*At date of appointment/ 1.4.2019	At 31.3.2020	*At date of appointment/ 1.4.2019	Vested	Exercised	At 31.3.2020
First ESOS Award on 24.12.2012						
Lee Chun Fai	-	**-**	376,400	-	-	**376,400**
Second ESOS Award on 24.12.2013						
Liew Hau Seng*	-	**-**	108,600	-	-	**108,600**
Lee Chun Fai	-	**-**	378,500	-	-	**378,500**
Third ESOS Award on 24.12.2014						
Liew Hau Seng*	-	**-**	93,000	-	-	**93,000**
Lee Chun Fai	-	**-**	162,800	-	-	**162,800**
Fourth ESOS Award on 24.12.2015						
Lee Chun Fai	-	**-**	385,000	-	-	**385,000**
Sixth ESOS Award on 30.03.2018						
Liew Hau Seng*	280,500	**280,500**	175,900	-	-	**175,900**
Lee Chun Fai	396,000	**396,000**	264,000	-	-	**264,000**
Seventh ESOS Award on 30.03.2019						
Liew Hau Seng*	233,800	**233,800**	-	-	-	**-**
Lee Chun Fai	330,000	**330,000**	-	-	-	**-**

DIRECTORS' INTERESTS IN SHARES (cont'd)

IJM Corporation Berhad (cont'd)

	Number of ordinary shares ("Shares") under Employee Share Grant Plan ("ESGP")					
	Performance Share Plan++			Retention Share Plan+++		
Name of Directors	+Provisional number at *date of appointment/ 1.4.2019	+Provisional number at 31.3.2020	Vested	+Provisional number at *date of appointment/ 1.4.2019	+Provisional number at 31.3.2020	Vested
Fourth ESGP Award on 15.4.2016						
Lee Chun Fai	94,800	**-**	47,400	37,900	**-**	37,900
Fifth ESGP Award on 15.4.2017						
Lee Chun Fai	189,600	**-**	-	75,800	**-**	-
Sixth ESGP Award on 15.4.2018						
Liew Hau Seng*	116,400	**116,400**	-	46,600	**46,600**	-
Lee Chun Fai	189,600	**189,600**	-	75,800	**75,800**	-
Seventh ESGP Award on 15.4.2019						
Liew Hau Seng*	116,400	**116,400**	-	46,600	**46,600**	-
Lee Chun Fai	-	**189,600**	-	-	**75,800**	-

IJM Plantations Berhad (a subsidiary)

	Number of ordinary shares			
Name of Directors	Balance at 1.4.2019	Acquired	Disposed	Balance at 31.3.2020
Tan Sri Dato' Tan Boon Seng @ Krishnan				
Direct interest	716,060	78,000	-	**794,060**
Indirect interest	481,033(1)	342,000(1)	-	**823,033**(1)

Notes:-

(1) Through a family member
+ The vesting of the Options and/or Shares to the eligible Director is subject to the fulfilment of the relevant vesting conditions as at the relevant vesting dates.
++ The quantum of shares to be vested may vary from 0% to 200% of the number of shares provisionally awarded.
+++ The quantum of shares to be vested may vary from 0% to 150% of the number of shares provisionally awarded.

Except as disclosed above, the Directors in office at the end of the financial year do not have any direct or indirect interests in the shares or Options of the Company and its related corporations during the financial year.

DIRECTORS' REPORT AND STATEMENT (cont'd)

DIRECTORS' BENEFITS AND REMUNERATION

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the fees and other emoluments shown under Directors' Remuneration in the financial statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Details of the Directors' Remuneration are set out in Note 7 to the financial statements.

Except as disclosed above, neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the shares or Options of the Company awarded under the LTIP.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The amount of insurance premium paid for the financial year 2020 was RM158,708.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(a) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report and statement, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts of the Group and of the Company inadequate to any substantial extent and the values attributed to current assets of the Group and of the Company misleading; or

(b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(c) not otherwise dealt with in this report and statement or in the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report and statement, neither any charge on the assets of the Group and the Company has arisen since the end of the financial year which secures the liability of any other person nor any contingent liability of the Group and the Company.

In the interval between the end of the financial year and the date of this report and statement, no item, transaction or other events of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the operations of the Group and of the Company for the current financial year.

No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

OTHER STATUTORY INFORMATION (cont'd)

In the opinion of the Directors:

(a) other than as disclosed in the financial statements, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and

(b) the financial statements of the Group and of the Company set out on pages 191 to 360 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020 and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016.

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries during the financial year and up to the date of this report and statement is as follows:

Dato' Sri Haji Abd Rahim bin Abdul
Abdullah B. Mohammad Sheriff Sahib
Aw Soon Lee
Dato' Azahari bin Muhammad Yusof
Aziz Bin Bahaman
Boey Tak Kong
Chai Kian Soon
Chan Kai Leong
Chan Kok Keong
Chang Cheen Ying
Chen Silu
Chitra Ramachandran
Datuk Dr Choo Yuen May
Choy Teik San
Chow Man Fui
Chua Lay Hoon
Cyrus Eruch Daruwalla
Circle Corporate Services (Jersey) Limited
Dato' David Frederick Wilson
Deepak Das Gupta
Devananda Naraidoo
Edward Chong Sin Kiat
Faizal Amir bin Mohd Zain
Fang Hoong Meng
Fatimah Binti Merican
Fong Wah Sin
Gan Chin Giap
Gan Sher Lin
Goh Chee Huat
Goh Su Yin
Harjeet Singh Daya Singh
Dato' Hoo Kim See
Hu Hai Shan
Iszad Jeffri bin Ismail
James Ponniah a/l Joseph
Jenny Pascaline Anna
John Lee Yow Meng
Joseph Tek Choon Yee
Dato' Josphine Juliana A/P S Arulanandam
Khor Kar Buan
Khoo Choom Kwong
Kunalan A/L Thamudaran
Lau Liang See
Lee Chun Fai
Lee Chee Heong
Lee Hong Chai
Datuk Lee Teck Yuen
Leong Yew Kuen
Liew Hau Seng
Liew Kiam Woon
Liew Yoon Han
Lu, Yong
Marie Cindhia Veronique Magny-Antoine
Mark Andrew Lahiff
Ma, Zhengguo
Mazlim bin Husin
Mizool Amir bin Mat Drus
Dato' Md Naim bin Nasir
Dato' Mohamed Feisal bin Ibrahim
Najeeb Amin
Nicholas James Terry
Novan Maharahaje
Ong Teng Cheng
Ong Wah Cheong
Ocorian Corporate Services (Jersey) Limited
Pook Fong Fee
Purushothaman a/l Kumaran
Pushpanathan a/l S A Kanagarayar
Ramesh Chandra Sinha
Ravi Kumar Kandala
Rishal Tanee
Rodziah binti Morshidi
Sandra Segran a/l Kenganathan
Syed Sarfaraz Haider Rizvi
Second Circle Corporate Services (Jersey) Limited
Tan Boon Leng
Tan Ling Jin
Tan Sri Dato' Tan Boon Seng @ Krishnan
Tan Khee Leng
Tan Khuan Beng
Tan Yang Cheng
Tang King Hua
Tharamangalam Sundaramurthy Subramanyam
Dato' Toh Chin Leong
T. Vijay Kumar
Tong Wai Yong
Venkata Sunil Kumar Aripirala
Venkatesen Saminada Chetty
Vuitton Pang Hee Cheah
Wan Salwani binti Wan Yusoff
Wang, Guowei
Wong Heng Wai
Wong Soon Fah
Yeo Yee Khim
Yong Juen Wah
Zabidin bin Abu Samah

DIRECTORS' REPORT AND STATEMENT (cont'd)

SUBSIDIARIES

Details of subsidiaries are set out in Note 55 to the financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 8 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

This report and statement was approved by the Board of Directors on 26 June 2020.

Signed on behalf of the Board of the Directors:

TAN SRI DATO' TAN BOON SENG @ KRISHNAN
DIRECTOR

LIEW HAU SENG
DIRECTOR

Petaling Jaya

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 March 2020

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
Operating revenue	4,13	**6,605,101**	5,655,661	**465,504**	540,030
Cost of sales		**(5,370,101)**	(4,506,479)	**(644)**	(269)
Gross profit		**1,235,000**	1,149,182	**464,860**	539,761
Other operating income		**311,444**	216,577	**409,001**	115,435
Tendering, selling and distribution expenses		**(115,672)**	(123,485)	**-**	-
Administrative expenses		**(311,946)**	(339,528)	**(37,954)**	(39,092)
Other operating expenses		**(277,807)**	(153,406)	**(95,690)**	(88,700)
Net write back/(impairment) of financial assets		**29,305**	(3,987)	**(83,060)**	-
Operating profit before finance cost	5	**870,324**	745,353	**657,157**	527,404
Finance cost	9,13	**(290,423)**	(225,103)	**(109,039)**	(103,675)
Operating profit after finance cost		**579,901**	520,250	**548,118**	423,729
Share of (losses)/profits of associates		**(92,408)**	142,551	**-**	-
Share of profits/(losses) of joint ventures		**30,272**	(14,813)	**-**	-
Profit before taxation	13	**517,765**	647,988	**548,118**	423,729
Income tax (expense)/credit	10	**(189,579)**	(207,279)	**3,889**	(20,114)
Net profit for the financial year		**328,186**	440,709	**552,007**	403,615
Other comprehensive income/(loss) (net of tax):					
Items that will not be reclassified to profit or loss:					
Actuarial gain on defined benefit plan		**528**	1,831	**-**	-
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences of foreign operations		**(84,349)**	(4,072)	**683**	231
Share of other comprehensive income/(losses) of associates		**1,758**	(1,348)	**-**	-
Realisation of other comprehensive loss arising from disposal of foreign subsidiary and associate		**-**	21,740	**-**	-
		(82,591)	16,320	**683**	231
		(82,063)	18,151	**683**	231
Total comprehensive income for the financial year		**246,123**	458,860	**552,690**	403,846

STATEMENTS OF COMPREHENSIVE INCOME (cont'd)
for the financial year ended 31 March 2020

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
Net profit attributable to:					
Owners of the Company		**250,590**	418,916	**552,007**	403,615
Perpetual sukuk		**43,386**	-	**-**	-
Non-controlling interests		**34,210**	21,793	**-**	-
Net profit for the financial year		**328,186**	440,709	**552,007**	403,615
Total comprehensive income attributable to:					
Owners of the Company		**191,885**	426,928	**552,690**	403,846
Perpetual sukuk		**43,386**	-	**-**	-
Non-controlling interests		**10,852**	31,932	**-**	-
Total comprehensive income for the financial year		**246,123**	458,860	**552,690**	403,846
Earnings per share for net profit attributable to owners of the Company:					
- Basic	11(a)	**6.91 Sen**	11.56 Sen		
- Fully diluted	11(b)	**6.91 Sen**	11.55 Sen		

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2020

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	14(A)	**6,112,042**	6,099,350	**6,112,042**	6,099,350
Treasury shares	14(B)	**(18,070)**	(18,070)	**(18,070)**	(18,070)
Shares held under trust	14(D)	**(1,263)**	(1,379)	**(1,263)**	(1,379)
Exchange translation reserve		**(233,310)**	(174,332)	**2,834**	2,151
Share-based payment reserve		**110,133**	105,934	**110,133**	105,934
Other reserves	15	**32,476**	32,476	**-**	-
Retained profits		**3,600,358**	3,494,673	**900,739**	493,910
		9,602,366	9,538,652	**7,106,415**	6,681,896
Perpetual Sukuk of a subsidiary	57	**848,470**	647,108	**-**	-
NON-CONTROLLING INTERESTS		**1,192,770**	1,198,661	**-**	-
TOTAL EQUITY		**11,643,606**	11,384,421	**7,106,415**	6,681,896
NON-CURRENT LIABILITIES					
Bonds	16	**2,876,119**	2,755,848	**1,400,000**	1,300,000
Term loans	17	**1,615,143**	1,982,960	**173,140**	244,770
Government support loans	18	**58,672**	92,970	**-**	-
Hire purchase and lease payables	19	**-**	11	**-**	-
Lease liabilities	20	**49,889**	-	**7,822**	-
Deferred tax liabilities	22	**629,587**	614,540	**-**	-
Trade and other payables	23	**311,297**	347,469	**747,744**	827,662
Derivative financial instruments	42	**872**	-	**-**	-
Retirement benefits	24	**22,443**	21,831	**-**	-
		5,564,022	5,815,629	**2,328,706**	2,372,432
Deferred income	25	**70,355**	70,355	**-**	-
		17,277,983	17,270,405	**9,435,121**	9,054,328
NON-CURRENT ASSETS					
Property, plant and equipment	26	**2,578,272**	2,946,837	**2,117**	11,758
Land use rights	27	**-**	145,968	**-**	-
Right-of-use assets	28	**444,907**	-	**9,292**	-
Investment properties	29	**652,879**	584,162	**7,092**	7,266
Concession assets	30	**3,786,391**	3,568,740	**-**	-
Subsidiaries	31	**-**	-	**7,320,930**	7,247,640
Associates	32	**921,975**	842,859	**353,087**	280,605
Joint ventures	33	**852,370**	764,503	**194,874**	239,938
Financial assets at fair value through other comprehensive income	34	**3,665**	3,665	**2,050**	2,050
Long term receivables	35	**220,731**	206,220	**-**	-
Intangible assets	36	**101,116**	102,200	**-**	-
Deferred tax assets	22	**447,287**	371,200	**22,907**	1,711
Inventories	37	**679,223**	631,921	**-**	-
		10,688,816	10,168,275	**7,912,349**	7,790,968

STATEMENTS OF FINANCIAL POSITION (cont'd)

as at 31 March 2020

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
CURRENT ASSETS					
Inventories	37	**7,687,014**	8,236,097	**-**	-
Produce growing on bearer plants	38	**11,892**	7,750	**-**	-
Trade and other receivables	39	**1,865,664**	2,090,197	**2,216,268**	2,223,660
Contract assets	40	**345,336**	326,836	**-**	-
Financial assets at fair value through profit or loss	41	**534,630**	444,699	**4,866**	10,545
Derivative financial instruments	42	**1,722**	4,470	**1,393**	-
Tax recoverable		**91,880**	169,697	**-**	-
Deposits, cash and bank balances	43	**2,222,648**	1,557,953	**182,222**	28,095
Assets held for sale	44	**3,665**	-	**4,095**	-
		12,764,451	12,837,699	**2,408,844**	2,262,300
Less:					
CURRENT LIABILITIES					
Contract liabilities	40	**666,366**	773,877	**1,136**	891
Trade and other payables	45	**3,130,999**	3,101,618	**128,396**	400,883
Lease liabilities	20	**11,870**	-	**1,660**	-
Current tax liabilities		**29,820**	55,769	**1,245**	3,127
Derivative financial instruments	42	**3,236**	4,467	**-**	4,467
Provisions	46	**2,476**	2,870	**-**	-
Borrowings					
- Bank overdrafts	47	**118,860**	75,753	**-**	-
- Others	47	**2,211,657**	1,721,215	**753,635**	589,572
		6,175,284	5,735,569	**886,072**	998,940
NET CURRENT ASSETS		**6,589,167**	7,102,130	**1,522,772**	1,263,360
		17,277,983	17,270,405	**9,435,121**	9,054,328

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 March 2020

The Group	Note	Attributable to owners of the Company								Perpetual Sukuk of a subsidiary 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	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000			
At 1 April 2019		6,099,350	(18,070)	(1,379)	(174,332)	105,934	32,476	3,494,673	9,538,652	647,108	1,198,661	11,384,421
Comprehensive income:												
Net profit for the financial year		-	-	-	-	-	-	250,590	250,590	43,386	34,210	328,186
Other comprehensive income:												
Currency translation differences arising from translation of net investment in foreign operations		-	-	-	(60,736)	-	-	-	(60,736)	-	(23,613)	(84,349)
Share of other comprehensive income of associates		-	-	-	1,758	-	-	-	1,758	-	-	1,758
Actuarial gain on defined benefit plan		-	-	-	-	-	-	273	273	-	255	528
		-	-	-	(58,978)	-	-	273	(58,705)	-	(23,358)	(82,063)
Total comprehensive income for the financial year		-	-	-	(58,978)	-	-	250,863	191,885	43,386	10,852	246,123
Issuance of ESOS and ESGP		-	-	-	-	16,567	-	-	16,567	-	-	16,567
Transactions with owners:												
Single tier second interim dividend:												
- Year ended 31 March 2019	12	-	-	-	-	-	-	(72,589)	(72,589)	-	-	(72,589)
Single tier first interim dividend:												
- Year ended 31 March 2020	12	-	-	-	-	-	-	(72,589)	(72,589)	-	-	(72,589)
Dividends paid by subsidiaries to non-controlling shareholders		-	-	-	-	-	-	-	-	-	(14,213)	(14,213)
Perpetual Sukuk distribution payable and paid by a subsidiary		-	-	-	-	-	-	-	-	(41,784)	-	(41,784)
Acquisition of additional interests in a subsidiary		-	-	-	-	-	-	-	-	-	(2,530)	(2,530)

STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the financial year ended 31 March 2020

The Group	Note	Attributable to owners of the Company										
		Share capital RM'000	Treasury shares RM'000	Shares held under trust RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000	Perpetual Sukuk of a subsidiary RM'000	Non-controlling interests RM'000	Total equity RM'000
Transactions with owners: (cont'd)												
Issuance of shares:												
- Vesting of shares under ESGP	14(A)	12,250	-	-	-	(12,250)	-	-	-	-	-	-
- Exercise of ESOS	14(A),(D)	442	-	116	-	(118)	-	-	440	-	-	440
Issuance of Perpetual Sukuk by a subsidiary		-	-	-	-	-	-	-	-	199,760	-	199,760
Total transactions with owners		12,692	-	116	-	(12,368)	-	(145,178)	(144,738)	157,976	(16,743)	(3,505)
At 31 March 2020		**6,112,042**	**(18,070)**	**(1,263)**	**(233,310)**	**110,133**	**32,476**	**3,600,358**	**9,602,366**	**848,470**	**1,192,770**	**11,643,606**

		Attributable to owners of the Company										
The Group	Note	Share capital RM'000	Treasury shares RM'000	Shares held under trust RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000	Perpetual Sukuk of a subsidiary RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2018		6,074,349	(2,104)	(1,521)	(181,452)	85,048	32,267	3,256,706	9,263,293	-	1,171,800	10,435,093
Comprehensive income:												
Net profit for the financial year		-	-	-	-	-	-	418,916	418,916	-	21,793	440,709
Other comprehensive income:												
Currency translation differences arising from translation of net investment in foreign operations		-	-	-	(13,272)	-	-	-	(13,272)	-	9,200	(4,072)
Realisation of other comprehensive loss arising from disposal of foreign subsidiary and associate		-	-	-	21,740	-	-	-	21,740	-	-	21,740
Share of other comprehensive losses of associates		-	-	-	(1,348)	-	-	-	(1,348)	-	-	(1,348)
Actuarial gain on defined benefit plan		-	-	-	-	-	-	892	892	-	939	1,831
		-	-	-	7,120	-	-	892	8,012	-	10,139	18,151
Total comprehensive income for the financial year		-	-	-	7,120	-	-	419,808	426,928	-	31,932	458,860
Share of reserves in an associate	15(a)	-	-	-	-	-	409	(299)	110	-	-	110
Transferred to retained profits	15(b)	-	-	-	-	-	(200)	200	-	-	-	-
Issuance of ESOS and ESGP		-	-	-	-	45,817	-	-	45,817	-	-	45,817
Transactions with owners:												
Accretion of interest in a subsidiary		-	-	-	-	-	-	(274)	(274)	-	(854)	(1,128)
Single tier second interim dividend: - Year ended 31 March 2018		-	-	-	-	-	-	(108,927)	(108,927)	-	-	(108,927)
Single tier first interim dividend: - Year ended 31 March 2019	12	-	-	-	-	-	-	(72,541)	(72,541)	-	-	(72,541)
Dividends paid by subsidiaries to non-controlling shareholders		-	-	-	-	-	-	-	-	-	(21,485)	(21,485)
Capital repayment upon liquidation of a foreign subsidiary		-	-	-	-	-	-	-	-	-	(214)	(214)

STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the financial year ended 31 March 2020

The Group	Note	Attributable to owners of the Company Share capital RM'000	Treasury shares RM'000	Shares held under trust RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000	Perpetual Sukuk of a subsidiary RM'000	Non-controlling interests RM'000	Total equity RM'000
Transactions with owners: (cont'd)												
Issuance of shares by a subsidiary to non-controlling shareholders		-	-	-	-	-	-	-	-	-	17,482	17,482
Issuance of shares:												
- Vesting of shares under ESGP	14(A)	24,879	-	-	-	(24,879)	-	-	-	-	-	-
- Exercise of ESOS	14(A),(D)	122	-	142	-	(52)	-	-	212	-	-	212
Share buy back	14(B)	-	(15,966)	-	-	-	-	-	(15,966)	-	-	(15,966)
Issuance of Perpetual Sukuk by a subsidiary		-	-	-	-	-	-	-	-	647,108	-	647,108
Total transactions with owners		25,001	(15,966)	142	-	(24,931)	-	(181,742)	(197,496)	647,108	(5,071)	444,541
At 31 March 2019		6,099,350	(18,070)	(1,379)	(174,332)	105,934	32,476	3,494,673	9,538,652	647,108	1,198,661	11,384,421

The Company	Note	Share capital RM'000	Treasury shares RM'000	Shares held under trust RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Retained profits RM'000	Total RM'000
			Non-distributable				Distributable	
At 1 April 2019		6,099,350	(18,070)	(1,379)	2,151	105,934	493,910	6,681,896
Comprehensive income:								
Net profit for the financial year		-	-	-	-	-	552,007	552,007
Other comprehensive income:								
Currency translation differences arising from translation of foreign operations		-	-	-	683	-	-	683
Total comprehensive income for the financial year		-	-	-	683	-	552,007	552,690
Issuance of ESOS and ESGP		-	-	-	-	16,567	-	16,567
Transactions with owners:								
Single tier second interim dividend:								
- Year ended 31 March 2019	12	-	-	-	-	-	(72,589)	(72,589)
Single tier first interim dividend:								
- Year ended 31 March 2020	12	-	-	-	-	-	(72,589)	(72,589)
Issuance of shares:								
- Vesting of shares under ESGP	14(A)	12,250	-	-	-	(12,250)	-	-
- Exercise of ESOS	14(A),(D)	442	-	116	-	(118)	-	440
At 31 March 2020		**6,112,042**	**(18,070)**	**(1,263)**	**2,834**	**110,133**	**900,739**	**7,106,415**

STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the financial year ended 31 March 2020

The Company	Note	Share capital RM'000	Treasury shares RM'000	Shares held under trust RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Retained profits RM'000	Total RM'000
			Non-distributable				Distributable	
At 1 April 2018		6,074,349	(2,104)	(1,521)	1,920	85,048	271,763	6,429,455
Comprehensive income:								
Net profit for the financial year		-	-	-	-	-	403,615	403,615
Other comprehensive income:								
Currency translation differences arising from translation of foreign operations		-	-	-	231	-	-	231
Total comprehensive income for the financial year		-	-	-	231	-	403,615	403,846
Issuance of ESOS and ESGP		-	-	-	-	45,817	-	45,817
Transactions with owners:								
Single tier second interim dividend:								
- Year ended 31 March 2018		-	-	-	-	-	(108,927)	(108,927)
Single tier first interim dividend:								
- Year ended 31 March 2019	12	-	-	-	-	-	(72,541)	(72,541)
Issuance of shares:								
- Vesting of shares under ESGP	14(A)	24,879	-	-	-	(24,879)	-	-
- Exercise of ESOS	14(A),(D)	122	-	142	-	(52)	-	212
Share buy back	14(B)	-	(15,966)	-	-	-	-	(15,966)
At 31 March 2019		6,099,350	(18,070)	(1,379)	2,151	105,934	493,910	6,681,896

CASH FLOW STATEMENTS

for the financial year ended 31 March 2020

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
OPERATING ACTIVITIES					
Receipts from customers		**6,691,105**	5,527,590	**30,998**	36,515
Payments to contractors, suppliers and employees		**(4,819,302)**	(5,201,244)	**(54,965)**	(50,074)
Income tax paid		**(190,385)**	(226,926)	**(19,189)**	(17,535)
Net cash flow from/(used in) operating activities		**1,681,418**	99,420	**(43,156)**	(31,094)
INVESTING ACTIVITIES					
Investments in subsidiaries		**-**	-	**-**	(15,117)
Investments in associates		**(3,111)**	(12,513)	**(3,111)**	(105)
Acquisition of financial assets at fair value through other comprehensive income		**-**	(1,510)	**-**	-
Acquisition of financial assets at fair value through profit or loss		**(686,133)**	(696,894)	**(90,000)**	(61,639)
Subscription of Redeemable Convertible Preference Shares in an associate		**(127,377)**	-	**(127,377)**	-
Subscription of Redeemable Unsecured Murabahah Stocks in an associate		**(60,940)**	(24,870)	**-**	-
Purchase of land held for property development		**(42,444)**	(114)	**-**	-
Purchase of property, plant and equipment, right-of-use assets and investment properties		**(291,253)**	(451,265)	**(155)**	(10,609)
Cost incurred on concession assets		**(394,424)**	(139,616)	**-**	-
Additions to port infrastructure		**(21,501)**	(200,927)	**-**	-
Quarry development expenditure incurred	36	**(2,785)**	(4,432)	**-**	-
Disposal of property, plant and equipment, right-of-use assets and investment properties		**18,718**	22,684	**70**	118
Disposal of a subsidiary	49(b)	**-**	3,592	**-**	-
Disposal of an associate		**-**	140,348	**-**	-
Disposal of assets held for sale		**-**	162	**-**	162
Disposal of financial assets at fair value through profit or loss		**610,126**	573,336	**94,600**	64,357
Redemption of preference shares of an associate		**-**	8,187	**-**	-
Proceeds from liquidation of a subsidiary		**-**	-	**9**	-
Capital distribution to minority shareholders upon liquidation of a subsidiary		**-**	(214)	**-**	-
Dividends received from associates		**50,611**	51,429	**30,144**	41,083
Dividends received from other investments		**718**	817	**581**	533
Dividends received from a joint venture		**4,800**	8,000	**-**	-
Dividends received from subsidiaries		**-**	-	**407,329**	470,876
Interest received		**74,428**	84,512	**3,771**	8,016
Advances to associates		**(24,295)**	(45,792)	**(5,000)**	(3)
Advances to subsidiaries		**-**	-	**(569,581)**	(1,370,349)

CASH FLOW STATEMENTS (cont'd)
for the financial year ended 31 March 2020

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
INVESTING ACTIVITIES (cont'd)					
Repayments from associates		**-**	8	**-**	4
Repayments from subsidiaries		**-**	-	**619,502**	1,188,884
Advances to joint ventures		**(9,786)**	(99,155)	**(184)**	(192)
Repayments from joint ventures		**82,685**	14,057	**151**	123
Net cash flow (used in)/from investing activities		**(821,963)**	(770,170)	**360,749**	316,142
FINANCING ACTIVITIES					
Issuance of shares by the Company:					
- Exercise of share options		**440**	212	**440**	212
Issuance of perpetual sukuk by a subsidiary		**199,760**	647,108	**-**	-
Drawdown of bonds		**330,000**	1,105,000	**250,000**	200,000
Repayment of bonds		**(255,000)**	(40,000)	**(200,000)**	-
Proceeds from bank borrowings		**2,455,527**	2,887,599	**1,643,320**	1,445,781
Repayments of bank borrowings		**(2,371,699)**	(3,288,256)	**(1,529,559)**	(1,667,123)
Repayment of government support loans		**(34,000)**	(37,000)	**-**	-
Repayments of hire purchase and lease liabilities		**(11,994)**	(598)	**(1,656)**	-
Repayment to a subsidiary		**-**	-	**(79,918)**	(24,875)
Interest paid		**(346,805)**	(341,627)	**(104,589)**	(99,171)
Dividends paid by subsidiaries to non-controlling shareholders		**(14,213)**	(21,485)	**-**	-
Dividends paid by the Company		**(145,178)**	(181,468)	**(145,178)**	(181,468)
Distribution to perpetual sukuk holders		**(41,783)**	-	**-**	-
Re-purchase of treasury shares	14(B)	**-**	(15,966)	**-**	(15,966)
Net placements of restricted deposits		**(1,740)**	(2,955)	**-**	-
Acquisition of additional interests in a subsidiary		**(254)**	(1,128)	**-**	-
Net cash flow (used in)/from financing activities		**(236,939)**	709,436	**(167,140)**	(342,610)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		**622,516**	38,686	**150,453**	(57,562)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**1,451,135**	1,407,001	**28,095**	85,316
FOREIGN EXCHANGE DIFFERENCES		**(2,442)**	5,448	**3,674**	341
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	50	**2,071,209**	1,451,135	**182,222**	28,095

Reconciliation of liabilities arising from financing activities:

A reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities is as follows:

	Lease liabilities RM'000	*Borrowings RM'000	Total RM'000
The Group:			
At 31 March 2019	-	6,619,566	6,619,566
Effect of adoption of MFRS 16 (Note 56)	62,128	(289)	61,839
At 1 April 2019, as restated	62,128	6,619,277	6,681,405
Cash flow:			
Net drawdown of borrowings	-	124,828	124,828
Payment for loan transaction costs**	-	(419)	(419)
Repayments of lease liabilities	(11,994)	-	(11,994)
Non-cash changes:			
Foreign exchange movement	(229)	75,529	75,300
Others	11,854	12,201	24,055
At 31 March 2020	**61,759**	**6,831,416**	**6,893,175**
At 1 April 2018	-	5,914,846	5,914,846
Cash flow:			
Net drawdown of borrowings	-	626,745	626,745
Payment for loan transaction costs**	-	(6,333)	(6,333)
Non-cash changes:			
Foreign exchange movement	-	74,010	74,010
Others	-	10,298	10,298
At 31 March 2019	-	6,619,566	6,619,566

* Borrowings of the Group include bonds, term loans, government support loans, hire purchase (2019), other short-term borrowings and advances from the State Government.

** Included within cash flow from operating activities.

CASH FLOW STATEMENTS (cont'd)
for the financial year ended 31 March 2020

	Lease liabilities RM'000	*Borrowings RM'000	Amount owing to a subsidiary RM'000	Total RM'000
The Company:				
At 31 March 2019	-	2,134,342	827,662	2,962,004
Effect of adoption of MFRS 16 (Note 56)	5,971	-	-	5,971
At 1 April 2019, as restated	5,971	2,134,342	827,662	2,967,975
Cash flow:				
Net drawdown of bonds	-	50,000	-	50,000
Net drawdown of borrowings	-	113,761	-	113,761
Repayments of lease liabilities	(1,656)	-	-	(1,656)
Net repayment of balances	-	-	(79,918)	(79,918)
Non-cash changes:				
Foreign exchange movement	-	28,672	-	28,672
Others	5,167	-	-	5,167
At 31 March 2020	**9,482**	**2,326,775**	**747,744**	**3,084,001**
At 1 April 2018	-	2,143,481	852,537	2,996,018
Cash flow:				
Net drawdown of bonds	-	200,000	-	200,000
Net repayment of borrowings	-	(221,342)	-	(221,342)
Net repayment of balances	-	-	(24,875)	(24,875)
Non-cash changes:				
Foreign exchange movement	-	8,058	-	8,058
Others	-	4,145	-	4,145
At 31 March 2019	-	2,134,342	827,662	2,962,004

* Borrowings of the Company include bonds, term loans and other short-term borrowings.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 March 2020

The following accounting policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the financial statements, unless otherwise stated.

1 BASIS OF PREPARATION

The financial statements of the Group and the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention, unless otherwise indicated in this summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Management to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Management's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2 to the financial statements.

The Group and the Company adopted the following Standards, Amendments and Annual interpretation to Standards.

(a) Standard, amendments to published standards and interpretations that are effective

The new standard, amendments to published standards, annual improvements and interpretation that are effective for the Group's and the Company's financial year beginning on 1 April 2019 and applicable to the Group and the Company are 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"

The Group and the Company have adopted MFRS 16 for the first time in the 2020 financial statements, which resulted in changes in accounting policies. The detailed impact of change in accounting policies are set out in Note 56.

Other than that, the adoption of amendments to published standards, annual improvements and interpretation listed above did not have any impact on the current financial year or any prior financial year.

(b) Amendments to published standards that are applicable to the Group and the Company, but are not yet effective and have not been early adopted

(i) The amendments to published standards that are mandatory for the Group's and the Company's financial year beginning on 1 April 2020 and the Group and the Company have not early adopted are as follows*:

- The Conceptual Framework for Financial Reporting (Revised 2018)

  Key changes to the Framework are as follows:

  - Objective of general purpose financial reporting - clarification that the objective of financial reporting is to provide useful information to the users of financial statements for resource allocation decisions and assessment of management's stewardship.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2020

1 BASIS OF PREPARATION (cont'd)

(b) Amendments to published standards that are applicable to the Group and the Company, but are not yet effective and have not been early adopted (cont'd)

(i) The amendments to published standards that are mandatory for the Group's and the Company's financial year beginning on 1 April 2020 and the Group and the Company have not early adopted are as follows*: (cont'd)

- The Conceptual Framework for Financial Reporting (Revised 2018) (cont'd)

  Key changes to the Framework are as follows: (cont'd)

  - Qualitative characteristics of useful financial information - reinstatement of the concepts of prudence when making judgement of uncertain conditions and "substance over form" concept to ensure faithful representation of economic phenomenon.
  - Clarification on reporting entity for financial reporting - introduction of new definition of a reporting entity, which might be a legal entity or a portion of a legal entity.
  - Elements of financial statements - the definitions of an asset and a liability have been refined. Guidance in determining unit of account for assets and liabilities have been added, by considering the nature of executory contracts and substance of contracts.
  - Recognition and derecognition - the probability threshold for asset or liability recognition has been removed. New guidance on derecognition of asset and liability have been added.
  - Measurement - explanation of factors to consider when selecting a measurement basis have been provided.
  - Presentation and disclosure - clarification that statement of profit or loss ('P&L') is the primary source of information about an entity's financial performance for a reporting period. In principle, recycling of income/expense included in other comprehensive income to P&L is required if this results in more relevant information or a more faithful representation of P&L.

  <u>Amendments to References to the Conceptual Framework in MFRS Standards</u>

  The MASB also issued Amendments to References to the Conceptual Framework in MFRS Standards ('Amendments'), to update references and quotations to fourteen (14) Standards so as to clarify the version of Conceptual Framework these Standards refer to, for which the effective date above applies.

  The amendments should be applied retrospectively in accordance with MFRS 108 unless retrospective application would be impracticable or involve undue cost or effort.

- Amendments to MFRS 101 "Presentation of Financial Statements" and MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors" clarify the definition of materiality and use a consistent definition throughout MFRSs and the Conceptual Framework for Financial Reporting.

  The definition of "material" has been revised as "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

  The amendments also:

  - clarify that an entity assesses materiality in the context of the financial statements as a whole.
  - explain the concept of obscuring information in the new definition. Information is obscured if it has the effect similar as omitting or misstating that information.
  - clarify the meaning of "primary users of general purpose financial statements" to whom those financial statements are directed, by defining them as "existing and potential investors, lenders and other creditors" who must rely on general purpose financial statements for much of the financial information they need.

1 BASIS OF PREPARATION (cont'd)

(b) Amendments to published standards that are applicable to the Group and the Company, but are not yet effective and have not been early adopted (cont'd)

(i) The amendments to published standards that are mandatory for the Group's and the Company's financial year beginning on 1 April 2020 and the Group and the Company have not early adopted are as follows*: (cont'd)

- Amendments to MFRS 3 "Definition of a Business" revise the definition of a business. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs.

  The amendments provide guidance to determine whether an input and a substantive process are present, including situation where an acquisition does not have outputs. To be a business without outputs, there will now need to be an organised workforce. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

  In addition, the revised definition of the term "outputs" is narrower, focuses on goods or services provided to customers, generating investment returns and other income but exclude returns in the form of cost savings.

  The amendments introduce an optional simplified assessment known as "concentration test" that, if met, eliminates the need for further assessment. Under this concentration test, if substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset (or a group of similar assets), the assets acquired would not represent a business.

The above amendments shall be applied prospectively.

(ii) The amendment to published standard that is mandatory for the Group's and the Company's financial year beginning on 1 April 2022 and the Group and the Company have not early adopted is as follows*:

- Amendments on classification of liabilities as current or non-current (Amendments to MFRS 101)

  The MFRS 101 classification principle requires an assessment of whether an entity has the substantive right to defer settlement of a liability at the end of the reporting period.

  The amendments clarify that when the right to defer settlement is subject to complying with specified conditions, the right only exists at the end of the reporting period if the entity complies with those conditions at that date. The entity must comply with the conditions at the end of the reporting period even if the lender does not test compliance until a later date.

  Also, classification is unaffected by the expectations of the entity or events after the reporting date (e.g. waiver obtained or breach of loan covenant).

  In addition, the amendments clarify that when a liability could be settled by the transfer of an entity's own equity instruments (e.g. a conversion option in a convertible bond), the conversion option does not affect the classification of the convertible bond if the option meets the definition of an equity instrument in accordance with MFRS 132 "Financial Instruments: Presentation". Conversion option that is not an equity instrument should therefore be considered in the current or non-current classification of a convertible instrument.

* These amendments to published standards will be adopted on the respective effective dates. The Group and the Company have started a preliminary assessment on the effects of the above amendments to published standards and the impact is still being assessed.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2020

1 BASIS OF PREPARATION (cont'd)

(c) Amendment to published standard that is applicable to the Group and the Company, but is not yet effective and has been early adopted

(i) The amendment to published standard that is mandatory for the Group's and the Company's financial year beginning on 1 April 2021 and the Group and the Company have early adopted in financial year 2021 is as follows:

- Amendments to MFRS 16 "Leases" provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments by applying paragraph 38 of MFRS 16 that is the lessee to recognise the reduction in lease payments in profit or loss in the period in which the event or condition that triggers those payments occurs with corresponding adjustment to the lease liability to reduce the part of the lease liability that has been waived.

  The practical expedient only applies to lessees' rent concessions occurring as a direct consequence of the COVID-19 pandemic, and only if all of the following conditions are met:

  - the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
  - any reduction in lease payments affects only payments due on or before 30 June 2021; and
  - there is no substantive change to other terms and conditions of the lease.

  The above amendment is to be applied retrospectively. However, the lessees are not required to restate comparative amounts. The Group and the Company have started a preliminary assessment on the effect of the above amendment and the impact is not material.

(d) IFRIC Agenda Decision on MFRS 123 "Borrowing Costs"

In March 2019, IFRIC published an agenda decision on borrowing costs confirming, receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On 20 March 2019, the Malaysian Accounting Standards Board decided an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements for annual periods beginning on or after 1 July 2020.

The Group is assessing the impact on the change in accounting policy pursuant to the IFRIC agenda decision on borrowing costs incurred on property under construction where control is transferred over time.

2 ECONOMIC ENTITIES IN THE GROUP

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

The existence and effect of potential voting rights are considered when assessing whether the Group controls another entity. In assessing whether potential voting rights contribute to control, the Group examines all facts and circumstances (including the terms of exercise of the potential voting rights and any other contractual arrangements whether considered individually or in combination) that affect potential voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases. Subsidiaries are consolidated using the acquisition method of accounting, except for business combinations involving entities or businesses under common control, which are accounted for using the predecessor basis of accounting.

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(a) Subsidiaries (cont'd)

Under the acquisition method of accounting, the consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. The costs directly attributable to the acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the date of acquisition. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill – See accounting policy 3 on goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the subsequent acquisition dates, and any gains or losses arising from such remeasurement are recognised in profit or loss.

Under the predecessor basis of accounting, assets and liabilities acquired are not restated to their respective fair values but at the carrying amounts in the consolidated financial statements of the ultimate holding company of the Group and adjusted to ensure uniform accounting policies of the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of transaction) of the acquired entity is recognised as an adjustment to equity. No additional goodwill is recognised. The acquired entity's results, assets and liabilities are consolidated as if both the acquirer and the acquiree had always been combined. Consequently, the consolidated financial statements reflect both entities' full year's results. The comparative information is restated to reflect the combined results of both entities.

Non-controlling interest represents that portion of profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Company. It is measured on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the date of acquisition and the non-controlling interests' share of changes in the subsidiaries' equity since that date.

All earnings and losses of the subsidiary are attributed to the owners of the Company and the non-controlling interests, even if the attribution of losses to the non-controlling interests results in a debit balance in the total equity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

All inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated except for contracted finished goods which are stated at net realisable value. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2020

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(c) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(d) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The existence and the effect of potential voting rights are considered when assessing whether the group exercises significant influence over another entity. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profit or loss of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. The Group's investment in associates includes goodwill identified on acquisition.

When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount and recognises the amount in profit or loss.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

For incremental interest in an associate when significant influence is retained, the date of acquisition is the purchase date at each stage and goodwill is calculated at each purchase date based on the fair value of assets and liabilities identified. The previously held interest is not re-measured.

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(e) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

(i) Joint ventures

The Group's interest in a joint venture is accounted for in the financial statements by the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint venture in profit or loss, and the Group's share of movements in other comprehensive income of the joint venture in other comprehensive income. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount and recognises the amount in profit or loss.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

(ii) Joint operations

In relation to the Group's interest in the joint operations, the Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

3 GOODWILL

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss.

Goodwill on acquisition of subsidiaries is included in the statement of financial position as intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2020

3 GOODWILL (cont'd)

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the business combination in which the goodwill arose. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at each business segment. The Group allocates goodwill to each business segment in each country in which it operates. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. See accounting policy 25 on impairment of non-financial assets. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill on acquisitions of joint ventures and associates is included in investments in joint ventures and associates respectively. Such goodwill is tested for impairment as part of the total carrying value.

4 INVESTMENTS

In the Company's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets. On disposal of investments in subsidiaries, joint ventures and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The amounts due from subsidiaries, joint ventures and associates of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in the subsidiaries, joint ventures and associates.

Long term investments are classified as financial assets at fair value through other comprehensive income. These are initially measured at fair value plus transaction costs and subsequently, at fair value, with the changes in fair value recognised in other comprehensive income. These are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Short term investments in marketable securities are classified as financial assets at fair value through profit or loss and measured at fair value on the date a transaction is entered into and are subsequently re-measured at fair value with the changes in fair value recognised in profit or loss. On disposal of an investment, the difference between net disposal proceeds and its fair value is recognised in profit or loss.

5 FOREIGN CURRENCIES

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except that exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs are classified as borrowing costs.

Exchange differences are deferred in other comprehensive income when they are attributable to items that form part of the net investment in a foreign operation.

5 FOREIGN CURRENCIES (cont'd)

(b) Transactions and balances (cont'd)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as at fair value through other comprehensive income, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rates at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income presented are translated at the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the date of the statement of financial position. Exchange differences arising are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations are recognised in other comprehensive income. On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

6 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment except for freehold land and capital work-in-progress which are not depreciated. Freehold land is not depreciated as it has an infinite life. Depreciation on capital work-in-progress commences when the assets are ready for their intended use. All costs directly related to bearer plants are capitalised until such time as the bearer plants reach maturity, at which point all costs are expensed and depreciation commences.

The cost is net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the government. When the amount of GST incurred is not recoverable from the government, the GST is recognised as part of the cost of acquisition of the property, plant and equipment.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2020

6 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (cont'd)

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are recognised as expenses in profit or loss during the financial year in which they are incurred.

The Group amortises plantation infrastructure in equal annual instalments over the period of the respective leases ranging from 21 to 81 years.

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are available for use are measured at cost less accumulated depreciation and any accumulated impairment. Cost includes plantation expenditure incurred from land clearing to the stage of maturity. Bearer plants have an average life cycle of twenty-five (25) years with the first three (3) years as immature bearer plants and the remaining years as mature bearer plants. The mature bearer plants are depreciated over their remaining useful lives of twenty-two (22) years on a straight-line basis. The immature bearer plants are not depreciated until such time when it is available for use.

Other property, plant and equipment are depreciated on a straight-line basis to write-off the cost of the assets to their residual values over their estimated useful lives, summarised as follows:

Buildings, including hotel properties	2 to 10.0%
Plant, machinery, equipment and vehicles	4 to 33.3%
Office equipment, furniture and fittings and renovations	5 to 33.3%

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. The effects of any revision of the residual values and useful lives are included in profit or loss for the financial year in which the changes arise.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets.

Gains or losses on disposals are determined by comparing the net disposal proceeds with the carrying amounts and are included in other operating income/other operating expenses in the profit or loss.

<u>Accounting policies applied from 1 April 2019</u>

From 1 April 2019, leased assets (including leasehold land) with carrying amounts of RM249,543,000 are presented as a separate line item (right-of-use assets) in the statement of financial position. See accounting policy 15 on leases.

<u>Accounting policies applied until 31 March 2019</u>

Until 31 March 2019, leased assets (including leasehold land) under lease arrangements classified as finance lease (see accounting policy 15 on leases) are amortised in equal instalments over the period of the respective leases that range from 60 to 883 years.

7 INVESTMENT PROPERTIES

Investment properties, comprising principally land and buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs if the investment property meets the definition of a qualifying asset. After initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment except for freehold land and capital work-in-progress which are not depreciated.

7 INVESTMENT PROPERTIES (cont'd)

Freehold land is not depreciated as it has an infinite life. Depreciation on assets under construction commences when the assets are ready for their intended use.

Leasehold land is amortised on a straight-line basis over the respective lease periods between 15 and 99 years. Depreciation on buildings is calculated so as to write off the cost of the assets less residual values on a straight-line basis over the expected useful lives. The annual depreciation rate for buildings is 2%.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains or losses on disposals are determined by comparing the net disposal proceeds with the carrying amount and are included in the profit or loss.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets.

8 CONCESSION ASSETS

Items classified as concession assets comprise expressway development expenditure and port infrastructure.

(a) Expressway development expenditure

Expressway Development Expenditure ("EDE") comprises the costs of construction (inclusive of the cost of reconstruction, widening and rehabilitation) of the concession assets. EDE is measured at cost less accumulated amortisation and accumulated impairment.

Where the Group provides construction services in exchange for the concession assets, the revenue and profits relating to the construction services are recognised in accordance with accounting policy 9(a) on revenue and profit recognition for construction contracts.

Upon completion of the construction works and commencement of road tolling operations, the EDE are amortised over the concession periods based on the following formula:

$$\frac{\text{Cumulative traffic volume to-date}}{\text{Projected total traffic volume for the entire concession period}} \text{ X EDE}$$

The projected total traffic volume for the entire concession period is determined by a traffic survey carried out by a firm of independent traffic consultants and Directors' annual re-assessment of the projected total traffic volume.

All interest and fees incurred during the period of construction are capitalised in the EDE which in turn are amortised in profit or loss in accordance with the formula above. Interest and fees incurred after the completion of construction are charged to profit or loss.

Compensation received relating to variations in terms of concession agreements are recognised as deferred income and are credited to profit or loss over the expected lives of the related assets, on bases consistent with amortisation of the related assets.

(b) Port infrastructure

Port infrastructure consists of buildings, berths, storage facilities and inner harbour basins. It is stated at cost less accumulated amortisation and accumulated impairment. The cost of port infrastructure is amortised on a straight-line basis over the concession period.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2020

9 REVENUE AND PROFIT RECOGNITION

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with the customer when or as the Group transfers controls of the goods or services promised in a contract and the customer obtains control of the goods or services.

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If any of the above conditions are not met, the Group recognises revenue at the point in time when the performance obligation is satisfied.

(a) Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use. Hence, it is accounted for as a single performance obligation.

Revenue and profits for construction contracts are recognised over time arising from the fulfillment of the following criteria:

- The customer of the construction contracts simultaneously receives and consumes the benefits provided as the contruction service progress.
- The construction service relates to the creation or enhancement of an asset or a combination of assets which the customer controls.
- The construction service does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date. The stage of completion of a construction contract is determined based on the proportion that the contract costs incurred for work performed to-date bear to the estimated total costs for the contract.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is only included in contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Variation claim gives rise to a variable consideration which is estimated at either the expected value or most likely amount and included in revenue to the extent that it is highly probable that the revenue will not be reversed. No element of financing is deemed present as the payment schedule and credit terms of 30 days to 90 days are consistent with the market practice.

9 REVENUE AND PROFIT RECOGNITION (cont'd)

(a) Construction contracts (cont'd)

The customer pays according to the progress claim submitted to them based on the progress of the construction measured over time. If the construction services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised. Further details on the accounting policy of contract assets and contract liability are disclosed in accounting policy 12 on contract assets and contract liabilities.

(b) Revenue from property development

Contracts with customers may include multiple promises to the customers and therefore accounted for as separate performance obligations. In such cases, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured based on the transaction prices net of expected liquidated ascertained damages ("LAD") payment. LAD is determined based on the expected value method.

The transaction price is adjusted for the effects of time value of money if the timing of payments provides the customer with a significant benefit of financing the transfer of goods or services to the customer. For contracts with advance payment from customer at the beginning of the contract prior to the transfer of developed properties which will take more than one year to complete, a contract liability will be recognised when the advance payment is received.

For contracts with deferred payment scheme, the Group adjusts the promised consideration for the effects of the significant financing component using the discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception. The significant financing component is recognised as finance income in the statement of comprehensive income over the credit period using the effective interest rate applicable at the inception date.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The promised property is specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) as in the attached layout plan in the sale and purchase agreements. The purchaser could enforce its rights to the promised property if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised property for another use is substantive and the promised property sold to the purchaser does not have an alternative use to the Group. The Group has the right to payment for performance completed to date, is entitled to continue to transfer to the customer the development units promised, and has the rights to complete the construction of the properties and enforce its rights to full payment.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the proportion that the property development costs incurred to date bear to the estimated total costs for the property development.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the consideration to which it will be entitled to in exchange for the assets sold.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
for the financial year ended 31 March 2020

9 REVENUE AND PROFIT RECOGNITION (cont'd)

(b) Revenue from property development (cont'd)

When the Group is not able to determine the probability that the Group will collect the consideration to which the Group will be entitled to in exchange of development properties, the Group will defer the recognition of revenue from sales of the development properties. Consideration received from the customer is recognised as a contract liability.

Payments made by defaulted purchasers of development properties are forfeited and recognised as forfeiture income in the profit or loss when the terms and conditions in respect of the right of forfeiture as stipulated in the sale and purchase agreements signed with the purchasers are fulfilled.

(c) Plantations and upstream manufacturing

The Group's revenue is derived mainly from its upstream operations. In the upstream operations, the Group sells plantation products and produce such as crude palm oil, palm kernel and FFB (collectively known as "plantation products and produce").

Revenue from sales of plantation products and produce are recognised (net of discount and taxes collected on behalf) at the point when the control of goods has been transferred to the customer. Based on the terms of the contract with the customer, control transfers upon delivery of the goods to a location specified by the customer and the acceptance of the goods by the customer. There is no element of financing present as the Group's sales of goods are on credit terms ranging from 1 to 30 days.

(d) Sale of quarry and manufactured products and goods

Sales are recognised based on the transaction prices specified in the contracts, which are at a point in time upon delivery of products and customer acceptance, and performance of after-sales services, if any, net of sales and services tax ("SST") or sales tax and discounts and after eliminating sales within the Group. There is no element of financing present as the Group's sales of goods are on credit terms ranging from 30 to 120 days, which is consistent with the market practice.

(e) Concession revenue

Concession revenue from the operation of toll roads is recognised over time for the usage of the expressways. Revenue for port operations is recognised over time as and when the services are performed. Revenue is recognised based on the transaction prices specified in the contracts. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with the market practice.

Pursuant to the relevant Concession Agreements, the Government of Malaysia reserves the right to restructure or to restrict the imposition of unit toll rate increases, and in such event, the Government shall compensate for any reduction in toll revenue, subject to negotiation and other considerations that the Government may deem fit. Toll compensation is recognised in the profit or loss over the period in which the compensation relates to based on the arrangements as disclosed in Note 30 to the financial statements.

(f) Hotel and club operations revenue

Hotel room revenue is recognised over time when service is rendered to the customers over their stay at the hotel. The transaction price is the net amount collected from the customer.

Revenue from the sales of food and beverage is recognised at a point in time, which is upon delivery to customers. Payment of the transaction price is due immediately when the customer purchases the food and beverage.

Revenue from clubhouse operations represents income derived from membership subscription fees and sales of services. Membership subscription fees are recognised on an accrual basis as and when they are due. Revenue from sales of services is recognised upon performance of services.

There is no element of financing as the sales are made with credit terms ranging from on demand to 30 days, which is consistent with the market practice.

9 REVENUE AND PROFIT RECOGNITION (cont'd)

(g) Interest income

Interest income is recognised using the effective interest method.

Interest income from financial assets at fair value through profit or loss ("FVTPL") is recognised as part of net gains or net losses on these financial instruments.

Interest income on financial assets at amortised cost and financial assets at fair value through other comprehensive income ("FVOCI") calculated using the effective interest method is recognised in the statement of comprehensive income as part of other operating income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(h) Management fees

Fees from management services are recognised as revenue over time during the period in which the services are rendered. There is no element of financing as the sales are made with a credit terms of 30 days, which is consistent with the market practice.

(i) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

Dividend income is received from financial assets measured at FVTPL and at FVOCI.

Dividend income from financial assets at FVTPL is recognised as part of net gains or net losses on these financial instruments. Dividend income from financial assets at FVOCI is recognised as other operating income in the statement of comprehensive income.

Dividend that clearly represents a recovery of part of the cost of an investment is recognised in other comprehensive income if it relates to an investment in equity instruments measured at FVOCI.

(j) Lease income

Lease payments received under operating lease is recognised as lease income on a straight-line basis over the operating lease terms (see accounting policy 15 on leases).

Lease payments received under finance lease is recognised as lease income over the term of the lease using the net investment method (see accounting policy 15 on leases).

10 BORROWINGS AND BORROWING COSTS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the initial recognised amount and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method, except for borrowing costs incurred for the acquisition, construction or production of any qualifying assets.

When borrowings measured at amortised cost are modified without this resulting in derecognition, any gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, are recognised immediately in profit or loss.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2020

10 BORROWINGS AND BORROWING COSTS (cont'd)

General and specific borrowing costs, including exchange differences to the extent that they are regarded as an adjustment to interest costs, directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs incurred on borrowings directly associated with property development activities and construction contracts up to completion are capitalised and included as part of property development costs and construction contract costs.

Borrowing costs incurred on borrowings to finance the plantation expenditure, construction of concession assets, investment properties and property, plant and equipment during the period that is required to complete and prepare the asset for its intended use are capitalised as part of the cost of the asset.

All other borrowing costs are charged to profit or loss in the period in which they are incurred.

11 INVENTORIES

(a) Land held for property development

Land held for property development consists of land held for future development where no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as inventory under non-current asset and is stated at the lower of cost and net realisable value.

Costs associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is transferred to property development costs (under current assets) when development activities, including activities associated with obtaining approvals prior to commencement of physical development, have commenced and the development is expected to be completed within the normal operating cycle.

(b) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities, such as direct building costs, and other related development expenditure, including interest expenses incurred during the period of active development.

Property development costs not recognised as an expense are recognised as an asset and are stated at the lower of cost and net realisable value.

(c) Completed buildings, vacant industrial and bungalow lots

Units of completed development properties, vacant industrial and bungalow lots held for sale are stated at the lower of cost and net realisable value. The cost comprises proportionate cost of land and related development and construction expenditure.

(d) Other inventories

Other inventories comprise construction and raw materials; quarry and manufactured products; palm and palm oil products; and consumables.

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The costs of raw materials; palm and palm oil products; and consumables comprise the original cost of purchase plus the cost of bringing the inventories to their present location and for finished goods and quarry products, these consist of direct materials, direct labour, direct charges and production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses, except for contracted palm and palm oil products inventories, which are determined based on the contract price.

12 CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue earned over cumulative billings to-date. The balance is classified as contract assets under current assets in the statement of financial position.

Details on the Company's impairment policies of contract assets are provided in the accounting policy 22(D) on impairment of financial assets.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The balance is classified as contract liabilities under current liabilities in the statement of financial position.

13 CONTRACT COST ASSETS

The Group has recognised an asset in respect of sales commissions and legal fee on sales and purchase agreement incurred to secure property development sale contracts. These costs are incremental costs that would not have been incurred by the Group if the respective sale contracts had not been obtained. The Group expects to recover these costs in the future through property development revenue earned from the customer. Accordingly, the contract cost asset is amortised on a straight-line basis over the term of the specific contract to which the costs relate to, ranging from a period of 2 to 3 years.

The Group has elected the practical expedient to recognise the incremental costs in relation to the contracts with an amortisation period of less than one year as an expense when incurred.

An impairment is recognised in profit or loss to the extent that the carrying amount of the contract cost asset recognised exceeds the remaining amount of consideration that the Group expects to receive for the specific contract that the costs relate to (after deducting additional costs required to be incurred in relation to the contracts).

14 TRADE AND OTHER RECEIVABLES

(a) Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and include retention monies withheld by principals. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance (see accounting policy 22(D) on impairment of financial assets).

(b) Advances for plasma schemes represent accumulated plantation development costs including indirect overheads less repayments to date and net of impairment, which are recoverable from the plasma farmers (see accounting policy 22(D) on impairment of financial assets).

In the event that the Group provides a corporate guarantee to the plasma scheme for obtaining loans from financial institutions, it will be accounted for as a financial guarantee contract (see accounting policy 30 on financial guarantee contracts).

(c) Loans to subsidiaries are recognised initially at fair value. If there is any difference between cash disbursed and fair value on initial recognition, the difference would be accounted as additional investment in the subsidiary as it reflects the substance of the transaction.

Loans to subsidiaries are subsequently measured at amortised cost using the effective interest method, less loss allowance. Details on the Company's impairment policies of loans to subsidiaries are provided in the accounting policy 22(D) on impairment of financial assets.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2020

15 LEASES

(a) Accounting by lessee

Accounting policies applied from 1 April 2019

From 1 April 2019, leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and accumulated impairment. The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

The Group presents ROU assets that meet the definition of investment property in the statement of financial position as investment property. ROU assets that are not investment properties are presented as a separate line item in the statement of financial position.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments, less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase and extension options if the group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

15 LEASES (cont'd)

(a) Accounting by lessee (cont'd)

Accounting policies applied from 1 April 2019 (cont'd)

Lease liabilities (cont'd)

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the statement of comprehensive income.

Reassessment of lease liabilities

The Group is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Short term leases and leases of low value assets

Short term leases are leases with a lease term of 12 months or less. Low value assets comprise small IT equipment and office furniture. Payments associated with short term leases of assets and all leases of low value assets are recognised on a straight-line basis as an expense in profit or loss.

Accounting policies applied until 31 March 2019

Finance leases

Until 31 March 2019, leases of property, plant and equipment where the Group assumed substantially all the risks and rewards of ownership were classified as finance leases.

Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in trade and other payables.

Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the remaining balance of the liability. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the assets and the lease terms if there is no reasonable certainty that the Group will obtain ownership at the end of the lease terms.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease expense.

Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on the straight-line basis over the lease periods.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2020

15 LEASES (cont'd)

(b) Accounting by lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

<u>Finance leases</u>

The Group classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investment is subject to MFRS 9 impairment. See accounting policy 22(D) on impairment of financial assets. In addition, the Group reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

<u>Operating leases</u>

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

<u>Sublease classification</u>

<u>Accounting policies applied from 1 April 2019</u>

From 1 April 2019, when the Group is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

<u>Accounting policies applied until 31 March 2019</u>

Until the financial year ended 31 March 2019, when the Group was an intermediate lessor, the subleases were classified as finance or operating leases by reference to the underlying assets.

16 QUARRY DEVELOPMENT

Expenses incurred on the development of quarry faces are capitalised and amortised based on actual production volume over the estimated reserves available from the quarry faces developed, which is based on the higher of the existing or new quarry development phases.

The overburden removal costs in the development of a quarry face is recognised as deferred expenditure if all the following conditions are met:

- It is probable that the future economic benefit (improved access to the quarry face) associated with the overburden removal activity will flow to the entity;
- The entity can identify the component of the quarry face for which access has been improved; and
- The costs relating to the overburden removal activity associated with that component can be measured reliably.

Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets.

17 LAND USE RIGHTS

Accounting policies applied from 1 April 2019

From 1 April 2019, land use rights with carrying amount of RM145,968,000 are presented as a separate line item (right-of-use assets) in the statement of financial position. See accounting policy 15 on leases.

Accounting policies applied until 31 March 2019

Land use rights where a significant portion of the risks and rewards of ownership is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. Land use rights are carried at cost or surrogate carrying amount and are amortised on a straight-line basis over the lease terms. Land use rights are amortised over the lease terms ranging from 15 to 99 years.

18 INCOME TAXES

The income tax expense for the period comprises current and deferred tax. The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax is recognised on temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2020

18 INCOME TAXES (cont'd)

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is adjusted against goodwill on acquisition.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

19 EMPLOYEE BENEFITS

(a) Short term employee benefits

Wages, salaries, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the owners of the Company after certain adjustments. The Group recognises a provision where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

(b) Post-employment benefits

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the countries in which it operates. These benefit plans are either defined contribution or defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependant on one or more factors such as age, years of service and compensation.

(i) Defined contribution plan

The Group's contributions to a defined contribution plan are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"), which is a defined contribution plan.

(ii) Defined benefit plan

The liability recognised in the statement of financial position in respect of a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets, together with adjustments for its actuarial gains/losses and past service costs.

The defined benefit obligation, calculated using the projected unit credit method, is determined by independent actuaries, by discounting the estimated future cash outflows using market yields at the end of the reporting period on government bonds which have tenure and terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income in the period in which they arise. The actuarial gains and losses are not reclassified to profit or loss in subsequent periods.

The current service cost of the defined benefit plan reflects the increase in the defined benefit obligation resulting from the employee service in the current financial year. It is recognised in the profit or loss in employee benefit expense, except where it is included in the cost of an asset.

19 EMPLOYEE BENEFITS (cont'd)

(b) Post-employment benefits (cont'd)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

(c) Share-based compensation

The Group operates a number of equity-settled share-based compensation plans under which the entity receives services from employees as consideration for equity instruments of the Group. The fair values of the share options and share grants granted in exchange for the services of the employees are recognised as employee benefit expense in profit or loss over the vesting period of the grant, with a corresponding increase in share-based payment reserve within equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options and share grants granted, excluding the impact of any non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options and grants that are expected to vest. At the end of the reporting period, the Group reviews, and adjusts as appropriate, its estimates of the number of share options and share grants that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to share-based payment reserves in equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the share options and share grants are exercised. When share options and share grants are not exercised and lapsed, the share-based payment reserves are transferred to retained profits.

If the terms of equity-settled share-based compensation plans are modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

In the separate financial statements of the Company, the grant by the Company of share options and share grants over its equity instruments to the employees of subsidiaries in the Group is treated as a capital contribution to the subsidiary. The fair value of share options and share grants granted to employees of the subsidiary in exchange for the services of the employees to the subsidiary are recognised as investment in subsidiary, with a corresponding credit to equity of the Company. When the Company subsequently charges the subsidiaries for the costs of share options and share grants, the Company recognises a return of the capital contribution by the subsidiaries as a decrease in investment in subsidiaries.

20 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash in hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, less bank overdrafts.

Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the statement of cash flows. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2020

21 SHARE CAPITAL

(i) Classification

Ordinary shares are classified as equity.

(ii) Share issue costs

Incremental costs directly attributable to the issue of new shares are deducted against equity.

(iii) Dividends

Liability is recognised for the amount of any dividends declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period. Distributions to holders of an equity instrument are recognised directly in equity.

(iv) Purchase of own shares

Where the Company purchases its equity share capital, the consideration paid, including any directly attributable incremental external costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled, reissued or disposed of.

Where such shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on disposal or reissue, net of any directly attributable incremental transaction costs, is recognised in the capital reserve account.

Where such shares are subsequently cancelled, the cost of treasury shares is deducted against the retained profits of the Company.

(v) Shares held under trust

Shares issued by the Company under the ESOS Trust Funding Mechanism ("ETF mechanism") are recorded as shares held under trust in the statement of financial position. The subscription amounts of the shares are included in equity attributable to owners of the Company as shares held under trust and are reduced upon the exercise of options under the ETF mechanism.

(vi) Perpetual Sukuk

Perpetual Sukuk is classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity. Incremental costs directly attributable to the issuance of the instrument are shown in equity as a deduction, net of tax, from the proceeds.

Perpetual Sukuk holders' entitlement is accounted for as an appropriation in equity and the distribution is recognised in the period in which it is declared.

22 FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

22 FINANCIAL INSTRUMENTS (cont'd)

Financial Assets

(A) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ('OCI') or through profit or loss), and
- those to be measured at amortised cost.

(B) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(C) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories to classify its debt instruments:

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest ("SPPI") are measured at amortised cost. Interest income from these financial assets is included in other operating income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss together with foreign exchange gains and losses. Impairment is presented as a separate line item in the statement of comprehensive income.

(ii) Fair value through other comprehensive income ('FVOCI')

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other operating income using the effective interest rate method. Impairment is presented as a separate line item in the statement of comprehensive income.

(iii) Fair value through profit or loss ('FVTPL')

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different basis. Fair value changes are presented net and recognised in profit or loss in the period in which it arises.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2020

22 FINANCIAL INSTRUMENTS (cont'd)

Financial Assets (cont'd)

(C) Measurement (cont'd)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in profit or loss as other operating income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in profit or loss.

(D) Impairment – financial assets and financial guarantee contracts

(a) Impairment for debt instruments and financial guarantee contracts

The Group assesses on a forward-looking basis the expected credit loss ('ECL') associated with its debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has the following financial instruments that are subject to the ECL model:

- Trade receivables
- Other receivables
- Amounts due from related companies (including loans to subsidiaries (applicable in Company's separate financial statements), amounts owing by joint ventures and associates)
- Contract assets
- Financial guarantee contracts
- Redeemable Convertible Unsecured Loan Stocks ("RCULS")
- Redeemable Unsecured Murabahah Stocks ("RUMS")

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) General 3-stage approach for other receivables, amounts due from related companies, financial guarantee contracts, RCULS and RUMS

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

22 FINANCIAL INSTRUMENTS (cont'd)

Financial Assets (cont'd)

(D) Impairment – financial assets and financial guarantee contracts (cont'd)

(a) Impairment for debt instruments and financial guarantee contracts (cont'd)

(ii) Simplified approach for trade receivables, contract assets and lease receivables

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables, contract assets and lease receivables.

(b) Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

(c) Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

(i) Quantitative criteria:

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

(ii) Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on an individual basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2020

22 FINANCIAL INSTRUMENTS (cont'd)

Financial Assets (cont'd)

(D) Impairment – financial assets and financial guarantee contracts (cont'd)

(d) Groupings of instruments for ECL measured on collective basis

(i) Collective assessment

To measure ECL, trade receivables and lease receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(ii) Individual assessment

Trade receivables and contract assets which are in default or credit-impaired are assessed individually.

Other receivables, amounts due from related companies, financial guarantee contracts, RCULS and RUMS are assessed on an individual basis for ECL measurement.

Loans to subsidiaries in the Company's separate financial statements are assessed on an individual basis for ECL measurement, as credit risk information is obtained and monitored based on each loan to subsidiary.

(E) Write-off

(i) Trade receivables and contract assets

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicator that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and significant delays in collection periods.

Impairment of trade receivables and contract assets are presented as net impairment and disclosed as a separate line item in the statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Other receivables, amounts due from related companies, financial guarantee contracts, RCULS and RUMS.

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in a write back of impairment.

Derivative Financial Instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting period. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss.

Fair Value Estimation

The fair value of publicly traded derivatives and securities is based on quoted market prices at the end of the reporting period.

The fair value of interest rate swap contracts is calculated as the present value of the estimated future cash flows. The fair value of crude palm oil ("CPO") swap contracts is based on quoted market prices at the end of the reporting period.

22 FINANCIAL INSTRUMENTS (cont'd)

Fair Value Estimation (cont'd)

In assessing the fair value of non-traded derivatives and financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long term debt. Other techniques and bases, such as discounted value of future cash flows and the underlying net asset base of the instrument, are used to determine fair value for the remaining financial instruments. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The carrying values of the financial assets and the financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

Financial Liabilities

(A) Classification

The Group classifies its financial liabilities as financial liabilities at fair value through profit or loss and other financial liabilities at amortised cost. The classification depends on the nature of the liabilities and the purpose for which the financial liabilities were incurred. Management determines the classification at initial recognition.

(i) Financial liabilities at fair value through profit or loss

The Group classifies financial liabilities at fair value through profit or loss if they are held for trading. They are presented as current liabilities if they are expected to be settled within 12 months after the end of the reporting period; otherwise they are presented as non-current liabilities. Derivatives are also categorised as held for trading unless they are designated as hedges.

(ii) Other financial liabilities at amortised cost

Other financial liabilities of the Group comprise 'bonds', 'term loans', 'government support loans', 'trade and other payables' (other than retirement benefits payable and GST payables) and 'borrowings' in the statement of financial position.

(B) Recognition, initial measurement and subsequent measurement

When other financial liabilities are recognised initially, they are measured at fair value plus directly attributable transaction costs.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the other financial liabilities are derecognised, and through the amortisation process.

(C) Derecognition

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expired.

23 TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year, or in the normal operating cycle of the business if longer. Otherwise, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value net of transaction costs incurred and subsequently measured at amortised cost using the effective interest method.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2020

24 GOVERNMENT GRANTS

Grants from the government are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the acquisition of assets and operational maintenance of the concession assets are classified as non-current liabilities and are credited to profit or loss over the expected lives of the related assets, on bases consistent with the depreciation of the related assets.

The Group also treats the benefit of a government loan at a below market rate of interest as a government grant. In accordance with the transitional provision of the amendments to MFRS 120 "Accounting for Government Grants and Disclosure of Government Assistance", loans received on or after 1 April 2010 are recognised and measured initially at their fair value. The benefit of the government loan at below market rate of interest is measured as the difference between the initial carrying value of the loan and the proceeds received, and is recognised as a government grant, which will be credited to the profit or loss over the expected lives of the related assets on bases consistent with the depreciation of the related assets for which the loan was granted to the Group.

Government support loans obtained prior to 1 April 2010 are recognised and measured initially based on proceeds received, and hence do not give rise to a government grant.

25 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets (including goodwill or intangible assets not ready for use) that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other non-financial assets (including those which are subject to amortisation) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying values may not be recoverable. An impairment is recognised for the amount by which the carrying value of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. The impairment is charged to profit or loss. Impairment of goodwill is not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss.

26 PROVISIONS

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- a reliable estimate of the amount can be made.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

27 SEGMENTAL INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The Executive Committee ("EXCO"), which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process.

28 PRODUCE GROWING ON BEARER PLANTS

Produce growing on bearer plants are measured at fair value less costs to sell until the point of harvest. Any gains or losses arising from changes in the fair value less costs to sell of produce growing on bearer plants are recognised in profit or loss. Harvested fresh fruit bunches are transferred to inventory at fair value less costs to sell when harvested. Fair value is determined based on the present value of expected net cash flows from the produce growing on bearer plants, which are estimated using the expected output method and the estimated market price of the produce growing on bearer plants.

29 CONTINGENT LIABILITIES

The Group does not recognise contingent liabilities other than those arising from business combinations, but discloses their existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably. Contingent liabilities do not include financial guarantee contracts.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions and the information about the contingent liabilities acquired will be disclosed in the notes to the financial statements.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of MFRS 137 “Provisions, Contingent Liabilities and Contingent Assets” and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with MFRS 15 “Revenue from Contracts with Customers”.

30 FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are contracts that require the Group or the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of the debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value.

The fair value of a financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 “Financial Instruments” and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 “Revenue from Contracts with Customers”, where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2020

1 GENERAL INFORMATION

The Company is principally engaged in construction and investment holding activities. The Group's principal activities consist of construction, property development, manufacturing and quarrying, hotel operations, tollway operations, port operations, plantations and investment holding. The principal activities of the subsidiaries and associates are described in Note 55 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The address of the registered office of the Company is 2nd Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 26 June 2020.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Due to the complexity of transactions entered into by the Group, significant judgement is required in determining capital allowances, deductibility of certain expenses and the chargeability of certain income during the estimation of the provision for income taxes. In determining the tax treatment, the Directors have relied upon industry practice and experts opinions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(b) Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

(c) Construction contracts

Revenue is recognised when or as the control of the asset is transferred to the customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress, based on the stage of completion method. The stage of completion of a construction contract is determined based on the proportion that the contract costs incurred for work performed to-date bear to the estimated total costs for the contract. Significant judgement and estimates are involved in determining whether provision for liquidated ascertained damages ("LAD") is required based on contractual terms and the likelihood of approval of extension of time by the employers.

When it is probable that the estimated total contract costs of a contract will exceed the total contract revenue of the contract, the expected loss on the contract is recognised as an expense immediately. Significant judgement is required in the estimation of total contract costs. Where the actual total contract costs is different from the estimated total contract costs, such difference will impact the contract profits/(losses) recognised.

The Group has estimated total contract revenue based on the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably based on the latest available information, and in the absence of such, the Directors' best estimates derived from reasonable assumptions, experience and judgement. Where the actual approved variations and claims differ from the estimates, such difference will impact the contract profits/(losses) recognised.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(d) Property development

Revenue is recognised as and when the control of the asset is transferred to customers and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development. Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development phase, the expected loss on the development phase is recognised as an expense immediately.

Significant judgement is required in determining the completeness and accuracy of the total property development costs as estimates of future property development costs are inherently uncertain, which involve management's estimation of future cost to completion of the development. Substantial changes in cost estimates in future periods may affect the profitability of the respective property development projects. Where the actual total property development costs are different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

There is no estimation required in determining the transaction prices as revenue from property development are based on fixed contracted selling prices.

(e) Fair value of produce growing on bearer plants

To arrive at the fair value, the Group has considered the oil content of the unripe fresh fruit bunches ("FFB") and assumed that the net cash flows to be generated from FFB prior to more than 15 days to harvest is negligible. Therefore, the quantity of unripe FFB on the bearer plants of up to 15 days prior to harvest was used for valuation purpose. The fair value of the unripe FFB was derived using the market approach based on a certain percentage of the fair value of the ripe FFB, to adjust for the actual oil extraction rate and kernel extraction rate of the unripe FFB, less costs to sell, which were established based on historical information.

(f) Amortisation of expressway development expenditure

The expressway development expenditure of the Group are amortised over the concession period based on the following formula:

$$\frac{\text{Cumulative traffic volume to-date}}{\text{Projected total traffic volume for the entire concession period}} \text{ X Expressway development expenditure}$$

In order to determine the projected total traffic volume for the entire concession period, the Group relies on the traffic survey carried out by a firm of independent traffic consultants and Directors' annual re-assessment of the current and future years' projected total traffic volume. Any changes in the projected total traffic volume for the entire concession period will impact the amortisation charge for the year.

(g) Impairment of non-financial assets

The Group determines whether an asset is impaired by evaluating the extent to which the recoverable amount of an asset is less than its cost. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods are used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's assessment for impairment of assets.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(h) Leases

The measurement of the right-of-use asset and lease liability for leases where the Group is a lessee requires the use of judgements and assumptions, such as lease terms and incremental borrowing rates. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. In determining the incremental borrowing rate, the Group first determines the closest borrowing rate before using judgement to determine the adjustments required to reflect the terms, security, value of economic environment of the respective leases.

(i) Measurement of ECL allowance

The measurement of ECL allowance for financial assets measured at amortised cost is an area that requires the use of significant assumptions about the future economic conditions and credit behaviour of the customers. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed in Note 3(b). Areas of significant judgements involved in the measurement of ECL are detailed as follows:

- Establishing groups of similar financial assets for the purpose of measuring ECL on collective basis

  Where ECL measurement is determined on collective basis, the financial instruments are grouped on the basis of shared risk characteristics, such that risk exposures within a group are similar. Note 3(b)(i) set out the characteristics considered by the Group in this judgement. Depending on how the groupings are determined for which expected loss rates applied, the measurement of ECL outcome differs accordingly. The Group considers all available reasonable and supportable information that is forward-looking in deriving the groupings. The appropriateness of groupings is monitored and reviewed on periodic basis by the Group.

- Determining the number and relative weightings of forward-looking scenarios

  The Group measures loss allowance at the probability-weighted amount that reflects the possibility of credit loss occurring. This requires forecast of economic variables and their associated impact on PD ('probability of default'), LGD ('loss given default') and EAD ('exposure at default') which are provided in possible scenarios along with scenario weightings. Probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting. As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and are appropriately representative of the range of possible scenarios.

(j) Net realisable value of property development costs and completed units

The Group writes down the inventories of property development cost and completed units to their net realisable values based on:

(i) the estimated selling prices by reference to recent signed sales and purchase agreements, net of discounts for completed units; or

(ii) recent transacted prices of comparable properties in similar or nearby locations for completed units, net of discounts, and for inventories of property development costs, the estimated costs necessary to complete the property have been considered. The Group considered the current economic outlook, future property market conditions and adjustment factors such as the size and demand (ceiling price) of the particular properties in determining its net realisable values; or

(iii) Valuation reports prepared by independent valuers. In determining the fair value of inventories, significant judgement and estimates have been used by the valuers in determining adjustment to be applied which involved considerations on condition, age, and size of the properties. Any changes in the estimates and assumptions used could have a significant impact on the fair value of the inventories.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to market (including foreign currency exchange, interest rate and price risks), credit and liquidity risks. The Group's overall financial risk management objective is to minimise any potential adverse effects from the unpredictability of financial markets on the Group's financial performance in order to ensure the Group creates value for its shareholders. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The management regularly reviews these risks and approves the treasury policies, which cover the management of these risks.

The Group uses derivative financial instruments such as cross currency swap contracts, interest rate swap contracts and Crude Palm Oil ("CPO") swap contracts to hedge certain financial risk exposures.

(a) Market risk

(i) Currency risk

Entities within the Group primarily transact in their respective functional currencies except for certain transactions and borrowings which were denominated in currencies other than their respective functional currencies.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are managed by entering into cross currency swap contracts and the borrowing amounts are kept to an acceptable level.

Currency risks arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency of the entity. The currency exposure profile of the Group's and the Company's financial assets and financial liabilities is disclosed in the respective notes to the financial statements.

As at the reporting date, the Group's and Company's Ringgit Malaysia ("RM") functional currency entities had United States Dollar ("USD"), Argentine Peso ("AP"), Brunei Dollar ("BND") and Singapore Dollar ("SGD") denominated net monetary (liabilities)/assets. The effects to the Group's and the Company's profit after tax if the USD, AP and BND; SGD had strengthened/weakened by 5% and 1% respectively against RM are as follows:

	The Group		The Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Net monetary liabilities denominated in USD	**(373,572)**	(363,319)	**(308,838)**	(293,172)
Effects to profit after tax if the USD had strengthened/weakened by 5% against RM:				
- strengthened	**(14,196)**	(13,833)	**(11,736)**	(11,141)
- weakened	**14,196**	13,833	**11,736**	11,141
Net monetary assets denominated in AP	**564**	2,846	**564**	2,846
Effects to profit after tax if the AP had strengthened/weakened by 5% against RM:				
- strengthened	**21**	108	**21**	108
- weakened	**(21)**	(108)	**(21)**	(108)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

As at the reporting date, the Group's and Company's Ringgit Malaysia ("RM") functional currency entities had United States Dollar ("USD"), Argentine Peso ("AP"), Brunei Dollar ("BND") and Singapore Dollar ("SGD") denominated net monetary (liabilities)/assets. The effects to the Group's and the Company's profit after tax if the USD, AP and BND; SGD had strengthened/weakened by 5% and 1% respectively against RM are as follows: (cont'd)

	The Group	
	2020	**2019**
	RM'000	**RM'000**
Net monetary assets denominated in BND	**261**	10,693
Effects to profit after tax if the BND had strengthened/weakened by 5% against RM:		
- strengthened	**10**	406
- weakened	**(10)**	(406)
Net monetary assets denominated in SGD	**11,330**	14,149
Effects to profit after tax if the SGD had strengthened/weakened by 1% against RM:		
- strengthened	**85**	108
- weakened	**(85)**	(108)

As at the reporting date, the Group's Indian Rupee ("INR") functional currency entities had United States Dollar ("USD") denominated net monetary liabilities. The effects to the Group's profit after tax if the USD had strengthened/weakened by 5% against INR are as follows:

	The Group	
	2020	**2019**
	RM'000	**RM'000**
Net monetary liabilities denominated in USD	**(102,732)**	(146,976)
Effects to profit after tax if the USD had strengthened/weakened by 5% against INR:		
- strengthened	**(4,079)**	(5,836)
- weakened	**4,079**	5,836

As at the reporting date, the Group's Indonesian Rupiah ("IDR") functional currency entities had United States Dollar ("USD") denominated net monetary liabilities. The effects to the Group's profit after tax if the USD had strengthened/weakened by 10% (2019: 5%) against IDR are as follows:

	The Group	
	2020	**2019**
	RM'000	**RM'000**
Net monetary liabilities denominated in USD	**(465,090)**	(506,251)
Effects to profit after tax if the USD had strengthened/weakened by 10% (2019: 5%) against IDR:		
- strengthened	**(34,882)**	(18,984)
- weakened	**34,882**	18,984

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

As at the reporting date, the Group's Indonesian Rupiah ("IDR") functional currency entities had Japanese Yen ("JPY") denominated net monetary liabilities. The effects to the Group's profit after tax if the JPY had strengthened/weakened by 10% (2019: 5%) against IDR are as follows:

	The Group	
	2020 RM'000	**2019 RM'000**
Net monetary liabilities denominated in JPY	**(208,931)**	(192,156)
Effects to profit after tax if the JPY had strengthened/weakened by 10% (2019: 5%) against IDR:		
- strengthened	**(15,670)**	(7,206)
- weakened	**15,670**	7,206

This sensitivity analysis ignores any offsetting foreign exchange factors and has been determined assuming that the change in foreign exchange rates had occurred at the reporting date. The stated change represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date.

As at the reporting date, there are no other significant monetary balances held by the Group and the Company that are denominated in non-functional currency. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

(ii) Cash flow interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest bearing assets are primarily short-term bank deposits with financial institutions. The interest rates on these deposits are monitored closely to ensure that they are maintained at favourable rates. The Group considers the risk of significant changes to interest rates on deposits to be unlikely.

Interest rate exposure arises mainly from the Group's borrowings. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Market risk (cont'd)

(ii) Cash flow interest rate risk (cont'd)

If the Group's borrowings at variable rates on which effective hedges have not been entered into changes by the following basis points, with all other variables being held constant, the effects on profit after tax would be as follows:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Borrowings based on cost of funds ("COF"):				
- increase by 25 basis points	**(1,215)**	(1,904)	**-**	-
- decrease by 25 basis points	**1,215**	1,904	**-**	-
- increase by 50 basis points	**(1,338)**	(1,200)	**-**	-
- decrease by 50 basis points	**1,338**	1,200	**-**	-
Borrowings based on London interbank offered rate ("LIBOR"):				
- increase by 25 basis points	**-**	(523)	**-**	(523)
- decrease by 25 basis points	**-**	523	**-**	523
- increase by 50 basis points	**(3,688)**	(2,149)	**(1,316)**	-
- decrease by 50 basis points	**3,688**	2,149	**1,316**	-
Borrowings based on Marginal cost of lending rate ("MCLR"):				
- increase by 50 basis points	**(2,064)**	(1,066)	**-**	-
- decrease by 50 basis points	**2,064**	1,066	**-**	-

The Group has variable rate borrowings such as revolving credits and bank overdrafts and the Group considers the risk of significant changes to interest rates on these borrowings to be unlikely due to the relative short-term nature of the borrowings. The Group actively reviews its debt portfolio to manage the timings of repayment for these borrowings and monitors the interest rates on these borrowings closely to ensure that they are maintained at favourable rates.

(iii) Price risk

The Group is exposed to quoted securities price risk arising from investments held which are classified on the statements of financial position as fair value through profit or loss and price volatility risk due to fluctuation in the palm products commodity market. Investments in quoted securities comprise mainly quoted unit trusts as an alternative to bank deposits. The Group considers the impact of changes in prices of equity securities on profit after tax to be insignificant. To manage and mitigate the risk on price volatility, the Group monitors the fluctuation of crude palm oil prices on a daily basis and enters into physical forward selling commodity contracts or crude palm oil ("CPO") pricing swap arrangements in accordance with the guidelines set by the Board of Directors. The CPO swap contracts are offered by certain reputable banks in Malaysia, which can be net settled during the period of the contracts.

If average prices of crude palm oil change by 10% with all other variables being held constant, the effects on profit after tax would be as follows:

	The Group	
	2020 RM'000	2019 RM'000
CPO Swap Contracts		
Effects to profit after tax if crude palm oil prices:		
- increase by 10%	**(2,861)**	(3,490)
- decrease by 10%	**2,861**	3,490

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Market risk (cont'd)

(iii) Price risk (cont'd)

Physical forward selling commodity contracts are entered into and continue to be held for the purpose of the delivery of the physical commodity in accordance with the Group's expected sale requirements as follows:

	The Group	
	Tonnage	**Average contract price per tonne**
	Tonnes	**RM**
Physical forward selling commodity contracts		
Sales contracts:		
31 March 2020	**4,500**	**2,634**
31 March 2019	-	-

(b) Credit risk

Credit risk – Measurement of ECL

The Group had applied MFRS 9 "Financial Instruments" on 1 April 2018 which requires the impairment of loans and receivables to be assessed using the expected credit loss ("ECL") model. ECL represents a probability-weighted estimate of the difference between the present value of contractual cash flows and the present value of cash flows that the Group expects to receive, over the remaining life of the financial instrument.

The Group and the Company have the following financial instruments that are subject to the ECL model:

Group and Company

- Trade receivables
- Contract assets
- Other receivables (current and non-current)
- Cash and cash equivalents
- Amounts due from related companies
- Financial guarantee contracts
- Redeemable Convertible Unsecured Loan Stocks ("RCULS")
- Redeemable Unsecured Murabahah Stocks ("RUMS")

(i) Trade receivables and contract assets using simplified approach

The Group applies the MFRS 9 simplified approach in measuring expected credit losses which estimates a lifetime expected credit loss allowance for all trade receivables and contract assets.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Credit risk (cont'd)

Credit risk – Measurement of ECL (cont'd)

(i) Trade receivables and contract assets using simplified approach (cont'd)

The Group assessed ECL for trade receivables based on two different approaches, namely collective assessment and individual debtor assessment.

Collective approach

To measure the expected credit losses under the collective approach, trade receivables and contract assets have been grouped based on shared credit risk characteristics and number of days past due. The expected loss rates are developed based on the historical credit loss rates. The historical loss rates are further adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group has identified (i) internal credit rating and (ii) actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors.

As at 31 March 2020, the Group's trade receivables and contract assets of RM1,429,896,000 and RM345,336,000 (2019: RM1,437,334,000 and RM326,836,000) respectively were assessed for impairment under the simplified approach. As at 31 March 2020, the Company's trade receivables of RM54,728,000 (2019: RM55,298,000) were assessed for impairment under the simplified approach.

Individual debtor assessment

The Group applies individual debtor assessment for debtors with different risk characteristics, where the credit risk information of these debtors is obtained and monitored individually. The Group assesses the lifetime ECL based on the PD*LGD*EAD approach, which is further defined as follows:

PD	Probability of default (the likelihood that the borrower cannot pay during the contractual period)
LGD	Loss given default (Percentage of contractual cash flows that will not be collected if default happens)
EAD	Exposure at default (Outstanding amount that is exposed to default risk)

The Group has taken into account the probability-weighted recoverable amount determined via the evaluation of a range of possible outcomes. In deriving the PD and LGD, the Group considers historical data of each debtor by category and adjusts for forward-looking macroeconomic data. The Group has identified the industry and geographical area which the debtor operates in, to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Credit risk (cont'd)

Credit risk – Measurement of ECL (cont'd)

(ii) Other receivables, amounts due from related companies, financial guarantee contracts, RCULS and RUMS issued using general 3-stage approach

The Group and the Company use three categories for other receivables which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	**Group's definition of category**	**Basis of recognising ECL**
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	12 months ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime ECL
Non-performing	Interest and/or principal repayments are 90 days past due or there is evidence indicating the asset is credit impaired	Lifetime ECL (credit-impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount	Asset is written off

Based on the above, loss allowance is measured on either 12 months ECL or lifetime ECL using a PD*LGD*EAD methodology.

(iii) Cash and cash equivalents

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

(c) Liquidity risk

The Group treasury actively monitors and manages its debt maturity profile, operating cash flows and the availability of funding (comprising undrawn borrowing facilities and cash and cash equivalents) so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments (Note 50) to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Liquidity risk (cont'd)

The tables below analyse the financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining periods from the reporting date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

The Group	Less than 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000
At 31 March 2020			
Bonds	**351,126**	**1,794,223**	**1,669,042**
Term loans	**1,031,468**	**1,502,268**	**335,150**
Government support loans	**36,715**	**40,000**	**27,798**
Trade and other payables	**3,088,787**	**131,808**	**388,354**
Short term borrowings*	**1,185,082**	**-**	**-**
Lease liabilities	**13,664**	**30,540**	**63,546**
Financial guarantee contracts**	**7,998**	**13,995**	**13,919**
Derivative financial instruments	**3,236**	**872**	**-**
	5,718,076	**3,513,706**	**2,497,809**
At 31 March 2019			
Bonds	357,932	1,617,047	1,795,096
Term loans	681,343	1,897,320	345,268
Government support loans	34,000	66,715	37,798
Trade and other payables	3,067,753	146,386	417,723
Short term borrowings*	985,218	-	-
Hire purchase and lease payables	286	11	-
Financial guarantee contracts**	2,045	12,807	10,375
Derivative financial instruments	4,467	-	-
	5,133,044	3,740,286	2,606,260

* As at 31 March 2020 and 2019, short term borrowings of the Group include bankers' acceptances, revolving credits, revolving loans, letters of credit and bank overdrafts.

** A subsidiary of the Group provided corporate guarantees and undertaking to an Indonesian bank in respect of plasma loans facility amounting to RM74.7 million (2019: RM68.1 million). No loss is expected to arise from these corporate guarantees and undertaking and the risk of default in the repayment obligation is minimal as all amounts are estimated to be recoverable. As at 31 March 2020, RM35.9 million (2019: RM25.2 million) has been drawn down.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Liquidity risk (cont'd)

The Company	Less than 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000
At 31 March 2020			
Bonds	**221,452**	**943,815**	**743,734**
Term loans	**183,134**	**179,736**	**-**
Short term borrowings (revolving credits and revolving loans)	**437,396**	**-**	**-**
Lease liabilities	**2,088**	**8,303**	**344**
Trade and other payables	**128,396**	**747,744**	**-**
	972,466	**1,879,598**	**744,078**
At 31 March 2019			
Bonds	267,201	981,188	564,681
Term loans	41,802	280,088	-
Short term borrowings (revolving credits and revolving loans)	370,378	-	-
Trade and other payables	400,883	827,662	-
Derivative financial instruments	4,467	-	-
	1,084,731	2,088,938	564,681

The exposure of the borrowings of the Group and the Company to interest rate changes and the contractual repricing dates at the reporting dates are disclosed in Notes 16, 17, 45 and 47 to the financial statements.

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders value. In order to maintain or achieve an optimal capital structure, the Group may adjust the dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new financing facilities or dispose assets to reduce borrowings.

Management monitors capital based on the Group's and the Company's gearing ratios. The Group and the Company are also required by the banks to maintain certain gearing ratios. The Group's and the Company's strategies are to maintain a gearing ratio of not greater than 1 time. The gearing ratio is calculated as net debt divided by equity capital. Net debt is calculated as total borrowings (excluding trade and other payables) less cash and cash equivalents. Equity capital is equivalent to capital and reserves attributable to owners of the Company.

The Group is subject to certain externally imposed capital requirements in the form of loan covenants. The Group and the Company monitor compliance with loan covenants based on the terms of the respective loan agreements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by levels of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2020				
The Group				
Assets:				
Financial assets at fair value through profit or loss	**534,630**	**-**	**-**	**534,630**
Financial assets at fair value through other comprehensive income	**-**	**-**	**3,665**	**3,665**
Derivative financial instruments	**-**	**1,722**	**-**	**1,722**
Total assets	**534,630**	**1,722**	**3,665**	**540,017**
Liabilities:				
Derivative financial instruments	**-**	**4,108**	**-**	**4,108**
Total liabilities	**-**	**4,108**	**-**	**4,108**
The Company				
Assets:				
Financial assets at fair value through profit or loss	**4,866**	**-**	**-**	**4,866**
Financial assets at fair value through other comprehensive income	**-**	**-**	**2,050**	**2,050**
Derivative financial instruments	**-**	**1,393**	**-**	**1,393**
Total assets	**4,866**	**1,393**	**2,050**	**8,309**

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) Fair value measurements (cont'd)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2019				
The Group				
Assets:				
Financial assets at fair value through profit or loss	444,699	-	-	444,699
Financial assets at fair value through other comprehensive income	-	-	3,665	3,665
Derivative financial instruments	-	4,470	-	4,470
Total assets	444,699	4,470	3,665	452,834
Liabilities:				
Derivative financial instruments	-	4,467	-	4,467
Total liabilities	-	4,467	-	4,467
The Company				
Assets:				
Financial assets at fair value through profit or loss	10,545	-	-	10,545
Financial assets at fair value through other comprehensive income	-	-	2,050	2,050
Total assets	10,545	-	2,050	12,595
Liabilities:				
Derivative financial instruments	-	4,467	-	4,467
Total liabilities	-	4,467	-	4,467

The fair values of financial instruments traded in active markets (such as trading securities) are based on quoted market prices at the reporting date. The quoted market prices used for financial assets held by the Group and the Company are the closing prices. These instruments are included in Level 1.

The fair values of financial instruments that are not traded in an active market (for example, CPO swap contracts) are determined by using a valuation technique. The fair value of CPO swap contracts is calculated based on the differences between fixed CPO prices as per the swap contracts and the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange for the specific contracted periods. These instruments are classified as Level 2.

If a valuation technique for the instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

4 OPERATING REVENUE

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue from contract with customers:				
- construction contracts	**2,041,225**	1,959,537	**-**	-
- property development	**2,130,431**	1,380,002	**-**	-
- sale of quarry and manufactured products	**826,278**	880,116	**-**	-
- sale of goods	**9,245**	19,172	**-**	-
- toll concession revenue	**402,160**	398,823	**-**	-
- port revenue	**346,991**	288,306	**-**	-
- sale of plantation products and produce	**739,133**	630,900	**-**	-
- management services	**6,428**	9,680	**27,147**	27,216
- rendering of other services	**31,168**	40,126	**-**	-
	6,533,059	5,606,662	**27,147**	27,216
Revenue from other sources:				
- dividend income	**581**	533	**438,054**	512,492
- amortisation of deferred income	**15,417**	14,643	**-**	-
- port lease	**22,284**	26,123	**-**	-
- rental income	**33,760**	7,700	**303**	322
	72,042	48,999	**438,357**	512,814
	6,605,101	5,655,661	**465,504**	540,030
Timing of revenue recognition for revenue from contract with customers:				
- At a point in time	**2,674,673**	2,122,357	**-**	-
- Over time	**3,858,386**	3,484,305	**27,147**	27,216
	6,533,059	5,606,662	**27,147**	27,216

Supplementary information on operating revenue of the Group inclusive of the Group's share of revenue of associates and joint ventures are as follows:

	2020 RM'000	2019 RM'000
Operating revenue of the Group	**6,605,101**	5,655,661
Share of operating revenue of:		
Associates	**271,792**	442,378
Joint ventures	**198,179**	170,800
	7,075,072	6,268,839

5 OPERATING PROFIT BEFORE FINANCE COST

(a) The following expenses (excluding finance cost and income tax expense) by nature have been debited in arriving at operating profit before finance cost:

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
Construction contract costs		**1,980,177**	1,832,938	**644**	269
Property development costs		**1,659,196**	976,719	**-**	-
Cost of quarry and manufactured products sold		**734,558**	768,582	**-**	-
Cost of plantation products sold		**562,615**	532,224	**-**	-
Toll operation costs		**208,127**	194,125	**-**	-
Port operation costs		**225,428**	201,891	**-**	-
Property, plant and equipment:					
- depreciation	26	**189,421**	182,660	**660**	521
- impairment	26	**2,709**	-	**-**	-
- written off	26	**1,304**	2,372	**-**	31
Land use rights:					
- amortisation	27	**-**	5,596	**-**	-
Right-of-use assets:					
- depreciation	28	**20,223**	-	**1,846**	-
Investment properties:					
- depreciation	29	**8,431**	1,525	**174**	174
Rental of land and buildings		**1,072**	8,991	**59**	2,117
Hire of plant and equipment		**6,641**	7,656	**-**	-
Auditors' remuneration:					
- statutory audit	8				
Current year		**4,153**	4,185	**464**	477
Under accrual in respect of prior years		**430**	197	**-**	37
Foreign exchange losses (net)		**83,090**	45,696	**27,892**	12,624
Fair value loss:					
- financial assets held for trading		**1,392**	6,076	**1,391**	5,477
- derivative financial instruments	13	**11,138**	2,753	**-**	2,753
Concession assets:					
- amortisation	30	**188,353**	160,401	**-**	-
- written off	30	**147**	612	**-**	-
- impairment	13,30	**27,500**	-	**-**	-
Amortisation of quarry development expenditure	36	**3,869**	3,828	**-**	-
Bad debts written off		**193**	261	**-**	-
Impairment of:					
- amounts owing by joint ventures	33	**6,063**	354	**-**	-
- amounts due from non-controlling interests	35(b)	**4,000**	-	**-**	-
- investment in an associate	32	**-**	-	**53,911**	52,300
- investment in RCULS	33	**-**	-	**77,665**	-
- property development costs	13,37(b)	**13,231**	-	**-**	-
- trade and other receivables	39	**19,153**	10,524	**5,395**	-
Inventories written down	13	**77,969**	363	**-**	-
Loss on disposal of a subsidiary	13,49(b)	**-**	2,695	**-**	-
Loss on disposal of an associate	13	**-**	41,449	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

5 OPERATING PROFIT BEFORE FINANCE COST (cont'd)

(b) The following amounts have been credited in arriving at operating profit before finance cost:

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
Gross dividends received from:					
- subsidiaries					
(quoted)		**-**	-	**9,897**	24,743
(unquoted)		**-**	-	**397,432**	446,133
- associates					
(quoted)		**-**	-	**28,353**	36,408
(unquoted)		**-**	-	**1,791**	4,675
- other investments					
(quoted)		**718**	817	**581**	533
Interest income:					
- bank deposits		**44,292**	42,487	**3,097**	3,088
- loans and receivables from related parties		**61,109**	21,125	**133,697**	105,441
- loans and receivables from non-related parties		**42,115**	8,864	**1**	17
- others		**27,275**	22,991	**673**	4,911
Profits from Islamic placements		**3,256**	2,438	**-**	-
Profits from Redeemable Unsecured Murabahah Stocks		**15,480**	10,314	**-**	-
Gain on disposal of:					
- property, plant and equipment		**10,000**	6,423	**9**	34
- investment properties		**-**	2,306	**-**	-
- right-of-use assets		**3,135**	-	**-**	-
Reversal of impairment of property development costs	37(b)	**-**	10	**-**	-
Reversal of impairment in RCULS	13,33	**47,038**	-	**-**	-
Rental income from operating lease		**9,192**	10,526	**-**	-
Rental income from sub-lease of right-of-use assets		**173**	-	**-**	-
Bad debts recovered		**5,509**	618	**-**	-
Write back of allowance for impairment of receivables	39	**11,483**	6,891	**-**	-
Write back of building stocks		**15**	214	**-**	-
Gains on:					
- financial assets held for trading		**15,316**	16,137	**312**	-
- derivative financial instruments		**5,860**	7,530	**5,860**	-
Gain on liquidation of a subsidiary		**-**	-	**264,969**	-
Amortisation of deferred income	30	**15,417**	14,643	**-**	-

6 EMPLOYEE BENEFITS COST

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Wages, salaries and bonus		**418,353**	410,767	**19,897**	22,351
Defined contribution retirement plan		**44,562**	47,132	**2,939**	3,230
Defined benefit retirement plan	24(b)	**5,866**	5,225	**-**	-
Other employee benefits		**28,123**	31,211	**2,038**	1,796
Share-based payments		**16,567**	45,817	**1,338**	7,947
		513,471	540,152	**26,212**	35,324
Less expenses capitalised into:					
- Construction contract costs		**(82,252)**	(97,110)	**-**	-
- Property, plant and equipment	26(d)	**(12,627)**	(15,952)	**-**	-
- Concession assets	30	**(1,494)**	(1,285)	**-**	-
- Property development costs	37(b)	**(149)**	(153)	**-**	-
		416,949	425,652	**26,212**	35,324

7 DIRECTORS' REMUNERATION

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Directors of the Company:				
Fees	**1,605**	1,693	**1,223**	1,352
Defined contribution retirement plan	**555**	676	**555**	676
Other emoluments	**11,046**	4,595	**11,026**	4,576
Share-based payments	**(2,068)**	2,503	**(2,068)**	2,503
	11,138	9,467	**10,736**	9,107

The estimated monetary value of benefits-in-kind provided to the Directors of the Group and of the Company by way of usage of the Group's and the Company's assets and the provision of other benefits during the financial year amounted to RM118,000 (2019: RM133,000) and RM118,000 (2019: RM133,000) respectively.

8 AUDITORS' REMUNERATION – STATUTORY AUDIT

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
PricewaterhouseCoopers Malaysia*	**2,909**	2,829	**464**	514
Other member firms of PricewaterhouseCoopers International Limited*	**898**	769	**-**	-
Other auditors of subsidiaries	**776**	784	**-**	-
	4,583	4,382	**464**	514

* PricewaterhouseCoopers PLT Malaysia and other member firms of PricewaterhouseCoopers International Limited are separate and independent legal entities.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

9 FINANCE COST

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
Interest expenses arising from:					
- Advances from subsidiaries		**-**	-	**4,450**	4,504
- Bank borrowings		**189,791**	195,602	**29,438**	31,319
- Hire purchase		**-**	38	**-**	-
- Bonds		**148,709**	136,652	**74,729**	67,852
- Amortisation of government support loan		**3,243**	4,255	**-**	-
- Amortised costs on financial liabilities		**25,361**	27,455	**-**	-
- Lease liabilities		**3,206**	-	**422**	-
- Others		**8,048**	12,700	**-**	-
		378,358	376,702	**109,039**	103,675
Less interest capitalised into:					
- Property, plant and equipment	26(d)	**(9,360)**	(6,211)	**-**	-
- Investment properties	29	**(3,238)**	(12,551)	**-**	-
- Concession assets	30	**(20,439)**	(34,746)	**-**	-
- Land held for property development	37(a)	**-**	(1,887)	**-**	-
- Property development costs	37(b)	**(92,615)**	(122,127)	**-**	-
		(125,652)	(177,522)	**-**	-
		252,706	199,180	**109,039**	103,675
Foreign exchange losses		**44,581**	28,599	**-**	-
Less foreign exchange losses capitalised into:					
- Property, plant and equipment	26(d)	**(6,864)**	(2,676)	**-**	-
		37,717	25,923	**-**	-
		290,423	225,103	**109,039**	103,675

10 INCOME TAX EXPENSE/(CREDIT)

	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
Current tax:				
- Malaysian income tax	**245,988**	236,220	**17,307**	19,884
- Overseas taxation	**4,330**	717	**-**	-
	250,318	236,937	**17,307**	19,884
Deferred taxation (Note 22)	**(60,739)**	(29,658)	**(21,196)**	230
	189,579	207,279	**(3,889)**	20,114

10 INCOME TAX EXPENSE/(CREDIT) (cont'd)

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax:				
- Current year	**271,479**	241,405	**17,292**	18,749
- Benefits from previously unrecognised temporary differences	**(16,931)**	(1,449)	**-**	-
- (Over)/under accrual in prior years (net)	**(4,230)**	(3,019)	**15**	1,135
	250,318	236,937	**17,307**	19,884
Deferred taxation:				
- Origination and reversal of temporary differences	**(60,739)**	(29,658)	**(21,196)**	230
	189,579	207,279	**(3,889)**	20,114

The explanation of the relationship between income tax expense and profit before taxation is as follows:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before taxation	**517,765**	647,988	**548,118**	423,729
Tax calculated at the Malaysian tax rate of 24% (2019: 24%)	**124,264**	155,517	**131,548**	101,695
Tax effects of:				
- Different tax rates in other countries	**8,642**	8,561	**-**	-
- Expenses not deductible for tax purposes	**30,199**	134,027	**43,671**	41,839
- Income not subject to tax	**(23,583)**	(34,986)	**(170,111)**	(124,555)
- Utilisation of tax incentives	**(531)**	(378)	**-**	-
- Reversal of deferred tax assets previously recognised and non recognition of deferred tax assets on unused tax losses and unutilised deductible temporary differences	**51,078**	4,665	**-**	-
- Recognition of deferred tax assets on unused tax losses which was previously not recognised	**-**	(2,727)	**-**	-
- Utilisation of previously unrecognised tax losses and deductible temporary differences	**(16,931)**	(1,449)	**-**	-
- Share of results of associates and joint ventures	**21,409**	(29,408)	**-**	-
(Over)/under accrual in prior years (net)	**(4,230)**	(3,019)	**15**	1,135
(Over)/under accrual of deferred tax in prior years (net)	**(738)**	(23,524)	**(9,012)**	-
Income tax expense/(credit)	**189,579**	207,279	**(3,889)**	20,114

There is no tax charge/credit in relation to the components of other comprehensive income of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

11 EARNINGS PER SHARE

(a) Basic

The basic earnings per share for the financial year has been calculated based on the Group's net profit attributable to owners of the Company for the financial year and the weighted average number of ordinary shares in issue during the financial year, excluding ordinary shares purchased by the Company and held as treasury shares (Note14(B)). The weighted average number of ordinary shares in issue is derived after taking into account the issuance of shares pursuant to the exercise of ESOS and vesting of ESGP (2019: issuance of shares pursuant to the exercise of ESOS and vesting of ESGP).

	The Group	
	2020 RM'000	**2019 RM'000**
Net profit attributable to owners of the Company	**250,590**	418,916
	'000	**'000**
Weighted average number of ordinary shares in issue	**3,628,693**	3,624,337
Basic earnings per share (sen)	**6.91**	11.56

(b) Fully diluted

The fully diluted earnings per share of the Group is calculated by dividing the Group's net profit attributable to owners of the Company for the financial year of RM250,590,000 (2019: RM418,916,000) by the weighted average number of ordinary shares in issue, adjusted to assume the conversion of all dilutive potential ordinary shares, i.e. the ESOS and ESGP (2019: the ESOS and ESGP). A calculation is done to determine the number of shares that could have been acquired at market price (determined as the weighted average annual share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding ESOS and ESGP (2019: outstanding ESOS and ESGP).

	The Group	
	2020 RM'000	**2019 RM'000**
Net profit attributable to owners of the Company	**250,590**	418,916
	'000	**'000**
Weighted average number of ordinary shares in issue	**3,628,693**	3,624,337
Adjustments for ESOS	**-**	-
Adjustments for ESGP	**-**	3,764
Weighted average number of ordinary shares for diluted earnings per share	**3,628,693**	3,628,101
Diluted earnings per share (sen)	**6.91**	11.55

12 DIVIDENDS

Dividends declared and paid in respect of the current financial year are as follows:

	The Company			
	2020		2019	
	Dividend per share Sen	Amount of dividend RM'000	Dividend per share Sen	Amount of dividend RM'000
Single tier first interim dividend	**2.00**	**72,589****	2.00	72,541
Single tier second interim dividend	**1.00**	*	2.00	72,589**
	3.00	**72,589**	4.00	145,130

* The amount of dividend will be determined based on the number of shareholders entitled to receive the dividend as at 5:00pm on 30 July 2020.

** Dividends paid during the year.

On 26 June 2020, the Directors have declared a single tier second interim dividend in respect of the financial year ended 31 March 2020 of 1.0 sen per share to be paid on 21 August 2020 to every member who is entitled to receive the dividend as at 5:00pm on 30 July 2020. The second interim dividend has not been recognised in the Statement of Changes in Equity as it was declared subsequent to the financial year end.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2020 (2019: Nil).

13 SEGMENTAL REPORTING

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("EXCO") that are used for allocating resources and assessing performance. The EXCO considers the business from the business segment perspective and assesses the performance of the operating segments based on a measure of profit before taxation and earnings before interest, tax, depreciation and amortisation.

The Group has the following principal business segments:

(a) Construction - Construction activities

(b) Property development - Development of land into vacant lots, residential, commercial and/or industrial buildings

(c) Manufacturing and quarrying - Production and sale of concrete products, and quarrying activities

(d) Plantation - Cultivation of oil palms, milling of fresh fruit bunches and trading of crude palm oil

(e) Infrastructure - Tollway and port operations

Other operations of the Group comprise mainly investment holding.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2020 is as follows:

	Construction RM'000	Property develop-ment RM'000	Manufac-turing & quarrying RM'000	Plantation RM'000	Infra-structure RM'000	Invest-ment & others RM'000	Group RM'000
REVENUE:							
Total revenue	**2,616,139**	**2,305,120**	**875,714**	**739,133**	**904,058**	**498,372**	**7,938,536**
Less: Inter-segment revenue	**(323,309)**	**-**	**(42,643)**	**-**	**-**	**(497,512)**	**(863,464)**
	2,292,830	**2,305,120**	**833,071**	**739,133**	**904,058**	**860**	**7,075,072**
Less: Share of operating revenue of associates and joint ventures	**(240,982)**	**(115,573)**	**(3,592)**	**-**	**(109,824)**	**-**	**(469,971)**
Revenue from external customers	**2,051,848**	**2,189,547**	**829,479**	**739,133**	**794,234**	**860**	**6,605,101**
Revenue from contract with customers*							
Timing of revenue recognition:							
- At a point in time	**9,245**	**1,121,664**	**805,883**	**737,881**	**-**	**-**	**2,674,673**
- Over time	**2,042,603**	**1,044,834**	**20,395**	**1,252**	**749,150**	**152**	**3,858,386**
	2,051,848	**2,166,498**	**826,278**	**739,133**	**749,150**	**152**	**6,533,059**

* Included in revenue from external customers are revenue from contract with customers of RM6,533,059,000 (Note 4).

Inter-segment revenue comprises rendering of construction services to the property development and infrastructure segments and the sale of manufacturing and quarrying products to the construction segment. These transactions are transacted on agreed terms between the segments.

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2020 is as follows: (cont'd)

	Construction RM'000	Property develop-ment RM'000	Manufac-turing & quarrying RM'000	Plantation RM'000	Infra-structure RM'000	Invest-ment & others RM'000	Group RM'000
RESULTS:							
Profit/(loss) before taxation	**173,199**	**203,261**	**44,895**	**(50,472)**	**153,246**	**(6,364)**	**517,765**
Depreciation and amortisation (A) *	**10,531**	**21,108**	**57,950**	**111,864**	**193,408**	**19**	**394,880**
Finance cost (B)	**104,554**	**23,872**	**7,458**	**61,263**	**93,274**	**2**	**290,423**
Earnings/(losses) before interest, tax, depreciation and amortisation	**288,284**	**248,241**	**110,303**	**122,655**	**439,928**	**(6,343)**	**1,203,068**
Other than (A) and (B), profit/(loss) before taxation also includes:							
- Interest income	**131,367**	**30,630**	**1,514**	**4,384**	**10,141**	**15,491**	**193,527**
- Share of profits/(losses) of associates	**21,062**	**794**	**96**	**653**	**(115,226)**	**213**	**(92,408)**
- Share of profits/(losses) of joint ventures	**31,220**	**(948)**	**-**	**-**	**-**	**-**	**30,272**
- Fair value loss on derivative financial instruments (Note 5(a))	**-**	**-**	**-**	**(11,138)**	**-**	**-**	**(11,138)**
- Impairment of concession assets (Note 5(a))	**-**	**-**	**-**	**-**	**(27,500)**	**-**	**(27,500)**
- Impairment of property development costs (Note 5(a))	**-**	**(13,231)**	**-**	**-**	**-**	**-**	**(13,231)**
- Inventories written down (Note 5(a))	**-**	**(77,969)**	**-**	**-**	**-**	**-**	**(77,969)**
- Reversal of impairment in RCULS (Note 5(b))	**-**	**-**	**-**	**-**	**47,038**	**-**	**47,038**

* It comprises depreciation and amortisation of property, plant and equipment, right-of-use assets, investment properties, concession assets and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2020 is as follows: (cont'd)

The revenue from external customers reported to the EXCO is measured in a manner consistent with that in the statement of comprehensive income.

Revenue by product and services is disclosed in Note 4 to the financial statements.

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
ASSETS:							
Segment assets	2,634,774	10,881,362	1,487,153	2,285,766	5,564,870	60,175	22,914,100
Unallocated assets:							
- Deferred tax assets							447,287
- Tax recoverable							91,880
Consolidated total assets							23,453,267
Segment assets include:							
- Investment in associates	296,618	21,467	1,900	12,712	569,942	19,336	921,975
- Investment in joint ventures	170,161	485,586	-	-	196,601	22	852,370
- Additions to non-current assets* (other than financial instruments and deferred tax assets)	29,408	74,376	65,556	99,792	457,289	10	726,431
LIABILITIES:							
Segment liabilities	4,084,333	3,194,690	306,316	1,032,082	2,532,350	483	11,150,254
Unallocated liabilities:							
- Deferred tax liabilities							629,587
- Current tax liabilities							29,820
Consolidated total liabilities							11,809,661

* Non-current assets comprise property, plant and equipment, right-of-use assets, investment properties, concession assets, intangible assets and land held for property development (included in inventories).

The amounts provided to the EXCO with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment.

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2019 is as follows:

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
REVENUE:							
Total revenue	2,858,810	1,482,011	930,501	630,900	943,391	541,136	7,386,749
Less: Inter-segment revenue	(533,449)	-	(44,077)	-	-	(540,384)	(1,117,910)
	2,325,361	1,482,011	886,424	630,900	943,391	752	6,268,839
Less: Share of operating revenue of associates and joint ventures	(344,208)	(54,693)	(3,071)	-	(211,206)	-	(613,178)
Revenue from external customers	1,981,153	1,427,318	883,353	630,900	732,185	752	5,655,661
Revenue from contract with customers*							
Timing of revenue recognition:							
- At a point in time	19,418	606,524	865,535	630,880	-	-	2,122,357
- Over time	1,961,735	820,764	14,580	20	687,129	77	3,484,305
	1,981,153	1,427,288	880,115	630,900	687,129	77	5,606,662

* Included in revenue from external customers are revenue from contract with customers of RM5,606,662,000 (Note 4).

Inter-segment revenue comprises rendering of construction services to the property development and infrastructure segments and the sale of manufacturing and quarrying products to the construction segment. These transactions are transacted on agreed terms between the segments.

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
RESULTS:							
Profit/(loss) before taxation	174,392	202,043	58,993	(43,306)	268,251	(12,385)	647,988
Depreciation and amortisation (A) *	8,734	13,465	48,530	111,552	157,086	-	339,367
Finance cost (B)	84,054	13,017	7,198	50,744	70,090	-	225,103
Earnings/(losses) before interest, tax, depreciation and amortisation	267,180	228,525	114,721	118,990	495,427	(12,385)	1,212,458
Other than (A) and (B), profit/(loss) before taxation also includes:							
- Interest income	57,260	21,920	1,282	4,361	8,171	15,225	108,219
- Share of profits/(losses) of associates	29,311	(3,822)	124	497	114,313	2,128	142,551
- Share of profits/(losses) of joint ventures	10,648	2,848	-	-	(28,309)	-	(14,813)
- Fair value loss on derivative financial instruments (Note 5(a))	(2,753)	-	-	-	-	-	(2,753)
- Loss on disposal of an associate (Note 5(a))	-	-	-	-	(41,449)	-	(41,449)
- Loss on disposal of a subsidiary (Note 5(a))	-	-	(2,695)	-	-	-	(2,695)

* It comprises depreciation and amortisation of property, plant and equipment, land use rights, investment properties, concession assets and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2019 is as follows: (cont'd)

The revenue from external customers reported to the EXCO is measured in a manner consistent with that in the statement of comprehensive income.

Revenue by product and services is disclosed in Note 4 to the financial statements.

	Construction RM'000	Property develop-ment RM'000	Manufac-turing & quarrying RM'000	Plantation RM'000	Infra-structure RM'000	Invest-ment & others RM'000	Group RM'000
ASSETS:							
Segment assets	2,247,025	11,356,498	1,447,279	2,255,326	5,082,436	76,513	22,465,077
Unallocated assets:							
- Deferred tax assets							371,200
- Tax recoverable							169,697
Consolidated total assets							23,005,974
Segment assets include:							
- Investment in associates	275,264	19,298	1,867	12,908	498,057	35,465	842,859
- Investment in joint ventures	173,556	474,626	-	-	116,304	17	764,503
- Additions to non-current assets* (other than financial instruments and deferred tax assets)	28,352	97,302	128,354	138,763	455,684	-	848,455
LIABILITIES:							
Segment liabilities	3,519,790	3,788,526	282,629	878,679	2,480,816	804	10,951,244
Unallocated liabilities:							
- Deferred tax liabilities							614,540
- Current tax liabilities							55,769
Consolidated total liabilities							11,621,553

* Non-current assets comprise property, plant and equipment, land use rights, investment properties, concession assets, intangible assets and land held for property development (included in inventories).

The amounts provided to the EXCO with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment.

13 SEGMENTAL REPORTING (cont'd)

Geographical information:

	Revenue from external customers RM'000	Non-* current assets RM'000
2020		
Malaysia	**4,909,997**	**6,013,512**
India	**561,070**	**946,189**
Indonesia	**403,296**	**1,227,170**
United Kingdom	**686,976**	**654**
Other countries	**43,762**	**55,263**
	6,605,101	**8,242,788**
2019		
Malaysia	4,975,100	5,947,051
India	314,042	656,617
Indonesia	306,064	1,312,101
Other countries	60,455	64,059
	5,655,661	7,979,828

* Non-current assets comprise property, plant and equipment, right-of-use assets (2019: land use rights), investment properties, concession assets, intangible assets and land held for property development (included in inventories).

Revenue is based on the country in which the customers are located. Non-current assets are determined according to the country where these assets are located.

14 SHARE CAPITAL, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST

(A) SHARE CAPITAL

	The Group and the Company			
	2020		2019	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid:				
Ordinary shares with no par value:				
At 1 April 2019/2018	**3,635,688**	**6,099,350**	3,628,678	6,074,349
Issuance of shares arising from:				
- Vesting of shares under ESGP	**3,451**	**12,250**	6,981	24,879
- Exercise of share options	**150**	**442**	29	122
At 31 March	**3,639,289**	**6,112,042**	3,635,688	6,099,350

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

14 SHARE CAPITAL, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(A) SHARE CAPITAL (cont'd)

During the financial year, the number of issued and paid-up ordinary shares of the Company was increased from 3,635,687,820 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 First Employee Share Option Scheme ("ESOS") Award at RM2.16 per share.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(B) TREASURY SHARES

	The Group and the Company			
	2020		2019	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
At 1 April 2019/2018	**9,837**	**18,070**	798	2,104
Share buy back	**-**	**-**	9,039	15,966
At 31 March	**9,837**	**18,070**	9,837	18,070

The shareholders of the Company had approved an ordinary resolution at the Annual General Meeting held on 28 August 2019 for the Company to repurchase its own shares up to a maximum of 10% of the issued and paid-up capital of the Company. The Directors of the Company were committed to enhancing the value of the Company and believed that the repurchase plan was being applied in the best interest of the Company and its shareholders. During the financial year, there were no share buy back.

(C) SHARE-BASED PAYMENTS

At an Extraordinary General Meeting held on 19 October 2012, the Directors were authorised to proceed with the establishment and administration of the Long Term Incentive Plan ("LTIP"), which comprises an Employee Share Option Scheme ("ESOS") and an Employee Share Grant Plan ("ESGP"). The Directors have appointed a committee ("Committee") to administer the LTIP. The Directors and/or the Committee have also established trusts which are administered by a trustee in accordance with the trust deeds dated 20 December 2012 for the LTIP.

(i) Share options

Share options were granted to executive directors and employees (collectively known as "Group Employee"), which is subject to eligibility criteria, under the Company's Employee Share Option Scheme ("ESOS"), which became operative on 24 December 2012.

The exercise price of the options is determined based on volume-weighted average market price of the Company's ordinary shares as shown in the Daily Official List of Bursa Malaysia Securities Berhad for the five market days immediately preceding the Offer Date with an allowance for a discount of not more than ten per centum (10%) therefrom.

14 SHARE CAPITAL, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(C) SHARE-BASED PAYMENTS (cont'd)

(i) Share options (cont'd)

The vesting of the options is conditional upon acceptance of the offer and fulfilment of the relevant vesting conditions as at the relevant vesting dates as follows:

First ESOS Award	Second ESOS Award	Third ESOS Award	Fourth ESOS Award	Fifth ESOS Award	Sixth ESOS Award	Seventh ESOS Award	Percentage (%)
24 December 2013	24 December 2014	24 December 2015	24 December 2016	24 December 2017	30 March 2019	5 June 2020	40
24 December 2014	24 December 2015	24 December 2016	24 December 2017	24 December 2018	5 June 2020	30 March 2021	30
24 December 2015	24 December 2016	24 December 2017	24 December 2018	24 December 2019	30 March 2021	30 March 2022	30

The vesting conditions include the tenure and performance of the eligible Group Employee who have accepted the Offer from the date of the Offer. Once the options are vested, the options are exercisable up to the expiry date of the ESOS, which was initially on 23 December 2017. On 24 November 2015, the Board of Directors had extended the scheme period of the ESOS for another five years effective from 24 December 2017 to 23 December 2022 pursuant to the By-Laws of the LTIP.

(a) On 24 December 2012, the first award of options under the ESOS of 29,640,600 options ("First ESOS Award") was awarded to the Group Employee at an exercise price of RM4.44 per ordinary share. The exercise price of the First ESOS Award had been adjusted to RM4.37 (*) on 13 June 2014 and to RM2.18 (**) on 11 September 2015. On 25 June 2016, the exercise price of the First ESOS Award had been further adjusted to RM2.16 (***).

The first tranche of ESOS under the First ESOS Award amounting to 10,525,800 options had been vested and were exercisable as at 24 December 2013. The second tranche of ESOS under the First ESOS Award amounting to 7,215,700 options had been vested and were exercisable as at 24 December 2014. The third tranche of ESOS under the First ESOS Award amounting to 13,641,100 options had been vested and were exercisable as at 24 December 2015.

Movements in the number of share options outstanding for the First ESOS Award are as follows:

			Number of share options over ordinary shares			
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2019 '000	Forfeited '000	Exercised '000	Balance at 31.3.2020 '000
24 December 2012	23 December 2022	4.44/4.37*/ 2.18**/ 2.16***	5,389	-	(204)	**5,185**

As at 31 March 2020, 5,185,000 (2019: 5,389,000) outstanding options from the First ESOS Award are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised during the year was RM2.32 (2019: RM2.60).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

14 SHARE CAPITAL, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(C) SHARE-BASED PAYMENTS (cont'd)

(i) Share options (cont'd)

(b) On 24 December 2013, the second award of options under the ESOS of 31,729,600 options ("Second ESOS Award") was awarded to the Group Employee at an exercise price of RM5.22 per ordinary share. The exercise price of the Second ESOS Award had been adjusted to RM5.14 (*) on 13 June 2014 and to RM2.57 (**) on 11 September 2015. On 25 June 2016, the exercise price of the Second ESOS Award had been further adjusted to RM2.54 (***).

The first tranche of ESOS under the Second ESOS Award amounting to 11,279,900 options had been vested and were exercisable as at 24 December 2014. The second tranche of ESOS under the Second ESOS Award amounting to 16,300,500 options had been vested and were exercisable as at 24 December 2015. The third tranche of ESOS under the Second ESOS Award amounting to 15,110,100 options had been vested and were exercisable as at 24 December 2016.

Movements in the number of share options outstanding for the Second ESOS Award are as follows:

Grant Date	Expiry Date	Exercise Price RM/share	Number of share options over ordinary shares Balance at 1.4.2019 '000	Forfeited '000	Exercised '000	Balance at 31.3.2020 '000
24 December 2013	23 December 2022	5.22/5.14*/ 2.57**/ 2.54***	20,491	-	-	**20,491**

As at 31 March 2020, 20,491,100 (2019: 20,491,100) outstanding options from the Second ESOS Award are exercisable. No options were exercised during the financial year. In the preceding financial year, the weighted average quoted price of shares of the Company at the time when the options were exercised was RM2.74.

(c) On 24 December 2014, the third award of options under the ESOS of 10,651,000 options ("Third ESOS Award") was awarded to the Group Employee at an exercise price of RM5.88 per ordinary share. The exercise price of the Third ESOS Award had been adjusted to RM2.94 (*) on 11 September 2015. On 25 June 2016, the exercise price of the Third ESOS Award had been further adjusted to RM2.91 (**).

The first tranche of ESOS under the Third ESOS Award amounting to 7,869,700 options had been vested and were exercisable as at 24 December 2015. The second tranche of ESOS under the Third ESOS Award amounting to 5,418,700 options had been vested and were exercisable as at 24 December 2016. The third tranche of ESOS under the Third ESOS Award amounting to 4,948,300 options had been vested and were exercisable as at 24 December 2017.

Movements in the number of share options outstanding for the Third ESOS Award are as follows:

Grant Date	Expiry Date	Exercise Price RM/share	Number of share options over ordinary shares Balance at 1.4.2019 '000	Forfeited '000	Exercised '000	Balance at 31.3.2020 '000
24 December 2014	23 December 2022	5.88/2.94* 2.91**	11,882	-	-	**11,882**

As at 31 March 2020, 11,881,600 (2019: 11,881,600) outstanding options from the Third ESOS Award are exercisable. No options were exercised during the financial year (2019: Nil).

14 SHARE CAPITAL, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(C) SHARE-BASED PAYMENTS (cont'd)

(i) Share options (cont'd)

(d) On 24 December 2015, the fourth award of options under the ESOS of 19,605,100 options ("Fourth ESOS Award") was awarded to the Group Employee at an exercise price of RM3.06 per ordinary share. The exercise price of the Fourth ESOS Award had been adjusted to RM3.03 (*) on 25 June 2016.

The first tranche of ESOS under the Fourth ESOS Award amounting to 7,012,100 options had been vested and were exercisable as at 24 December 2016. The second tranche of ESOS under the Fourth ESOS Award amounting to 4,768,800 options had been vested and were exercisable as at 24 December 2017. The third tranche of ESOS under the Fourth ESOS Award amounting to 4,601,800 options had been vested and were exercisable as at 24 December 2018.

Movements in the number of share options outstanding for the Fourth ESOS Award are as follows:

			Number of share options over ordinary shares			
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2019 '000	Forfeited '000	Exercised '000	Balance at 31.3.2020 '000
24 December 2015	23 December 2022	3.06/3.03*	14,012	-	-	**14,012**

As at 31 March 2020, 14,012,000 (2019: 14,012,000) outstanding options from the Fourth ESOS Award are exercisable. No options were exercised during the financial year (2019: Nil).

(e) On 24 December 2016, the fifth award of options under the ESOS of 16,034,000 options ("Fifth ESOS Award") was awarded to the Group Employee at an exercise price of RM2.93 per ordinary share.

The first tranche of ESOS under the Fifth ESOS Award amounting to 5,338,900 options had been vested and were exercisable as at 24 December 2017. The second tranche of ESOS under the Fifth ESOS Award amounting to 3,825,900 options had been vested and were exercisable as at 24 December 2018. The third tranche of ESOS under the Fifth ESOS Award amounting to 3,484,600 options have been vested and were exercisable as at 24 December 2019.

Movements in the number of share options outstanding for the Fifth ESOS Award are as follows:

			Number of share options over ordinary shares			
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2019 '000	Forfeited '000	Exercised '000	Balance at 31.3.2020 '000
24 December 2016	23 December 2022	2.93	14,880	(2,278)	-	**12,602**

As at 31 March 2020, out of the 12,602,300 (2019: 14,880,280) outstanding options from the Fifth ESOS Award, 12,602,300 (2019: 9,117,700) options are exercisable. No options were exercised during the financial year (2019: Nil).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

14 SHARE CAPITAL, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(C) SHARE-BASED PAYMENTS (cont'd)

(i) Share options (cont'd)

(f) On 30 March 2018, the sixth award of options under the ESOS of 79,352,700 options ("Sixth ESOS Award") was awarded to the Group Employee at an exercise price of RM2.70 per ordinary share.

The first tranche of ESOS under the Sixth ESOS Award amounting to 27,137,200 options had been vested and were exercisable as at 30 March 2019.

Movements in the number of share options outstanding for the Sixth ESOS Award are as follows:

			Number of share options over ordinary shares			
Grant Date	**Expiry Date**	**Exercise Price RM/share**	**Balance at 1.4.2019 '000**	**Forfeited '000**	**Exercised '000**	**Balance at 31.3.2020 '000**
30 March 2018	23 December 2022	2.70	78,159	-	-	**78,159**

As at 31 March 2020, out of the 78,158,600 (2019: 78,158,600) outstanding options from the Sixth ESOS Award, 27,137,200 options are exercisable. None of the options were exercised under the Sixth ESOS Award.

(g) On 30 March 2019, the seventh award of options under the ESOS of 41,977,500 options ("Seventh ESOS Award") was awarded to the Group Employee at an exercise price of RM2.16 per ordinary share.

Movements in the number of share options outstanding for the Seventh ESOS Award are as follows:

			Number of share options over ordinary shares			
Grant Date	**Expiry Date**	**Exercise Price RM/share**	**Balance at 1.4.2019 '000**	**Forfeited '000**	**Exercised '000**	**Balance at 31.3.2020 '000**
30 March 2019	23 December 2022	2.16	41,978	(143)	-	**41,835**

As at 31 March 2020, none of the options are vested under the Seventh ESOS Award.

Note 6 to the financial statements which discloses the total expenses recognised in profit or loss arising from transactions accounted for as equity-settled share-based payment transactions include the expense arising from the offer of ESOS.

14 SHARE CAPITAL, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(C) SHARE-BASED PAYMENTS (cont'd)

(i) Share options (cont'd)

The fair value of share options offered was estimated using the Trinomial Valuation Model, taking into account the terms and conditions upon which the options were offered. The assumptions used for the valuation were as follows:

	First ESOS Award	Second ESOS Award	Third ESOS Award	Fourth ESOS Award	Fifth ESOS Award	Sixth ESOS Award	Seventh ESOS Award
Fair value at the date of offer (RM)	1.08/ 0.54**	1.02/ 0.51**	1.08/ 0.54**	0.73	0.73	0.47	0.58
Share price at the date of offer (RM)	4.98	5.80	6.60	3.40	3.25	2.68	2.22
Exercise price (RM)	4.44/ 4.37*/ 2.18**/ 2.16***	5.22/ 5.14*/ 2.57**/ 2.54***	5.88/ 2.94**/ 2.91***	3.06/ 3.03***	2.93	2.70	2.16
Expected volatility (%)	25.9	18.4	16.5	19.0	21.2	24.6	45.6
Expected life (years)	5	4	3	7	6	4	3

* The ESOS exercise price had been adjusted to RM4.37 and RM5.14 on 13 June 2014, following the declaration of a single tier special dividend of 10 sen per share for the financial year ended 31 March 2014 on 27 May 2014.

** The ESOS fair value and exercise price had been adjusted on 11 September 2015 following the 1:1 Bonus Issue.

*** The ESOS exercise price had been adjusted on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.

The expected life of the options was based on historical data, therefore it is not necessarily indicative of exercise patterns that may occur. The expected volatility reflected the assumption that the historical volatility was indicative of future trends, which may also not necessarily be the actual outcome. No other features of the options offered were incorporated into the measurement of fair value.

The fair value of the ESOS had been further adjusted on 3 December 2015 (refer to the table below), following the approval of the extension of ESOS scheme period on 24 November 2015 for another five years to 23 December 2022, pursuant to the By-Laws of the LTIP.

	First ESOS Award	Second ESOS Award	Third ESOS Award
Incremental fair value as a result of modification (RM)	0.04	0.10	0.16
Share price at the date of modification (RM)	3.40	3.40	3.40
Exercise price (RM)	2.18	2.57	2.94
Expected volatility (%)	18.7	18.7	18.7
Expected life (years)	2.5 - 3.5	3.0 - 4.0	3.5 - 4.5

There was no change to the Fourth, Fifth, Sixth and Seventh ESOS Awards because these were awarded to the Group Employee on the respective dates, which were after the modification date.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

14 SHARE CAPITAL, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(C) SHARE-BASED PAYMENTS (cont'd)

(ii) Share grants

The ESGP has been implemented on 24 December 2012 and shall be in force for a period of ten years and expires on 23 December 2022.

On 15 April 2013, the first award of shares under the ESGP ("First ESGP Award") had been made to the eligible Group Employee and once accepted was vested to the eligible Group Employee at no consideration over a period of up to three years, subject to the fulfilment of vesting conditions.

As at 31 March 2020 and 31 March 2019, there were no outstanding share grants under the First ESGP Award.

On 15 April 2014, the second award of shares under the ESGP ("Second ESGP Award") had been made to the eligible Group Employee and once accepted was vested to the eligible Group Employee at no consideration over a period of up to three years, subject to the fulfilment of vesting conditions.

As at 31 March 2020 and 31 March 2019, there were no outstanding share grants under the Second ESGP Award.

On 15 April 2015, the third award of shares under the ESGP ("Third ESGP Award") had been made to the eligible Group Employee and once accepted was vested to the eligible Group Employee at no consideration over a period of up to three years, subject to the fulfilment of vesting conditions.

As at 31 March 2020 and 31 March 2019, there were no outstanding share grants under the Third ESGP Award.

On 15 April 2016, the fourth award of shares under the ESGP ("Fourth ESGP Award") had been made to the eligible Group Employee and once accepted was vested to the eligible Group Employee at no consideration over a period of up to three years, subject to the fulfilment of vesting conditions.

Movements in the number of share grants outstanding are as follows:

	Number of share grants			
Grant Date	Balance at 1.4.2019 '000	Forfeited '000	Issued '000	Balance at 31.3.2020 '000
15 April 2016	3,764	(313)	(3,451)	**-**

On 15 April 2017, the fifth award of shares under the ESGP ("Fifth ESGP Award") had been made to the eligible Group Employee and once accepted was vested to the eligible Group Employee at no consideration over a period of up to three years, subject to the fulfilment of vesting conditions.

Movements in the number of share grants outstanding are as follows:

	Number of share grants			
Grant Date	Balance at 1.4.2019 '000	Forfeited '000	Issued '000	Balance at 31.3.2020 '000
15 April 2017	14,717	(14,717)	-	**-**

14 SHARE CAPITAL, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(C) SHARE-BASED PAYMENTS (cont'd)

(ii) Share grants (cont'd)

On 15 April 2018, the sixth award of shares under the ESGP ("Sixth ESGP Award") has been made to the eligible Group Employee and once accepted was vested to the eligible Group Employee at no consideration over a period of up to three years, subject to the fulfilment of vesting conditions.

Movements in the number of share grants outstanding are as follows:

	Number of share grants			
Grant Date	**Balance at 1.4.2019 '000**	**Forfeited '000**	**Issued '000**	**Balance at 31.3.2020 '000**
15 April 2018	14,198	-	-	**14,198**

The fair value of the ESGP offered was based on the closing market price of the shares that was quoted on Bursa Malaysia at the date of the offer.

On 15 April 2019, the seventh award of shares under the ESGP ("Seventh ESGP Award") has been made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three years, subject to the fulfilment of vesting conditions.

Movements in the number of share grants outstanding are as follows:

	Number of share grants			
Grant Date	**Balance at 1.4.2019 '000**	**Granted '000**	**Issued '000**	**Balance at 31.3.2020 '000**
15 April 2019	-	14,513	-	**14,513**

The fair value of the ESGP offered was based on the closing market price of the shares that was quoted on Bursa Malaysia at the date of the offer.

Note 6 to the financial statements which discloses the total expenses recognised in profit or loss arising from transactions accounted for as equity-settled share-based payment transactions include the expense arising from the offer of ESGP.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

14 SHARE CAPITAL, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(D) SHARES HELD UNDER TRUST

The Group Employee can elect to fund the exercise of the options themselves or through an ESOS Trust Funding Mechanism ("ETF mechanism"). To facilitate the ETF mechanism, the Company provides funding to the trustee to subscribe for new shares of the Company which are held under a trust and managed by a trustee. Shares issued by the Company under the ETF mechanism are recorded as shares held under trust in the financial statements. The shares issued under the ETF mechanism rank pari passu in all respects with the existing ordinary shares of the Company.

The movement of shares held under trust during the financial year is as follows:

	The Group and the Company 2020 RM'000	2019 RM'000
At 1 April 2019/2018	**1,379**	1,521
Exercise of share options via ETF mechanism	**(116)**	(142)
At 31 March	**1,263**	1,379

15 OTHER RESERVES

		The Group 2020 RM'000	2019 RM'000
Other reserves		**32,476**	32,476
(a)	Capital reserve		
	At 1 April 2019/2018	**22,476**	22,067
	Share of capital reserve in an associate	**-**	409
	At 31 March	**22,476**	22,476
(b)	Redemption reserve		
	At 1 April 2019/2018	**10,000**	10,200
	Transferred to retained profits	**-**	(200)
	At 31 March	**10,000***	10,000*
	Total reserves as at 31 March	**32,476**	32,476

* This represents consolidation adjustment on the capitalisation of retained earnings equivalent to the nominal value of the redeemable cumulative preference shares redeemed by a subsidiary of the Company.

16 BONDS

	Unsecured Sukuk Murabahah Notes (a) RM'000	Sukuk Mudharabah Notes (b) RM'000	Secured Sukuk Wakalah (c) RM'000	Total RM'000
The Group				
2020				
At 1 April 2019	**1,500,000**	**610,000**	**905,000**	**3,015,000**
Drawdown during the year	**250,000**	**-**	**80,000**	**330,000**
Redeemed during the year	**(200,000)**	**(55,000)**	**-**	**(255,000)**
At 31 March 2020	**1,550,000**	**555,000**	**985,000**	**3,090,000**
Less:				
Discount on issuance	**-**	**-**	**(5,153)**	**(5,153)**
Amortisation of discount	**-**	**-**	**1,272**	**1,272**
	-	**-**	**(3,881)**	**(3,881)**
	1,550,000	**555,000**	**981,119**	**3,086,119**
Less:				
Amount redeemable within 12 months (Note 47)	**(150,000)**	**(60,000)**	**-**	**(210,000)**
	1,400,000	**495,000**	**981,119**	**2,876,119**
2019				
At 1 April 2018	1,300,000	650,000	-	1,950,000
Drawdown during the year	200,000	-	905,000	1,105,000
Redeemed during the year	-	(40,000)	-	(40,000)
At 31 March 2019	1,500,000	610,000	905,000	3,015,000
Less:				
Discount on issuance	-	-	(4,734)	(4,734)
Amortisation of discount	-	-	582	582
	-	-	(4,152)	(4,152)
	1,500,000	610,000	900,848	3,010,848
Less:				
Amount redeemable within 12 months (Note 47)	(200,000)	(55,000)	-	(255,000)
	1,300,000	555,000	900,848	2,755,848

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

16 BONDS (cont'd)

	Unsecured Sukuk Murabahah Notes (a) RM'000	Total RM'000
The Company		
2020		
At 1 April 2019	**1,500,000**	**1,500,000**
Drawdown during the year	**250,000**	**250,000**
Redeemed during the year	**(200,000)**	**(200,000)**
At 31 March 2020	**1,550,000**	**1,550,000**
Less:		
Amount redeemable within 12 months (Note 47)	**(150,000)**	**(150,000)**
	1,400,000	**1,400,000**
2019		
At 1 April 2018	1,300,000	1,300,000
Drawdown during the year	200,000	200,000
At 31 March 2019	1,500,000	1,500,000
Less:		
Amount redeemable within 12 months (Note 47)	(200,000)	(200,000)
	1,300,000	1,300,000

A. Maturity profile of Bonds

	Note	Carrying amount RM'000	< 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	> 5 years RM'000
The Group								
2020								
Unsecured								
Sukuk Murabahah Notes	(a)	**1,550,000**	**150,000**	**150,000**	**300,000**	**200,000**	**100,000**	**650,000**
Secured								
Sukuk Mudharabah Notes	(b)	**555,000**	**60,000**	**60,000**	**60,000**	**60,000**	**60,000**	**255,000**
Sukuk Wakalah	(c)	**981,119**	**-**	**-**	**50,000**	**85,000**	**100,000**	**746,119**
		3,086,119	**210,000**	**210,000**	**410,000**	**345,000**	**260,000**	**1,651,119**
2019								
Unsecured								
Sukuk Murabahah Notes	(a)	1,500,000	200,000	150,000	150,000	300,000	200,000	500,000
Secured								
Sukuk Mudharabah Notes	(b)	610,000	55,000	60,000	60,000	60,000	60,000	315,000
Sukuk Wakalah	(c)	900,848	-	-	-	50,000	85,000	765,848
		3,010,848	255,000	210,000	210,000	410,000	345,000	1,580,848

16 BONDS (cont'd)

A. Maturity profile of Bonds (cont'd)

	Note	Carrying amount RM'000	< 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	> 5 years RM'000
The Company								
Unsecured								
Sukuk Murabahah Notes	(a)							
2020		**1,550,000**	**150,000**	**150,000**	**300,000**	**200,000**	**100,000**	**650,000**
2019		1,500,000	200,000	150,000	150,000	300,000	200,000	500,000

B. Principal features of Bonds

(a) Sukuk Murabahah Notes

On 10 March 2014, the Company established an unsecured Sukuk Murabahah Programme ("Programme") of up to RM3.0 billion in nominal value with a tenure of up to 20 years from the first issuance date.

The Programme contains covenants which require the Group to maintain its net debt to equity ratio of not more than 1.25 times.

On 10 April 2014, the Company made its first issuance pursuant to the Programme for the amount of RM500,000,000 at nominal value and carrying a profit rate ranging from 4.60% to 4.85% per annum. It is repayable in 3 annual instalments, commencing 5 years after the issue date. During the year, RM200,000,000 was repaid in April 2019.

On 12 June 2014, the Company issued a second tranche of RM300,000,000 pursuant to the Programme at its nominal value that carries a profit rate of 4.83% per annum. It is repayable in full 8 years after the issue date.

On 21 April 2015, the Company issued a third tranche of RM200,000,000 pursuant to the Programme at its nominal value that carries a profit rate of 4.90% per annum. It is repayable in full 10 years after the issue date.

On 4 June 2015, the Company issued a fourth tranche of RM200,000,000 pursuant to the Programme at its nominal value that carries a profit rate of 4.64% per annum. It is repayable in full 8 years after the issue date.

On 17 October 2016, the Company issued a fifth tranche of RM100,000,000 pursuant to the Programme at its nominal value that carries a profit rate of 4.60% per annum. It is repayable in full 8 years after the issue date.

On 20 August 2018, the Company issued a sixth tranche of RM200,000,000 pursuant to the Programme at its nominal value that carries a profit rate of 5.05% per annum. It is repayable in full 10 years after the issue date.

On 10 April 2019, the Company issued a seventh tranche of RM250,000,000 pursuant to the Programme at its nominal value that carries a profit rate of 4.76% per annum. It is repayable in full 10 years after the issue date.

(b) Sukuk Mudharabah Notes

(i) A subsidiary, Besraya (M) Sdn Bhd ("Besraya"), issued RM700,000,000 secured Sukuk Mudharabah ("Sukuk"), an Islamic Securities Programme on 28 July 2011.

The RM700,000,000 Sukuk was issued at its nominal value. It is repayable in 13 annual instalments, commencing 5 years after the issue date.

As at 31 March 2020, the profit rate of the Sukuk is 5.05% (2019: 5.01%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

16 BONDS (cont'd)

B. Principal features of Bonds (cont'd)

(b) Sukuk Mudharabah Notes (cont'd)

(ii) The Sukuk is secured by the following:

- a debenture creating a first ranking fixed and floating charge over all present and future assets, rights and interests of the issuer;
- a first ranking assignment of all of the issuer's rights, interests, titles and benefits under the Project Agreements, including without limitation the right to demand, collect and retain toll, liquidated damages and all proceeds arising therefrom;
- an assignment of all rights, interests, titles and benefits in all performance and/or maintenance bonds issued to and/or in favour of the issuer, save for those assigned or to be assigned to the Government of Malaysia pursuant to the Concession Agreement;
- a first ranking assignment of all rights, interests, titles and benefits in all relevant insurance/takaful policies of the issuer and/or in respect of the Besraya Extension Expressway Project, subject to the insurance provisions under the Concession Agreement and the Supplemental Concession Agreement; and
- a first ranking charge and assignment of all rights, interests, titles and benefits in all Designated Accounts and the credit balances.

(iii) The Sukuk contains covenants which require Besraya to maintain a financial service cover ratio of at least 1.25 times and debt equity ratio of not greater than 80:20.

(c) Sukuk Wakalah

(i) On 23 March 2018, a subsidiary, Kuantan Port Consortium Sdn Bhd ("KPC") established an unrated Islamic Medium Term Notes Programme of up to RM3.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar (the "Sukuk Wakalah") with a tenure of up to 25 years from the first issuance date.

On 2 May 2018, KPC made the first issuance of the Sukuk Wakalah for an amount of RM650,000,000 at nominal value and carries a profit rate ranging from 4.89% to 5.15% per annum. It is repayable in 8 various annual instalments, commencing 4 years after the issue date.

On 30 July 2018, KPC made the second issuance for an amount of RM225,000,000 of the Sukuk Wakalah at nominal value and carries a profit rate ranging from 5.06% to 5.08% per annum. It is repayable in 8 various annual instalments, commencing 4 years after the issue date.

On 31 January 2019, KPC made the third issuance for an amount of RM30,000,000 of the Sukuk Wakalah at nominal value and carries a profit rate of 5.09% per annum. It is repayable in 9 various annual instalments, commencing 4 years after the issue date.

On 5 November 2019, KPC made the fourth issuance for an amount of RM80,000,000 of the Sukuk Wakalah at nominal value and carries a profit rate of 4.46% per annum. It is repayable in 10 various annual instalments, commencing 4 years after the issue date.

(ii) The Sukuk Wakalah is secured by the following:

- a debenture creating a fixed and floating charge over the present and future assets of KPC;
- an assignment of balance of revenue from leases, subleases and tenancies, interest, rights, titles and benefits on contract from contractors, suppliers and others including performance or maintenance bonds, designated accounts and insurance/takaful policy;
- pari passu ranking between the Government of Malaysia pursuant to the Privatisation Agreement dated 16 June 2015 and the Sukuk Wakalah under the Security Sharing Arrangement;

16 BONDS (cont'd)

B. Principal features of Bonds (cont'd)

(c) Sukuk Wakalah (cont'd)

(ii) The Sukuk Wakalah is secured by the following: (cont'd)

- equal priority for profit and/or principal payment of the Sukuk Wakalah and transfer to the Operating Account, for the principal payment of the Government Support Loan;
- in the event that takaful/insurance proceeds are received pursuant to a total loss event, an equal and proportionate basis of redemption of the Sukuk Wakalah and transfer to the Operating Account for repayment of the Government Support Loan; and
- in the event of early termination of the Privatisation Agreement dated 16 June 2015, an equal and proportionate basis of compensation proceeds shall be used to redeem the Sukuk and transfer to the Operating Account for repayment of the Government Support Loan.

The Sukuk Wakalah contains covenants which require KPC to maintain its finance to equity ratio of not more than 4.0 times, finance service cover ratio of more than 1.25 times at all times and post-dividend finance service cover ratio of more than 1.5 times.

17 TERM LOANS

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
Current:					
Secured	47	**135,689**	80,834	**-**	-
Unsecured	47	**827,528**	505,381	**173,140**	30,596
		963,217	586,215	**173,140**	30,596
Non-current:					
Secured		**576,832**	936,257	**-**	-
Unsecured		**1,038,311**	1,046,703	**173,140**	244,770
		1,615,143	1,982,960	**173,140**	244,770
		2,578,360	2,569,175	**346,280**	275,366

A. Currency profile of term loans

The currency exposure profile of term loans is as follows:

	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
United States Dollar	**986,832**	859,866	**346,280**	275,366
Chinese Yuan	**2,276**	5,285	**-**	-
Japanese Yen	**209,775**	192,933	**-**	-
	1,198,883	1,058,084	**346,280**	275,366

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows:

The Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Note	Floating interest rate < 1 year RM'000	Floating 1-2 years RM'000	Floating 2-3 years RM'000	Floating 3-4 years RM'000	Floating 4-5 years RM'000	Floating > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed 1-2 years RM'000	Fixed 2-3 years RM'000	Fixed 3-4 years RM'000	Fixed 4-5 years RM'000
2020															
Secured															
Term loan 1	4.8	**126,224**	RM	(a)	**80,000**	**46,224**	-	-	-	-	-	-	-	-	-
Term loan 2	4.2	**49,802**	RM	(b)	-	-	**25,000**	**24,802**	-	-	-	-	-	-	-
Term loan 3	4.3	**93,881**	RM	(c)	**7,400**	**7,400**	**7,400**	**7,400**	**7,400**	**56,881**	-	-	-	-	-
Term loan 4	3.5	**28,331**	GBP	(d)	**28,331**	-	-	-	-	-	-	-	-	-	-
Term loan 5	3.5	**37,347**	GBP	(e)	-	-	-	-	**37,347**	-	-	-	-	-	-
Term loan 6	4.7	**135,054**	RM	(f)	**4,000**	**6,000**	**6,000**	**10,000**	**10,000**	**99,054**	-	-	-	-	-
Term loan 7	5.7	**388**	RM	(g)	-	-	-	**388**	-	-	-	-	-	-	-
Term loan 8	4.8	**4,000**	RM	(h)	-	-	**4,000**	-	-	-	-	-	-	-	-
Term loan 9	4.5	**5,790**	RM	(i)	-	-	-	-	-	**5,790**	-	-	-	-	-
Term loan 10	4.7	**95,845**	RM	(j)	**7,400**	**7,400**	**7,400**	**7,400**	**7,400**	**58,845**	-	-	-	-	-
Term loan 11	4.3	**3,536**	RM	(k)	-	**298**	**1,190**	**1,190**	**858**	-	-	-	-	-	-
Term loan 12	4.5	**29,038**	RM	(l)	**8,300**	**20,738**	-	-	-	-	-	-	-	-	-
Term loan 13	4.3	**690**	RM	(m)	-	-	-	**335**	**355**	-	-	-	-	-	-
Term loan 14	5.7	**2,192**	RM	(n)	-	-	-	-	**961**	**1,231**	-	-	-	-	-
Term loan 15	4.5	**4,329**	RM	(o)	-	-	**4,329**	-	-	-	-	-	-	-	-
Term loan 16	4.3	**630**	RM	(p)	-	-	-	**630**	-	-	-	-	-	-	-
Term loan 17	4.3	**97**	RM	(q)	-	-	-	**97**	-	-	-	-	-	-	-
Term loan 18	9.3	**95,347**	INR	(r)	**258**	**967**	**1,289**	**2,579**	**3,868**	**86,386**	-	-	-	-	-
		712,521			**135,689**	**89,027**	**56,608**	**54,821**	**68,189**	**308,187**	-	-	-	-	-

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

The Group (cont'd)	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Note	Floating interest rate < 1 year RM'000	Floating 1-2 years RM'000	Floating 2-3 years RM'000	Floating 3-4 years RM'000	Floating 4-5 years RM'000	Floating > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed 1-2 years RM'000	Fixed 2-3 years RM'000	Fixed 3-4 years RM'000	Fixed 4-5 years RM'000
2020															
Unsecured															
Term loan 23	2.9	86,570	USD		86,570	-	-	-	-	-	-	-	-	-	-
Term loan 24	3.0	119,034	USD		43,285	43,285	32,464	-	-	-	-	-	-	-	-
Term loan 25	3.6	140,676	USD		43,285	43,285	43,285	10,821	-	-	-	-	-	-	-
Term loan 26	4.7	20,000	RM		20,000	-	-	-	-	-	-	-	-	-	-
Term loan 27	6.7	2,276	RMB		2,276	-	-	-	-	-	-	-	-	-	-
Term loan 28	4.4	65,059	USD		-	21,686	21,686	21,687	-	-	-	-	-	-	-
Term loan 29	4.4	108,431	USD		-	36,433	36,433	35,565	-	-	-	-	-	-	-
Term loan 30	5.2	60,000	RM		16,000	16,000	16,000	12,000	-	-	-	-	-	-	-
Term loan 31	4.0	182,165	USD		11,385	45,542	56,926	68,312	-	-	-	-	-	-	-
Term loan 32	4.0	182,165	USD		11,385	45,542	56,926	68,312	-	-	-	-	-	-	-
Term loan 33	1.0	209,775	JPY		10,489	41,955	62,932	94,399	-	-	-	-	-	-	-
Term loan 34	4.2	36,731	RM		9,557	27,174	-	-	-	-	-	-	-	-	-
Term loan 35	4.7	48,250	RM		5,000	43,250	-	-	-	-	-	-	-	-	-
Term loan 36	8.4	23,000	INR		23,000	-	-	-	-	-	-	-	-	-	-
Term loan 37	8.6	425,500	INR		425,500	-	-	-	-	-	-	-	-	-	-
Term loan 38	8.4	53,475	INR		53,475	-	-	-	-	-	-	-	-	-	-
Term loan 39	4.6	102,732	USD		66,321	36,411	-	-	-	-	-	-	-	-	-
		1,865,839			827,528	400,563	326,652	311,096	-	-	-	-	-	-	-
Total term loans		2,578,360			963,217	489,590	383,260	365,917	68,189	308,187	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

The Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Note	Floating interest rate						Fixed interest rate				
					< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	> 5 years RM'000	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000
2019															
Secured															
Term loan 1	5.4	85,339	RM	(a)	-	34,554	50,785	-	-	-	-	-	-	-	-
Term loan 2	4.7	49,745	RM	(b)	-	-	-	25,000	24,745	-	-	-	-	-	-
Term loan 3	4.9	99,340	RM	(c)	5,550	7,400	7,400	7,400	7,400	64,190	-	-	-	-	-
Term loan 4	3.5	381,818	GBP	(d)	-	381,818	-	-	-	-	-	-	-	-	-
Term loan 6	5.1	138,325	RM	(f)	4,000	4,000	6,000	6,000	10,000	108,325	-	-	-	-	-
Term loan 9	4.9	3,212	RM	(i)	-	-	-	-	-	3,212	-	-	-	-	-
Term loan 10	4.9	99,474	RM	(j)	3,700	7,400	7,400	7,400	7,400	66,174	-	-	-	-	-
Term loan 12	5.0	52,627	RM	(l)	36,800	15,827	-	-	-	-	-	-	-	-	-
Term loan 14	4.9	10,065	RM	(n)	-	-	10,065	-	-	-	-	-	-	-	-
Term loan 15	4.9	4,291	RM	(o)	-	-	-	4,291	-	-	-	-	-	-	-
Term loan 16	4.9	1,687	RM	(p)	-	-	-	-	1,687	-	-	-	-	-	-
Term loan 17	4.9	438	RM	(q)	-	-	-	438	-	-	-	-	-	-	-
Term loan 18	9.3	60,078	INR	(r)	132	264	990	1,321	2,641	54,730	-	-	-	-	-
Term loan 19	4.8	6,975	RM	(s)	6,975	-	-	-	-	-	-	-	-	-	-
Term loan 20	4.8	10,722	RM	(t)	10,722	-	-	-	-	-	-	-	-	-	-
Term loan 21	4.8	2,245	RM	(u)	2,245	-	-	-	-	-	-	-	-	-	-
Term loan 22	4.9	10,710	RM	(v)	10,710	-	-	-	-	-	-	-	-	-	-
		1,017,091			80,834	451,263	82,640	51,850	53,873	296,631	-	-	-	-	-

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

The Group (cont'd)	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Floating interest rate < 1 year RM'000	Floating 1-2 years RM'000	Floating 2-3 years RM'000	Floating 3-4 years RM'000	Floating 4-5 years RM'000	Floating > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed 1-2 years RM'000	Fixed 2-3 years RM'000	Fixed 3-4 years RM'000	Fixed 4-5 years RM'000
2019														
Unsecured														
Term loan 24	3.8	112,186	USD	-	40,795	40,795	30,596	-	-	-	-	-	-	-
Term loan 25	4.5	163,180	USD	30,596	40,795	40,795	40,795	10,199	-	-	-	-	-	-
Term loan 26	5.2	40,000	RM	20,000	20,000	-	-	-	-	-	-	-	-	-
Term loan 27	6.4	5,285	CNY	3,058	2,227	-	-	-	-	-	-	-	-	-
Term loan 30	5.4	76,000	RM	16,000	16,000	16,000	16,000	12,000	-	-	-	-	-	-
Term loan 31	4.3	171,098	USD	-	10,693	42,775	53,468	64,162	-	-	-	-	-	-
Term loan 32	4.3	162,952	USD	-	10,015	40,059	50,753	62,125	-	-	-	-	-	-
Term loan 33	1.1	192,933	JPY	-	9,647	38,586	57,880	86,820	-	-	-	-	-	-
Term loan 34	4.2	36,942	RM	7,643	29,299	-	-	-	-	-	-	-	-	-
Term loan 37	9.2	195,548	INR	195,548	-	-	-	-	-	-	-	-	-	-
Term loan 38	8.9	53,010	INR	53,010	-	-	-	-	-	-	-	-	-	-
Term loan 39	5.3	146,976	USD	50,418	62,335	34,223	-	-	-	-	-	-	-	-
Term loan 40	5.3	80,000	RM	-	-	-	-	-	-	80,000	-	-	-	-
Term loan 41	3.9	51,737	USD	19,554	19,554	12,629	-	-	-	-	-	-	-	-
Term loan 42	3.9	51,737	USD	19,554	19,554	12,629	-	-	-	-	-	-	-	-
Term loan 43	4.9	12,500	RM	10,000	2,500	-	-	-	-	-	-	-	-	-
		1,552,084		425,381	283,414	278,491	249,492	235,306	-	80,000	-	-	-	-
Total term loans		2,569,175		506,215	734,677	361,131	301,342	289,179	296,631	80,000	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

				Floating interest rate						Fixed interest rate				
The Company	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	> 5 years RM'000	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000
2020														
Unsecured														
Term loan 23	2.9	**86,570**	USD	**86,570**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Term loan 24	3.0	**119,034**	USD	**43,285**	**43,285**	**32,464**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Term loan 25	3.6	**140,676**	USD	**43,285**	**43,285**	**43,285**	**10,821**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		346,280		**173,140**	**86,570**	**75,749**	**10,821**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2019														
Unsecured														
Term loan 24	3.8	112,186	USD	-	40,795	40,795	30,596	-	-	-	-	-	-	-
Term loan 25	4.5	163,180	USD	30,596	40,795	40,795	40,795	10,199	-	-	-	-	-	-
		275,366		30,596	81,590	81,590	71,391	10,199	-	-	-	-	-	-

17 TERM LOANS (cont'd)

C. Principal features of secured term loans

(a) Term loan 1 of RM126,224,000 (2019: RM85,339,000) and revolving credit of RM19,600,000 (2019: RM8,943,000) (Note 47(A)(a)) are secured by way of:

(i) a facility agreement for the sum of RM300,000,000;

(ii) a debenture incorporating a fixed and floating charge over all present and future assets of a subsidiary of IJM Land Berhad ("IJML"), a subsidiary of the Company;

(iii) an assignment over the current and future proceeds of a subsidiary of IJML;

(iv) a legal charge over the Designated Accounts of a subsidiary of IJML; and

(v) a corporate guarantee by IJML.

(b) Term loan 2 of RM49,802,000 (2019: RM49,745,000) and revolving credit of RM29,500,000 (2019: RMNil) (Note 47(A)(d)) are secured by way of:

(i) a facility agreement for the sum of RM150,000,000;

(ii) a first and third party legal charge over 17 parcels of freehold land of subsidiaries of IJML; and

(iii) a corporate guarantee by IJML.

(c) Term loan 3 of RM93,881,000 (2019: RM99,340,000) is secured by way of:

(i) a facility agreement for the sum of RM100,000,000;

(ii) a first and third party first legal charge over certain properties and parcels of land of the subsidiaries of IJML (Notes 26 and 37); and

(iii) a corporate guarantee by IJML.

(d) Term loan 4 of RM28,331,000 (2019: RM381,818,000) is secured by way of:

(i) a first ranking debenture by way of a fixed and floating charge over all present and future assets of a subsidiary of IJML;

(ii) a first party legal charge over a parcel of land of a subsidiary of IJML (Note 37);

(iii) a legal charge over the entire equity interest in a subsidiary of IJML;

(iv) a first party charge over the Designated Accounts of a subsidiary of IJML;

(v) a third party Deed of Assignment by a subsidiary of IJML over all its rights, title and interest over the land;

(vi) a first party Deed of Assignment by a subsidiary of IJML over all contracts awarded by the subsidiary and over all insurance proceeds relating to the project;

(vii) an irrevocable letter of undertaking by the subsidiary of IJML to deposit proceeds of sales of the development into the Designated Accounts; and

(viii) a corporate guarantee by IJML.

(e) Term loan 5 of RM37,347,000 (2019: RMNil) is secured by way of:

(i) a first ranking debenture by way of a fixed and floating charge over all present and future assets of a subsidiary of IJML;

(ii) a first party legal charge over a parcel of land of a subsidiary of IJML (Note 37);

(iii) a legal charge over the entire equity interest in a subsidiary of IJML;

(iv) a first party charge over the Designated Accounts of a subsidiary of IJML;

(v) a third party Deed of Assignment by a subsidiary of IJML over all its rights, title and interest over the land;

(vi) a first party Deed of Assignment by a subsidiary of IJML over all contracts awarded by the subsidiary and over all insurance proceeds relating to the project;

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

17 TERM LOANS (cont'd)

C. Principal features of secured term loans (cont'd)

(e) Term loan 5 of RM37,347,000 (2019: RMNil) is secured by way of: (cont'd)

(vii) an irrevocable letter of undertaking by the subsidiary of IJML to deposit proceeds of sales of the development into the Designated Accounts; and

(viii) a corporate guarantee by IJML.

(f) Term loan 6 of RM135,054,000 (2019: RM138,325,000) is secured by way of:

(i) a facility agreement for the sum of RM140,000,000;

(ii) a first party legal charge over 67 parcels of leasehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

(g) Term loan 7 of RM388,000 (2019: RMNil) and revolving credit of RM2,000,000 (2019: RMNil) (Note 47(A)(f)) are secured by way of:

(i) a facility agreement for the sum of RM15,000,000;

(ii) a first party first legal charge over 1,516 parcels of adjoining freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

(h) Term loan 8 of RM4,000,000 (2019: RMNil) is secured by way of:

(i) a facility agreement for the sum of RM20,000,000;

(ii) an open monies first legal charge over 236 parcels of land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

(i) Term loan 9 of RM5,790,000 (2019: RM3,212,000) and revolving credit of RM6,121,000 (2019: RM200,000) (Note 47(A)(b)) are secured by way of:

(i) a facility agreement for the sum of RM27,000,000;

(ii) a first party first legal charge over a parcel of freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

(j) Term loan 10 of RM95,845,000 (2019: RM99,474,000) and revolving credit of RM60,500,000 (2019: RM97,948,000) (Note 47(A)(c)) are secured by way of:

(i) a facility agreement for the sum of RM200,000,000;

(ii) a first and third party second legal charge over certain properties and parcels of land of the subsidiaries of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

(k) Term loan 11 of RM3,536,000 (2019: RMNil) is secured by way of:

(i) a facility agreement for the sum of RM18,570,000;

(ii) a first party first legal charge over two parcels of leasehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

(l) Term loan 12 of RM29,038,000 (2019: RM52,627,000) is secured by way of:

(i) an open monies first legal charge over 2,028 parcels of land and completed units of inventories of a subsidiary of IJML (Note 37); and

(ii) a corporate guarantee by IJML.

17 TERM LOANS (cont'd)

C. Principal features of secured term loans (cont'd)

(m) Term loan 13 of RM690,000 (2019: RMNil) is secured by way of:

(i) a facility agreement for the sum of RM18,570,000;

(ii) a first party first legal charge over two parcels of leasehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

(n) Term loan 14 of RM2,192,000 (2019: RM10,065,000) is secured by way of:

(i) a facility agreement for the sum of RM380,000,000;

(ii) a third party second legal charge over 24 parcels of leasehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee from IJML and an associate of the Company.

(o) Term loan 15 of RM4,329,000 (2019: RM4,291,000) is secured by way of:

(i) a facility agreement for the sum of RM12,000,000;

(ii) a first party first legal charge over 1,915 parcels of adjoining freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee from IJML.

(p) Term loan 16 of RM630,000 (2019: RM1,687,000) is secured by way of:

(i) a facility agreement for the sum of RM20,000,000;

(ii) a first party first legal charge over 1,698 parcels of adjoining freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee from IJML.

(q) Term loan 17 of RM97,000 (2019: RM438,000) is secured by way of:

(i) a facility agreement for the sum of RM18,000,000;

(ii) a first party first legal charge over 1,516 parcels of adjoining freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee from IJML.

(r) Term loan 18 of RM95,347,000 (2019: RM60,078,000) is secured by first charge on all the assets (except for the concession assets) and 74% equity shares of an Indian tollway subsidiary of the Company, together with all the rights, title, interest, benefits, claims and demands whatsoever to and in respect of such equity share capital.

(s) Term loan 19 of RMNil (2019: RM6,975,000) was secured by way of:

(i) a facility agreement for the sum of RM27,880,000;

(ii) a first party first legal charge over two parcels of freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

The loan was fully repaid during the financial year.

(t) Term loan 20 of RMNil (2019: RM10,722,000) was secured by way of:

(i) a facility agreement for the sum of RM56,360,000;

(ii) a first party first legal charge over one parcel of freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

The loan was fully repaid during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

17 TERM LOANS (cont'd)

C. Principal features of secured term loans (cont'd)

(u) Term loan 21 of RMNil (2019: RM2,245,000) was secured by way of:

(i) a facility agreement for the sum of RM13,470,000;

(ii) a first party first legal charge over two parcels of freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

The loan was fully repaid during the financial year.

(v) Term loan 22 of RMNil (2019: RM10,710,000) was secured by way of:

(i) a facility agreement for the sum of RM125,000,000;

(ii) a first party first legal charge over 2,013 parcels of adjoining freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

The loan was fully repaid during the financial year.

18 GOVERNMENT SUPPORT LOANS

	Note	The Group 2020 RM'000	The Group 2019 RM'000
Government Support Loans:			
- Government Support Loan 1	(a)	**26,715**	52,874
- Government Support Loan 2	(b)	**68,602**	73,200
		95,317	126,074
Less: Payable within 12 months (Note 45)		**(36,645)**	(33,104)
		58,672	92,970

A. Maturity profile of Government Support Loans

	Total carrying amount RM'000	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	> 5 years RM'000
31.3.2020							
Government Support Loan 1	**26,715**	**26,715**	**-**	**-**	**-**	**-**	**-**
Government Support Loan 2	**68,602**	**9,930**	**9,601**	**9,282**	**8,975**	**8,676**	**22,138**
	95,317	**36,645**	**9,601**	**9,282**	**8,975**	**8,676**	**22,138**
31.3.2019							
Government Support Loan 1	52,874	26,153	26,721	-	-	-	-
Government Support Loan 2	73,200	6,951	9,600	9,281	8,974	8,676	29,718
	126,074	33,104	36,321	9,281	8,974	8,676	29,718

18 GOVERNMENT SUPPORT LOANS (cont'd)

B. Principal features of Government Support Loans

The principal features of Government Support Loans of subsidiaries of Road Builder (M) Holdings Bhd ("RBH"), a subsidiary of the Company, are as follows:

(a) Government Support Loan 1 - Unsecured

On 26 March 1996, New Pantai Expressway Sdn Bhd ("NPE"), a subsidiary of RBH, entered into a Land Cost Supplemental Agreement with the Government of Malaysia ("the Government") for an interest-free loan provided by the Government in making available the concession area to NPE as Reimbursable Land Cost for the construction of the New Pantai Expressway.

As amended by a second Supplemental Concession Agreement dated 7 October 2003, the Government Support Loan 1 is reimbursable to the Government in 5 annual instalments, with the first instalment commencing on 11 September 2016.

(b) Government Support Loan 2 – Secured

The Government Support Loan 2 is in respect of an agreement between Kuantan Port Consortium Sdn Bhd, a subsidiary of RBH and the Government of Malaysia ("the Government") in connection with the reimbursable infrastructure cost for the purpose of financing the dredging of the new harbour basin. In the financial year 2007, the instalment payments were re-scheduled to commence on 15 June 2006 and are repayable over 22 yearly variable instalments, which are interest-free.

The Government Support Loan 2 is secured by a negative pledge and by a deed of assignment over:

(i) the balance of the revenue from the scheduled leases, tenancies and new sub leases and tenancies granted after the commencement date of the Privatisation Agreement after deducting the amounts payable to the Kuantan Port Authority; and

(ii) all other revenue received from the Kuantan port operations.

19 HIRE PURCHASE AND LEASE PAYABLES

	The Group 2019 RM'000
Minimum lease payments:	
- Payable within 1 year	286
- Payable between 1 and 5 years	11
	297
Less: Future finance charges	(8)
Present value of hire purchase and lease liabilities	289
Present value of hire purchase and lease liabilities:	
- Payable within 1 year (Note 45)	278
- Payable between 1 and 5 years (included in non-current liabilities)	11
	289

Hire purchase and lease liabilities were effectively secured as the rights to the leased assets reverted to the financier in the event of default. As at 31 March 2019, the effective interest rate was 6.22% per annum.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

19 HIRE PURCHASE AND LEASE PAYABLES (cont'd)

	The Group RM'000
At 1 April 2019, as previously reported	289
Effects of adoption of MFRS 16 (Note 56)	(289)
At 1 April 2019, as restated	-

20 LEASE LIABILITIES

The Group leases certain lands, office buildings, office equipment and plant and machinery. Rental contracts are entered into for fixed periods ranging between 2 to 99 years with extension options. Lease terms on the rental contracts are negotiated on an individual basis and contain a wide range of different terms and conditions. The rental contracts do not impose any covenants.

The Company leases office spaces and office equipment. Rental contracts are entered into for fixed periods ranging between 5 to 6 years with extension options. Lease terms on the rental contracts are negotiated on an individual basis and contain a wide range of different terms and conditions. The rental contracts do not impose any covenants.

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current:				
Lease liabilities	**49,889**	-	**7,822**	-
Current:				
Lease liabilities	**11,870**	-	**1,660**	-
Total lease liabilities	**61,759**	-	**9,482**	-

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The maturity analysis of the lease liabilities as at the reporting date is disclosed in Note 3(c).

Total cash outflow for the leases in the financial year ended 31 March 2020 for the Group and the Company amounted to RM19,534,000 and RM1,715,000 respectively.

Leases as lessor

The Group leases certain leasehold land, investment property and right-of-use assets to related and non-related parties. The Group has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out the maturity analysis of the total undiscounted lease payments to be received after the reporting date:

	The Group 2020 RM'000
Less than 1 year	**61,306**
Between 1 and 2 years	**55,509**
Between 2 and 3 years	**54,995**
Between 3 and 4 years	**52,392**
Between 4 and 5 years	**54,553**
More than 5 years	**323,821**
Total undiscounted lease payments	**602,576**

21 FINANCIAL INSTRUMENTS BY CATEGORY

The Group	Note	Financial assets at amortised costs RM'000	Financial assets at fair value through profit and loss RM'000	Financial assets at fair value through other comprehensive income RM'000	Total RM'000
At 31 March 2020					
Assets as per statement of financial position:					
Non-current assets:					
Associates*	32	**241,645**	**-**	**-**	**241,645**
Joint ventures**	33	**627,862**	**96,477**	**-**	**724,339**
Financial assets at fair value through other comprehensive income	34	**-**	**-**	**3,665**	**3,665**
Long term receivables***	35	**200,815**	**-**	**-**	**200,815**
Current assets:					
Trade and other receivables****	39	**1,771,073**	**-**	**-**	**1,771,073**
Financial assets at fair value through profit or loss	41	**-**	**534,630**	**-**	**534,630**
Derivative financial instruments	42	**-**	**1,722**	**-**	**1,722**
Deposits, cash and bank balances	43	**2,222,648**	**-**	**-**	**2,222,648**
Total		**5,064,043**	**632,829**	**3,665**	**5,700,537**

	Note	Financial liabilities at fair value through profit and loss RM'000	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per statement of financial position:				
Non-current liabilities:				
Bonds	16	**-**	**2,876,119**	**2,876,119**
Term loans	17	**-**	**1,615,143**	**1,615,143**
Government support loans	18	**-**	**58,672**	**58,672**
Trade and other payables	23	**-**	**311,297**	**311,297**
Derivative financial instruments	42	**872**	**-**	**872**
Current liabilities:				
Derivative financial instruments	42	**3,236**	**-**	**3,236**
Trade and other payables*****	45	**-**	**3,121,921**	**3,121,921**
Borrowings	47	**-**	**2,330,517**	**2,330,517**
Total		**4,108**	**10,313,669**	**10,317,777**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

21 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

The Group (cont'd)	Note	Financial assets at amortised costs RM'000	Financial assets at fair value through profit and loss RM'000	Financial assets at fair value through other comprehensive income RM'000	Total RM'000
At 31 March 2019					
Assets as per statement of financial position:					
Non-current assets:					
Associates*	32	163,850	-	-	163,850
Joint ventures**	33	580,241	81,928	-	662,169
Financial assets at fair value through other comprehensive income	34	-	-	3,665	3,665
Long term receivables	35	206,220	-	-	206,220
Current assets:					
Trade and other receivables****	39	1,951,342	-	-	1,951,342
Financial assets at fair value through profit or loss	41	-	444,699	-	444,699
Derivative financial instruments	42	-	4,470	-	4,470
Deposits, cash and bank balances	43	1,557,953	-	-	1,557,953
Total		4,459,606	531,097	3,665	4,994,368

	Note	Financial liabilities at fair value through profit and loss RM'000	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per statement of financial position:				
Non-current liabilities:				
Bonds	16	-	2,755,848	2,755,848
Term loans	17	-	1,982,960	1,982,960
Government support loans	18	-	92,970	92,970
Hire purchase and lease payables	19	-	11	11
Trade and other payables	23	-	347,469	347,469
Current liabilities:				
Derivative financial instruments	42	4,467	-	4,467
Trade and other payables*****	45	-	3,080,801	3,080,801
Borrowings	47	-	1,796,968	1,796,968
Total		4,467	10,057,027	10,061,494

* Associates comprise Redeemable Unsecured Murabahah Stocks ("RUMS") and amount owing by an associate.

** Joint ventures comprise Redeemable Convertible Unsecured Loan Stocks ("RCULS"), Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS") and amounts owing by joint ventures.

*** Long term receivables exclude prepayment.

**** Trade and other receivables exclude prepayments, GST receivables and costs to secure contracts.

***** Trade and other payables exclude retirement benefits payable and GST payables.

21 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

The Company	Note	Financial assets at amortised costs RM'000	Financial assets at fair value through profit and loss RM'000	Financial assets at fair value through other comprehensive income RM'000	Total RM'000
At 31 March 2020					
Assets as per statement of financial position:					
Non-current assets:					
Subsidiaries*	31	**956,204**	**-**	**-**	**956,204**
Joint ventures**	33	**98,397**	**96,477**	**-**	**194,874**
Financial assets at fair value through other comprehensive income	34	**-**	**-**	**2,050**	**2,050**
Current assets:					
Trade and other receivables***	39	**2,216,017**	**-**	**-**	**2,216,017**
Financial assets at fair value through profit or loss	41	**-**	**4,866**	**-**	**4,866**
Derivative financial instruments	42	**-**	**1,393**	**-**	**1,393**
Deposits, cash and bank balances	43	**182,222**	**-**	**-**	**182,222**
Total		**3,452,840**	**102,736**	**2,050**	**3,557,626**

	Note	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per statement of financial position:			
Non-current liabilities:			
Bonds	16	**1,400,000**	**1,400,000**
Term loans	17	**173,140**	**173,140**
Trade and other payables	23	**747,744**	**747,744**
Current liabilities:			
Trade and other payables	45	**128,396**	**128,396**
Borrowings	47	**753,635**	**753,635**
Total		**3,202,915**	**3,202,915**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

21 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

The Company (cont'd)	Note	Financial assets at amortised costs RM'000	Financial assets at fair value through profit and loss RM'000	Financial assets at fair value through other comprehensive income RM'000	Total RM'000
At 31 March 2019					
Assets as per statement of financial position:					
Non-current assets:					
Subsidiaries*	31	951,621	-	-	951,621
Joint ventures**	33	158,010	81,928	-	239,938
Financial assets at fair value through other comprehensive income	34	-	-	2,050	2,050
Current assets:					
Trade and other receivables***	39	2,223,390	-	-	2,223,390
Financial assets at fair value through profit or loss	41	-	10,545	-	10,545
Deposits, cash and bank balances	43	28,095	-	-	28,095
Total		3,361,116	92,473	2,050	3,455,639

	Note	Financial liabilities at fair value through profit and loss RM'000	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per statement of financial position:				
Non-current liabilities:				
Bonds	16	-	1,300,000	1,300,000
Term loans	17	-	244,770	244,770
Trade and other payables	23	-	827,662	827,662
Current liabilities:				
Derivative financial instruments	42	4,467	-	4,467
Trade and other payables	45	-	400,883	400,883
Borrowings	47	-	589,572	589,572
Total		4,467	3,362,887	3,367,354

* Subsidiaries comprise amounts owing by subsidiaries.
** Joint ventures comprise RCULS, RCSIDS and amounts owing by joint ventures.
*** Trade and other receivables exclude prepayments.

22 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position.

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Deferred tax assets	**447,287**	371,200	**22,907**	1,711
Deferred tax liabilities	**(629,587)**	(614,540)	**-**	-
	(182,300)	(243,340)	**22,907**	1,711
At 1 April 2019/2018	**(243,340)**	(273,122)	**1,711**	1,941
Credited/(charged) to income statement (Note 10)				
- Property, plant and equipment	**(6,293)**	(17,727)	**(17)**	39
- Concession assets	**(9,464)**	(6,933)	**-**	-
- Right-of-use assets	**11,538**	-	**443**	-
- Post-employment benefit	**387**	4,581	**-**	-
- Intangible assets	**261**	(145)	**-**	-
- Tax losses	**(15,718)**	(5,431)	**-**	-
- Payables	**18,287**	28,185	**(396)**	(269)
- Inventories	**51,109**	8,248	**-**	-
- Construction contracts	**5,114**	947	**-**	-
- Borrowings	**-**	1,021	**-**	-
- Lease liabilities	**(10,821)**	-	**(398)**	-
- Investment properties	**-**	2	**-**	-
- Derivative financial instruments	**1,778**	(820)	**-**	-
- Receivables	**22,213**	-	**21,564**	-
- Share-based payment	**(1,862)**	1,638	**-**	-
- Contract liabilities	**(5,656)**	16,092	**-**	-
- Others	**(134)**	-	**-**	-
	60,739	29,658	**21,196**	(230)
Exchange differences	**301**	124	**-**	-
At 31 March	**(182,300)**	(243,340)	**22,907**	1,711

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

22 DEFERRED TAXATION (cont'd)

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Subject to income tax				
Deferred tax assets (before offsetting)				
- Property, plant and equipment	**1,023**	4,076	**-**	-
- Inventories	**173,181**	118,576	**-**	-
- Post-employment benefit	**5,509**	5,549	**-**	-
- Payables	**203,594**	185,292	**1,320**	1,716
- Tax losses	**40,530**	57,971	**-**	-
- Construction contracts	**19,080**	13,966	**-**	-
- Borrowings	**108**	108	**-**	-
- Right-of-use assets	**11,538**	-	**443**	-
- Investment properties	**8,525**	8,525	**-**	-
- Concession assets	**5,338**	5,983	**-**	-
- Receivables	**22,213**	-	**21,564**	-
- Share-based payment	**10,618**	12,480	**-**	-
- Contract liabilities	**12,846**	18,502	**-**	-
- Derivative financial instruments	**655**	-	**-**	-
- Others	**1,357**	1,357	**-**	-
	516,115	432,385	**23,327**	1,716
Offsetting	**(68,828)**	(61,185)	**(420)**	(5)
Deferred tax assets (after offsetting)	**447,287**	371,200	**22,907**	1,711
Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	**(191,291)**	(190,552)	**(22)**	(5)
- Intangible assets	**(5,196)**	(5,457)	**-**	-
- Borrowings	**(11,792)**	(11,792)	**-**	-
- Lease liabilities	**(10,821)**	-	**(398)**	-
- Inventories	**(192,103)**	(188,607)	**-**	-
- Payables	**(50)**	(35)	**-**	-
- Concession assets	**(287,843)**	(279,024)	**-**	-
- Derivative financial instruments	**-**	(1,073)	**-**	-
- Others	**681**	815	**-**	-
	(698,415)	(675,725)	**(420)**	(5)
Offsetting	**68,828**	61,185	**420**	5
Deferred tax liabilities (after offsetting)	**(629,587)**	(614,540)	**-**	-

22 DEFERRED TAXATION (cont'd)

The amounts of unutilised deductible temporary differences and unused tax losses for which no deferred tax asset is recognised in the statement of financial position are as follows:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unutilised deductible temporary differences	**136,339**	109,614	**-**	-
Unused tax losses	**732,383**	707,030	**-**	-
	868,722	816,644	**-**	-

The unutilised deductible temporary differences as stated above are available indefinitely for offset against future taxable profits of the subsidiaries in which those items arose. The unused tax losses of RM732,383,000 (2019: RM707,030,000) which will expire in the following financial years:

	The Group	
	2020 RM'000	2019 RM'000
Financial year		
2020	**-**	53,365
2021	**161,684**	132,974
2022	**79,800**	80,421
2023	**28,174**	22,652
2024	**23,636**	10,400
2025	**300,087**	321,519
2026	**57,494**	65,537
2027	**55,515**	10,502
2028	**25,993**	9,660
	732,383	707,030

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they have arisen in subsidiaries that have a recent history of losses and some of the subsidiaries are not expected to generate sufficient taxable profits before the expiry of the unused tax losses.

23 TRADE AND OTHER PAYABLES

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Advances from the State Government	(a)	**33,180**	33,180	**-**	-
Land and development costs payable	(b)	**178,769**	215,515	**-**	-
Less: Payable within 12 months (Note 45)		**(13,750)**	(18,184)	**-**	-
Payable after 12 months		**165,019**	197,331	**-**	-
Deposits I	(c)	**8,225**	12,720	**-**	-
Deposits II	(c)	**5,194**	-	**-**	-
Refundable membership securities I	(d)	**5,556**	5,577	**-**	-
Refundable membership securities II	(d)	**4,903**	8,970	**-**	-
Lease payable to Kuantan Port Authority	(e)	**95,440**	95,816	**-**	-
Less: Payable within 12 months (Note 45)		**(6,220)**	(6,125)	**-**	-
Payable after 12 months		**89,220**	89,691	**-**	-
Amount owing to a subsidiary		**-**	-	**747,744**	827,662
		311,297	347,469	**747,744**	827,662

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

23 TRADE AND OTHER PAYABLES (cont'd)

(a) On 17 January 2003, Jelutong Development Sdn Bhd ("JDSB"), an indirect subsidiary of the Company, entered into a Reimbursement Land Cost Agreement (hereinafter referred to as "the RLC Agreement") with the Penang State Government in connection with the completion of the Jelutong Expressway Project.

Under the RLC Agreement, the advances received from the State Government for the reimbursement of land cost totalling RM33,180,000 are repayable to the State Government as follows:

	Percentage of advances to be repaid to the Penang State Government %
36 months from the commencement of Stage 3 of the Construction Works of Jelutong Expressway or from the completion of alienation of Parcels A2 and B1, whichever is the later (1st Payment)	**30**
12 months from the date of the Certificate of Completion of the entire Jelutong Expressway or from the date of the 1st Payment, whichever is the later (2nd Payment)	**30**
12 months from the date of the 2nd Payment	**40**
	100

JDSB had completed Stage 3 of the Construction Works in March 2015 and the alienation of Parcels A2 and B1 has yet to commence as at the reporting date.

The advances on reimbursable land cost are interest free. However, if JDSB fails to pay the Penang State Government any of the instalment payments above by their respective due dates, JDSB shall be liable to pay to the Penang State Government interest at a fixed rate of 8% per annum on any such outstanding instalment payments.

(b) This represents the present value of the land and deferred development costs of RM178,769,000 (2019: RM215,515,000) in connection with a mixed development in Kuala Lumpur, which will become payable as the development progresses.

(c) Deposits I represents performance deposits received from a school operator, which is mainly to safeguard default or early termination of the lease agreement being entered into between an indirect subsidiary and the school operator during the construction period of the school buildings and also to guarantee rental for a lock-in-period of the first six years of the lease period. The rental deposits are placed in a designated deposit account and shall be returned to the school operator upon the expiry of the sixth year of the lease period.

Deposits II represents the deposits received from the tenants which is expiring between 3 to 15 years and it will be repayable to the tenants upon the expiry of the lease terms.

(d) Refundable membership securities I represents membership securities received by ERMS Berhad ("ERMS"), an indirect subsidiary of the Company, prior to the implementation of a Deed of Trust dated 20 May 1993. The membership securities are refundable only upon the transfer of a membership by a member to an acceptable transferee and after the said transferee has paid the required refundable membership securities.

Refundable membership securities II is in relation to Marina Membership and Composite Membership of the golf and marina club of Sebana Golf & Marina Resort Berhad ("SGMR"), which is an indirect subsidiary of the Company. The membership securities of Marina Membership and Composite Membership are repayable on 31 December 2053 and 31 March 2056 respectively, unless the membership is redeemed, purchased or cancelled.

(e) On 16 June 2015, Kuantan Port Consortium Sdn Bhd ("KPC"), which is a 60%-owned subsidiary of Road Builder (M) Holdings Bhd, which in turn is a wholly-owned subsidiary of the Company, entered into a new Privatisation Agreement with the Government of Malaysia ("Government") and Kuantan Port Authority ("KPA") ("Privatisation Agreement"), whereby KPC is granted a 30-year port concession in relation to the development, operation and management of Kuantan Port, which covers the existing Kuantan Port and a new deep water terminal adjacent to the existing Kuantan Port.

The balance represents the present value of future lease payments payable to the Government and KPA, which is in relation to the lease of land solely for the purpose of the port operations and the development of the port and other related purposes, based on the terms and conditions of the Privatisation Agreement.

24 RETIREMENT BENEFITS

(a) Defined contribution plan

The Company and its subsidiaries in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

(b) Unfunded defined benefit plan

A local indirect subsidiary of the Company operates an unfunded defined benefit scheme ("the scheme") for its eligible employees. Under the scheme, eligible employees are entitled to retirement benefits by applying a certain factor (either 0.50, 0.75 or 1.00 depending on the number of years of service with the company) to the 100% of final salary on attainment of the retirement age of 55 years based on the number of years of service with the company. The net obligation in respect of the scheme, calculated using the projected unit credit method is determined by an actuarial valuation carried out every 3 years by a qualified actuary. The last actuarial valuation was performed for the financial year ended 31 March 2019.

The indirect subsidiaries of the Company in Indonesia operate an unfunded defined benefit scheme ("the scheme") for its eligible employees. Under the scheme, the eligible employees are entitled to retirement benefits computed by applying certain factors on the severance pay and service pay. The severance pay and service pay are derived by applying certain multipliers on the final salary upon attainment of the retirement age of 55 years, based on the number of years of service with the company. The net obligation in respect of the scheme, calculated using the projected unit credit method is determined by an actuarial valuation carried out every year by a qualified actuary. The last actuarial valuation was performed for the financial year ended 31 March 2020.

The amounts of unfunded defined benefit recognised in the statement of financial position may be analysed as follows:

	The Group	
	2020 RM'000	2019 RM'000
Present values of unfunded defined benefit obligations, recognised as liability in the statement of financial position	**24,793**	22,314
Analysed as:		
Current (included in other payables – Note 45)	**2,350**	483
Non-current	**22,443**	21,831
	24,793	22,314

The movements during the financial year on the amounts recognised in the consolidated statement of financial position are as follows:

	The Group	
	2020 RM'000	2019 RM'000
At 1 April 2019/2018	**22,314**	21,034
Charged to profit or loss	**5,405**	4,661
Capitalised in bearer plants	**461**	564
Total costs of unfunded defined benefits plan (Note 6)	**5,866**	5,225
Contributions paid during the financial year	**(946)**	(2,451)
Adjustment for actuarial gain	**(528)**	(1,831)
Exchange differences	**(1,913)**	337
At 31 March	**24,793**	22,314

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

24 RETIREMENT BENEFITS (cont'd)

(b) Unfunded defined benefit plan (cont'd)

	The Group 2020 RM'000	The Group 2019 RM'000
The expenses recognised in the profit or loss were analysed as follows:		
Current service cost	**3,832**	3,426
Interest cost	**1,573**	1,235
	5,405	4,661
The charges to the profit or loss were included in the following line items in the statement of comprehensive income:		
Cost of sales	**5,339**	4,569
Administrative expenses	**66**	92
	5,405	4,661

The principal actuarial assumptions used in respect of the Group's unfunded defined benefit plan were as follows:

	The Group 2020 %	The Group 2019 %
Defined benefit plan operated by a local subsidiary:		
Discount rate	**4.7**	4.7
Expected rate of salary increases	**5.0**	5.0
Defined benefit plan operated by Indonesian subsidiaries:		
Discount rate	**8.0**	8.0
Expected rate of salary increases	**8.0**	8.0

Any reasonable change in the principal actuarial assumptions will not result in any significant change to the financial performance of the Group.

25 DEFERRED INCOME

	The Group 2020 RM'000	The Group 2019 RM'000
Deferred gain	**70,355**	70,355

The deferred gain represents the Group's share of the gain arising from the disposal of a parcel of land to a joint venture held via a wholly-owned subsidiary of the Company.

26 PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

The Group	Freehold land RM'000	Leasehold land RM'000	Plantation infrastructure RM'000	Buildings RM'000	Hotel properties RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Bearer plants Note (a) RM'000	Capital work-in-progress RM'000	Total RM'000
2020										
Net book value										
At 1 April 2019, as previously reported	104,384	141,378	370,634	323,016	231,899	865,269	39,611	768,442	102,204	2,946,837
Effects of adoption of MFRS 16 (Note 56)	-	(141,378)	-	-	(108,165)	-	-	-	-	(249,543)
At 1 April 2019, as restated	104,384	-	370,634	323,016	123,734	865,269	39,611	768,442	102,204	2,697,294
Additions	-	-	10,508	6,668	205	40,139	7,353	37,812	69,409	172,094
Disposals	(38)	-	-	(1,111)	-	(4,072)	(21)	-	-	(5,242)
Written off (Note 5(a))	-	-	-	(3)	(12)	(1,047)	(51)	(191)	-	(1,304)
Depreciation charges for the year	-	-	(14,209)	(24,179)	(5,049)	(95,846)	(10,372)	(46,000)	-	(195,655)
Impairment for the year (Note 5(a))	-	-	-	-	(2,709)	-	-	-	-	(2,709)
Exchange differences arising from translation of assets of foreign operations	(128)	-	(17,011)	(11,879)	-	(8,377)	(273)	(42,712)	(5,826)	(86,206)
Reclassifications	-	-	813	34,403	-	77,530	3,750	-	(116,496)	-
At 31 March 2020	104,218	-	350,735	326,915	116,169	873,596	39,997	717,351	49,291	2,578,272

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

26 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

The Group (cont'd)	Freehold land RM'000	Leasehold land RM'000	Plantation infrastructure RM'000	Buildings RM'000	Hotel properties RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Bearer plants Note (a) RM'000	Capital work-in-progress RM'000	Total RM'000
2019										
Net book value										
At 1 April 2018	71,441	143,416	354,750	317,649	239,228	664,896	37,074	762,867	161,681	2,753,002
Additions	34,610	-	20,927	20,672	504	88,783	7,130	37,721	163,490	373,837
Disposal of a subsidiary (Note 49(b))	(1,401)	-	-	(972)	-	(1,344)	-	-	-	(3,717)
Disposals	-	-	-	(260)	-	(4,430)	(43)	-	-	(4,733)
Written off (Note 5(a))	-	-	(1)	(513)	-	(1,583)	(275)	-	-	(2,372)
Depreciation charges for the year	-	(2,038)	(13,136)	(23,404)	(7,833)	(90,166)	(9,309)	(44,854)	-	(190,740)
Transferred from/(to) investment properties (Note 29)	-	-	-	1,584	-	-	-	-	(1,049)	535
Exchange differences arising from translation of assets of foreign operations	(266)	-	3,957	2,231	-	1,948	77	12,708	370	21,025
Reclassifications	-	-	4,137	6,029	-	207,165	4,957	-	(222,288)	-
At 31 March 2019	104,384	141,378	370,634	323,016	231,899	865,269	39,611	768,442	102,204	2,946,837

26 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

The Group	Freehold land RM'000	Leasehold land RM'000	Plantation infrastructure RM'000	Buildings RM'000	Hotel properties RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Bearer plants Note (a) RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 March 2020										
Cost	**104,218**	**-**	**454,420**	**571,269**	**147,308**	**1,867,149**	**136,096**	**1,057,724**	**49,423**	**4,387,607**
Accumulated depreciation	**-**	**-**	**(103,685)**	**(244,316)**	**(25,960)**	**(987,137)**	**(95,988)**	**(340,373)**	**-**	**(1,797,459)**
Accumulated impairment	**-**	**-**	**-**	**(38)**	**(5,179)**	**(6,416)**	**(111)**	**-**	**(132)**	**(11,876)**
Net book value	**104,218**	**-**	**350,735**	**326,915**	**116,169**	**873,596**	**39,997**	**717,351**	**49,291**	**2,578,272**
At 31 March 2019										
Cost	104,384	172,982	465,360	547,433	258,555	1,800,844	127,612	1,092,999	102,336	4,672,505
Accumulated depreciation	-	(31,604)	(94,726)	(224,379)	(24,186)	(928,843)	(87,889)	(324,557)	-	(1,716,184)
Accumulated impairment	-	-	-	(38)	(2,470)	(6,732)	(112)	-	(132)	(9,484)
Net book value	104,384	141,378	370,634	323,016	231,899	865,269	39,611	768,442	102,204	2,946,837

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

26 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

The Company	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Capital work-in-progress RM'000	Total RM'000
2020				
Net book value				
At 1 April 2019	**800**	**465**	**10,493**	**11,758**
Additions	**-**	**155**	**-**	**155**
Disposals	**(61)**	**-**	**-**	**(61)**
Depreciation charges for the year	**(248)**	**(412)**	**-**	**(660)**
Reclassification	**-**	**844**	**(844)**	**-**
Transferred to subsidiaries	**-**	**-**	**(9,075)**	**(9,075)**
At 31 March 2020	**491**	**1,052**	**574**	**2,117**
2019				
Net book value				
At 1 April 2018	1,298	542	-	1,840
Additions	-	116	10,493	10,609
Disposals	(79)	-	-	(79)
Written off (Note 5(a))	-	(31)	-	(31)
Depreciation charges for the year	(418)	(162)	-	(580)
Exchange differences	(1)	-	-	(1)
At 31 March 2019	800	465	10,493	11,758
At 31 March 2020				
Cost	**2,262**	**5,286**	**574**	**8,122**
Accumulated depreciation	**(1,771)**	**(4,234)**	**-**	**(6,005)**
Net book value	**491**	**1,052**	**574**	**2,117**
At 31 March 2019				
Cost	2,871	4,287	10,493	17,651
Accumulated depreciation	(2,071)	(3,822)	-	(5,893)
Net book value	800	465	10,493	11,758

26 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) Analysis of mature and immature bearer plants are as follows:

Bearer plants comprise oil palms.

The Group	Mature RM'000	Immature RM'000	Total RM'000
2020			
Net book value			
At 1 April 2019	**608,243**	**160,199**	**768,442**
Additions	**-**	**37,812**	**37,812**
Written off	**(191)**	**-**	**(191)**
Depreciation charges for the year	**(46,000)**	**-**	**(46,000)**
Reclassification	**28,664**	**(28,664)**	**-**
Exchange differences	**(33,581)**	**(9,131)**	**(42,712)**
At 31 March 2020	**557,135**	**160,216**	**717,351**
2019			
Net book value			
At 1 April 2018	588,358	174,509	762,867
Additions	-	37,721	37,721
Depreciation charges for the year	(44,854)	-	(44,854)
Reclassification	54,670	(54,670)	-
Exchange differences	10,069	2,639	12,708
At 31 March 2019	608,243	160,199	768,442

(b) As at 31 March 2020, net book values of assets pledged as security for term loans and revolving credit (2019: term loans, revolving credit and bank overdraft) of certain subsidiaries (Notes 17 & 47(A)) (2019: Notes 17, 47(A) & (B)):

	The Group	
	2020 RM'000	2019 RM'000
Leasehold land	**-**	106,898
Buildings	**76,477**	55,440
	76,477	162,338

(c) During the financial year, the following depreciation charges of the Group and the Company have been included in the addition of bearer plants, capitalised as concession assets and included in the aggregate costs incurred to-date within construction contract costs as set out below:

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Included in the addition of bearer plants	26(d)	**2,652**	4,099	**-**	-
Capitalised as concession assets	30	**108**	100	**-**	-
Included in the aggregate costs incurred to-date within construction contract costs		**3,474**	3,881	**-**	59

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

26 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(d) During the financial year, the following expenses of the Group have been included in the addition of property, plant and equipment as set out below:

	Note	The Group 2020 RM'000	The Group 2019 RM'000
Employee benefits cost	6	**12,627**	15,952
Finance cost, including foreign exchange losses	9	**16,224**	8,887
Depreciation of property, plant and equipment, included in the addition of bearer plants	26(c)	**2,652**	4,099
Amortisation of land use rights	27	**-**	345
Depreciation of right-of-use assets	28	**430**	-

27 LAND USE RIGHTS

	Note	The Group Land use rights RM'000
2020		
Net book value		
At 1 April 2019, as previously reported		**145,968**
Effects of adoption of MFRS 16	56	**(145,968)**
At 1 April 2019, as restated		**-**
2019		
Net book value		
At 1 April 2018		150,668
Amortisation for the financial year	5(a)	(5,941)
Exchange differences		1,241
At 31 March 2019		145,968
At 31 March 2019		
Cost		195,392
Accumulated amortisation		(49,424)
		145,968

In the preceding financial year, amortisation expenses of RM345,000 had been capitalised in property, plant and equipment (Note 26(d)).

As at 31 March 2019, the Group's land use rights with carrying value of RM45.4 million were still in the process of having the land title secured or being transferred to the Group.

As at 31 March 2019, the land use rights with a net book value of RM935,000 had been pledged as security for the bank overdraft of a subsidiary (Note 47(B)).

28 RIGHT-OF-USE ASSETS

The details of right-of-use assets are as follows:

The Group	Leasehold land RM'000	Building and office space RM'000	Plant and equipment RM'000	Total RM'000
2020				
Net book value				
At 1 April 2019, as previously reported	-	-	-	-
Effects of adoption of MFRS 16 (Note 56)	417,278	23,627	16,445	457,350
At 1 April 2019, as restated	417,278	23,627	16,445	457,350
Additions	2,078	8,993	2,861	13,932
Disposals	(341)	-	-	(341)
Depreciation charges for the year	(8,089)	(8,818)	(3,746)	(20,653)
Exchange differences arising from translation of assets of foreign operations	(5,172)	(209)	-	(5,381)
At 31 March 2020	405,754	23,593	15,560	444,907
At 31 March 2020				
Cost				547,798
Accumulated amortisation				(102,891)
				444,907

As at 31 March 2020, the carrying value of a parcel of leasehold land amounting to RM105,347,000 was pledged as security for the Term loan 10 of an indirect subsidiary (Note 17).

The Group's right-of-use assets (2019: land use rights) with a carrying value of RM19.7 million (2019: RM45.4 million) are still in the process of having the land titles secured or being transferred to the Group.

During the financial year, depreciation charge of RM430,000 (Note 26(d)) has been capitalised in the bearer plants of the Group.

The Company	Office space RM'000	Plant and equipment RM'000	Total RM'000
2020			
Net book value			
At 1 April 2019, as previously reported	-	-	-
Effects of adoption of MFRS 16 (Note 56)	5,885	86	5,971
At 1 April 2019, as restated	5,885	86	5,971
Additions	5,167	-	5,167
Depreciation charges for the year (Note 5(a))	(1,825)	(21)	(1,846)
At 31 March 2020	9,227	65	9,292
At 31 March 2020			
Cost			11,138
Accumulated amortisation			(1,846)
			9,292

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

29 INVESTMENT PROPERTIES

The Group	Note	Freehold land RM'000	Leasehold land RM'000	Freehold buildings RM'000	Leasehold buildings RM'000	Work in progress RM'000	Total RM'000
2020							
Net book value							
At 1 April 2019		**163,197**	**16,401**	**11,441**	**104,009**	**289,114**	**584,162**
Additions		**-**	**-**	**27,707**	**28,522**	**1,044**	**57,273**
Adjustments		**-**	**-**	**(106)**	**-**	**-**	**(106)**
Depreciation charges for the year	5(a)	**-**	**(605)**	**(5,826)**	**(2,000)**	**-**	**(8,431)**
Transferred from property development costs (included in inventories)	37(b)	**-**	**7,209**	**-**	**-**	**-**	**7,209**
Transferred to assets held for sale	44	**-**	**-**	**(531)**	**-**	**-**	**(531)**
Reclassification from long term receivables		**-**	**-**	**-**	**13,303**	**-**	**13,303**
Reclassification		**(982)**	**512**	**285,997**	**4,631**	**(290,158)**	**-**
At 31 March 2020		**162,215**	**23,517**	**318,682**	**148,465**	**-**	**652,879**
2019							
Net book value							
At 1 April 2018		162,790	7,284	9,889	23,162	295,476	498,601
Additions		407	389	816	1,090	84,999	87,701
Disposals		-	-	-	(9,222)	-	(9,222)
Depreciation charges for the year	5(a)	-	(485)	(200)	(840)	-	(1,525)
Transferred (to)/from property, plant and equipment	26	-	-	(1,584)	-	1,049	(535)
Transferred from property development costs (included in inventories)	37(b)	-	-	-	-	9,142	9,142
Reclassification		-	9,213	2,520	89,819	(101,552)	-
At 31 March 2019		163,197	16,401	11,441	104,009	289,114	584,162
At 31 March 2020							
Cost		**162,215**	**26,036**	**326,932**	**156,317**	**-**	**671,500**
Accumulated depreciation		**-**	**(2,519)**	**(7,935)**	**(7,852)**	**-**	**(18,306)**
Accumulated impairment		**-**	**-**	**(315)**	**-**	**-**	**(315)**
Net book value		**162,215**	**23,517**	**318,682**	**148,465**	**-**	**652,879**
At 31 March 2019							
Cost		163,197	18,315	14,044	105,660	289,114	590,330
Accumulated depreciation		-	(1,914)	(2,232)	(1,651)	-	(5,797)
Accumulated impairment		-	-	(371)	-	-	(371)
Net book value		163,197	16,401	11,441	104,009	289,114	584,162

29 INVESTMENT PROPERTIES (cont'd)

The Company	Note	Leasehold buildings RM'000	Freehold buildings RM'000	Total RM'000
2020				
Net book value				
At 1 April 2019		**2,890**	**4,376**	**7,266**
Depreciation charges for the year	5(a)	**(33)**	**(141)**	**(174)**
At 31 March 2020		**2,857**	**4,235**	**7,092**
2019				
Net book value				
At 1 April 2018		2,923	4,517	7,440
Depreciation charges for the year	5(a)	(33)	(141)	(174)
At 31 March 2019		2,890	4,376	7,266
At 31 March 2020				
Cost		**3,053**	**6,912**	**9,965**
Accumulated depreciation		**(196)**	**(2,677)**	**(2,873)**
Net book value		**2,857**	**4,235**	**7,092**
At 31 March 2019				
Cost		3,053	6,912	9,965
Accumulated depreciation		(163)	(2,536)	(2,699)
Net book value		2,890	4,376	7,266

During the financial year, the following income/(expenses) recognised in profit or loss for investment properties:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Rental income	**40,994**	5,054	**128**	142
Direct operating expenses that generated rental income	**(6,855)**	(210)	**(160)**	(163)
Direct operating expenses that did not generate rental income	**(384)**	(143)	**(74)**	(71)

During the financial year, finance cost of RM3,238,000 (2019: RM12,551,000) (Note 9) has been capitalised in investment properties of the Group.

The above properties are not occupied by the Group and are used to either earn rentals or for capital appreciation, or both. As at 31 March 2020, the fair value of the properties of the Group and the Company was estimated at RM794,624,000 (2019: RM767,946,000) and RM9,694,000 (2019: RM10,009,000) respectively by the Directors based on either valuations by independent professionally qualified valuers or the Directors' estimates by reference to open market value of properties in the vicinity. The fair values of investment properties are within Level 3 of the fair value hierarchy. The most significant input in the valuation approach adopted by the Group is price per square foot.

The fair value of the investment properties in the preceding financial year included investment properties that were under construction, which were measured at cost as the fair value was not reliably measurable until construction was completed.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

30 CONCESSION ASSETS

	The Group	
	2020 RM'000	2019 RM'000
Expressway development expenditure	**2,416,428**	2,183,497
Port infrastructure	**1,369,963**	1,385,243
	3,786,391	3,568,740

	Note	The Group	
		2020 RM'000	2019 RM'000
Expressway development expenditure:			
Cost			
At 1 April 2019/2018		**3,362,215**	3,223,398
Additions		**411,875**	143,032
Impairment	5(a)	**(27,500)**	-
Written off	5(a)	**-**	(1,032)
Exchange translation differences		**(23,070)**	(3,183)
At 31 March		**3,723,520**	3,362,215
Accumulated amortisation			
At 1 April 2019/2018		**(914,313)**	(779,503)
Current amortisation	5(a)	**(148,623)**	(135,748)
Written off	5(a)	**-**	420
Exchange translation differences		**4,832**	518
At 31 March		**(1,058,104)**	(914,313)
		2,665,416	2,447,902
Less: Deferred income			
Cost			
At 1 April 2019/2018 and at 31 March		**(400,456)**	(400,456)
Accumulated amortisation			
At 1 April 2019/2018		**136,051**	121,408
Current amortisation	5(b)	**15,417**	14,643
At 31 March		**151,468**	136,051
		(248,988)	(264,405)
		2,416,428	2,183,497

30 CONCESSION ASSETS (cont'd)

	Note	The Group 2020 RM'000	The Group 2019 RM'000
Port infrastructure:			
Cost			
At 1 April 2019/2018		**1,607,729**	1,375,372
Additions		**24,597**	232,357
Written off	5(a)	**(361)**	-
At 31 March		**1,631,965**	1,607,729
Accumulated amortisation			
At 1 April 2019/2018		**(222,486)**	(197,833)
Current amortisation	5(a)	**(39,730)**	(24,653)
Written off	5(a)	**214**	-
At 31 March		**(262,002)**	(222,486)
		1,369,963	1,385,243

Concession assets incurred during the financial year include the capitalisation of the following expenses:

	Note	The Group 2020 RM'000	The Group 2019 RM'000
Employee benefits cost	6	**1,494**	1,285
Finance cost	9	**20,439**	34,746
Depreciation	26(c)	**108**	100

The concession assets with net carrying values of RM2,450,376,000 (2019: RM2,474,852,000) are pledged as security for the bonds (Note 16).

Deferred income comprises:

(a) compensation received by New Pantai Expressway Sdn Bhd ("NPE"), an indirect subsidiary of the Company, from the Malaysian Government as a result of the cessation of toll collections with effect from 14 February 2009 at the PJS2 Toll Plaza for Kuala Lumpur bound road users on the NPE; and

(b) compensation received by Besraya Sdn Bhd, an indirect subsidiary of the Company, from the Malaysian Government as a result of the cessation of toll collections with effect from 24 February 2009 at the Salak Jaya Toll Plaza.

During the financial year, the Group performed an impairment assessment of the carrying amounts of the expressway development expenditure by comparing the net present values derived from the discounted future cash flows of the expressway development expenditure against the carrying amounts. The assessment has shown that the recoverable amount of the expressway development expenditure of an indirect Indian subsidiary of the Company is lower than the carrying amount. This computation is based on a weighted average cost of capital of 4.4% and average toll revenue growth rate of 10.7%. Therefore, an impairment of RM27.5 million is recognised as other operating expenses in the statement of comprehensive income of the Group.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

30 CONCESSION ASSETS (cont'd)

Expressway development expenditure comprises toll road concessions in Malaysia and India, with concession periods ranging from 15 to 44 years and ending between 2024 and 2042. During the concession periods, certain Malaysian and Indian subsidiaries, which are the concessionaires have the rights and obligations to construct, operate and maintain the expressways, which is in line with the provisions of the respective concession agreements. The local concession subsidiaries shall handover the Highway to the Government at the end of the respective concession periods in a well-maintained condition and shall make good any defects thereto at the subsidiaries' expenses within one year after the date of handing over. The Indian concession subsidiaries shall handover the highway along with the operating and maintenance equipments to the National Highway Authority at the end of the respective concession periods in a well-maintained condition with no other compensation to be paid by the Authority.

The amounts of construction revenue and profits recognised during the financial year on construction services for tollway concessions amounted to RM357,323,000 and RM25,815,000 (2019: RM128,037,000 and RM5,266,000) respectively.

Port infrastructure comprises a port concession in Malaysia, with a concession period of 30 years ending in 2045.

On 22 November 1997, Kuantan Port Consortium Sdn Bhd ("KPC"), an indirect subsidiary of the Company, entered into a Privatisation Agreement ("Agreement") with the Government of Malaysia ("Government") and Kuantan Port Authority ("KPA"), a concession to manage, operate and develop Kuantan Port ("Port") for a period of 30 years commencing from 1 January 1998.

On 16 June 2015, the said Agreement was superseded and replaced with a new Privatisation Agreement ("PA"), whereby the Government and KPA had requested KPC to develop a New Deep Water Terminal ("NDWT") adjacent to the existing port. The concession commenced on 1 June 2015 for a period of 30 years and is subject for an extension of 30 years provided that certain obligations as mentioned in the new PA are fulfilled by KPC. Upon the expiry of the concession period, KPC shall cease to manage, operate and maintain the Port and handover all the port infrastructures and movable assets in operational condition at no cost to KPA.

The amounts of construction revenue and loss recognised during the financial year on exchanging construction services for port concession amounted to RM20,340,000 and RM297,000 (2019: construction revenue and profit of RM193,683,000 and RM10,057,000) respectively.

31 SUBSIDIARIES

	The Company	
	2020 RM'000	**2019 RM'000**
At cost:		
Quoted shares:		
- in Malaysia	**536,031**	536,031
Unquoted shares:		
- in Malaysia	**5,669,253**	5,605,817
- outside Malaysia	**66,170**	66,170
	6,271,454	6,208,018
Less: Accumulated impairment		
Unquoted shares		
- outside Malaysia	**(1,035)**	(1,035)
	6,270,419	6,206,983
Amounts owing by subsidiaries	**956,204**	951,621
Costs of investment in relation to share options and share grants being granted to employees of subsidiaries	**94,307**	89,036
	7,320,930	7,247,640
Market value*		
Quoted shares:		
- in Malaysia	**712,607**	776,939

31 SUBSIDIARIES (cont'd)

During the financial year, an indirect subsidiary of the Company, Fairview Valley Sdn Bhd ("FVSB") issued a total of 75,000 redeemable preference shares for a total consideration of RM75,000,000. The total consideration was settled through a set-off against amount owing by FVSB to the Company.

The amounts owing by subsidiaries are unsecured, bear interest at a rate of 5% (2019: 5%) per annum and are repayable on demand. However, the management does not intend to demand for repayment of the amounts owing by subsidiaries within the period of twelve months.

The Group's effective equity interest in the subsidiaries and their respective principal activities and countries of incorporation are set out in Note 55 to the financial statements.

* The market values of quoted shares are traded in an active market and are within Level 1 of the fair value hierarchy.

As at 31 March 2020, the total non-controlling interests are RM1,192,770,000 (2019: RM1,198,661,000), of which RM521,961,000 (2019: RM591,463,000) is attributable to IJM Plantations Berhad and RM259,481,230 (2019: RM235,949,654) is attributable to Kuantan Port Consortium Sdn Bhd. The other non-controlling interests are individually not significant.

Set out below are the summarised financial information for the subsidiaries which have non-controlling interests that are material to the Group. The financial information below is based on amounts before inter-company eliminations.

	Kuantan Port Consortium Sdn. Bhd.		IJM Plantations Berhad	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Proportion of ordinary shares held by non-controlling interests	**40%**	40%	**44%**	44%
Summarised statements of comprehensive income:				
Revenue	**376,656**	318,720	**739,133**	630,900
Net profit/(loss) for the financial year	**58,829**	54,279	**(72,979)**	(44,229)
Total comprehensive income/(loss) for the financial year	**58,829**	53,606	**(130,065)**	(26,237)
Net profit/(loss) attributable to non-controlling interests	**23,532**	21,686	**(37,335)**	(23,826)
Dividends paid to non-controlling interests	-	-	**7,714**	19,311
Summarised statements of financial position:				
Current assets	**404,548**	243,082	**385,077**	291,338
Current liabilities	**(186,352)**	(192,299)	**(235,148)**	(208,085)
Non-current assets	**1,617,455**	1,622,514	**1,909,813**	1,991,155
Non-current liabilities	**(1,186,014)**	(1,083,115)	**(876,822)**	(743,890)
Net assets	**649,637**	590,182	**1,182,920**	1,330,518
Summarised cash flows:				
Cash flows from/(used in) operating activities	**191,961**	(428,018)	**141,527**	93,766
Cash flows used in investing activities	**(33,830)**	(280,688)	**(84,278)**	(140,445)
Cash flows from/(used in) financing activities	**23,511**	819,059	**49,769**	(33,417)
Net increase/(decrease) in cash and case equivalents during the financial year	**181,642**	110,353	**107,018**	(80,096)
Cash and cash equivalents at beginning of the financial year	**114,326**	3,973	**127,821**	206,165
Foreign exchange differences on opening balances	**-**	-	**(5,517)**	1,752
Cash and cash equivalents at end of the financial year	**295,968**	114,326	**229,322**	127,821

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

32 ASSOCIATES

	Note	The Group 2020 RM'000	The Group 2019 RM'000
Share of net assets of associates	(a)	**571,620**	679,009
Redeemable Unsecured Murabahah Stocks	(b)	**226,539**	150,119
Redeemable Convertible Preference Shares	(c)	**108,710**	-
Amount owing by an associate*		**15,106**	13,731
		921,975	842,859

* Amount owing by an associate represents unsecured advances which bear interest at rates ranging between 7.15% and 7.90% (2019: 7.90%) per annum.

(a) Share of net assets of associates

	The Group 2020 RM'000	The Group 2019 RM'000
Quoted shares, at cost:		
- in Malaysia	**217,890**	345,419
- outside Malaysia	**38,080**	38,080
Unquoted shares, at cost:		
- in Malaysia	**74,438**	74,438
- outside Malaysia	**172,871**	172,871
	503,279	630,808
Share of post-acquisition retained profits	**182,763**	187,676
Share of post-acquisition reserves	**(5,424)**	(15,248)
Currency translation differences	**(16,216)**	(31,445)
	664,402	771,791
Less: Accumulated impairment	**(92,782)**	(92,782)
	571,620	679,009

	The Company 2020 RM'000	The Company 2019 RM'000
Quoted shares, at cost:		
- in Malaysia	**326,601**	345,419
- outside Malaysia	**38,080**	38,080
Unquoted shares, at cost:		
- in Malaysia	**28,309**	28,309
- outside Malaysia	**51,214**	51,214
	444,204	463,022
Less: Accumulated impairment	**(91,117)**	(182,417)
	353,087	280,605
Market value*		
Quoted shares:		
- in Malaysia	**146,136**	153,515
- outside Malaysia	**47,043**	119,234
	193,179	272,749

* The market values of quoted shares are traded in an active market and are within Level 1 of the fair value hierarchy.

32 ASSOCIATES (cont'd)

(a) Share of net assets of associates (cont'd)

Movements on the Company's allowance for impairment of investment in associates are as follows:

	Note	The Company 2020 RM'000	2019 RM'000
At 1 April 2019/2018		**182,417**	130,117
Allowance for impairment during the year	5(a)	**53,911**	52,300
Reclassification to assets held for sale		**(145,211)**	-
At 31 March		**91,117**	182,417

During the financial year, the Company recorded an impairment of RM53.9 million in the statement of comprehensive income as a result of the shortfall arising from the lower recoverable amount of the investment in an associate as compared to the carrying amount as at 31 March 2020. The recoverable amount was determined based on the fair value less costs to sell as at 31 March 2020 classified as Level 1 fair value.

The Directors of the Company have approved the disposal of Company's investment in Scomi Group Berhad. The impaired associate is reclassified to assets held for sale under current assets in the statement of financial position.

In the preceding financial year, the Group had assessed whether there was any impairment of its investment in an associate of the Company as the associate had incurred losses and the market value was lower than the carrying amount. This assessment was performed by calculating the value-in-use ("VIU") of the investment based on the net cash inflows attributable to the shareholders, after taking into consideration the investing and financing activities. This computation was based on a discount rate of 16%. Based on management's assessment, an impairment of RM52.3 million had been recognised as other operating expenses.

The Group's effective equity interest in the associates and their respective principal activities and countries of incorporation are set out in Note 55 to the financial statements.

(b) During the financial year, Road Builder (M) Holdings Bhd ("RBH"), a subsidiary of the Company had subscribed for RM60,940,000 (2019: RM93,760,000) nominal value of Redeemable Unsecured Murabahah Stocks ("RUMS"), maturing on 12 July 2056, as issued by West Coast Expressway Sdn Bhd ("WCE"), an associate of RBH. The consideration for the subscription of RUMS is by way of cash of RM60,940,000 (2019: RM24,870,000) and capitalisation of the amount owing by WCE to RBH of RMNil (2019: RM68,890,000).

The terms of the RUMS are as follows:

(i) The RUMS bear a cumulative and non-compounding profit rate that is determined prior to each issuance of RUMS. As at 31 March 2020, the effective profit rate of RUMS is 10% (2019: 10%) per annum.

(ii) Each issuance of RUMS shall be valid from and including the date of the issuance until the maturity date provided that if each issuance of RUMS has not been fully redeemed and cancelled by such date in accordance with the provision stated in the Deed Poll.

(iii) The RUMS will be redeemed by WCE at 100% of their nominal value on their respective maturity dates. Any early redemption of RUMS shall be at a redemption price as mutually agreed between WCE and the subsidiary of the Company.

(iv) Any issuance of RUMS redeemed shall be immediately cancelled and thereafter will not be available for resale or reissue.

(v) WCE may make Periodic Profit Payments (as defined in the Deed Poll) or redeem the RUMS subject to the conditions in relation to the Project Financing Facilities (as defined in the Deed Poll).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

32 ASSOCIATES (cont'd)

(c) During the financial year, the Company had subscribed for 530,737,269 units of Redeemable Convertible Preference Shares ("RCPS") of RM127,376,945 in nominal value, maturing on 18 November 2021, as issued by WCE Holdings Berhad ("WCEHB"), an associate of the Company. Subsequent to the subscription, the Company converted 77,777,000 units of RCPS to ordinary shares by surrendering 1 unit of RCPS with cash payment of RM0.04 for each unit of ordinary shares.

The terms of the RCPS are as follows:

(i) The RCPS may be converted into new WCEHB shares at any time over a period of two years commencing from the issue date until the maturity date, both dates inclusive. Any remaining RCPS that are not converted by the maturity date shall be automatically converted into new WCEHB shares at the conversion ratio as follows:

(a) Option 1: One (1) RCPS for one (1) new WCEHB share together with cash payment of RM0.04; or

(b) Option 2: Four (4) RCPS for three (3) new WCEHB shares.

(ii) WCEHB may at any time on or after the issue date, at its discretion redeem in whole or in part (but always in the same proportion in relation to each RCPS holder) the outstanding RCPS in cash at 100% of the Issue Price, by giving not less than 30 days' notice in writing to the RCPS holders of its intention to do so.

(iii) The RCPS are unsecured and shall upon issuance and allotment, rank equally among themselves and in priority to the WCEHB shares and all other classes of shares (if any) in WCEHB, except that:

(a) The RCPS holders will not be entitled to any dividend, right, allotment and/or other distribution that may be declared by WCEHB; and

(b) The RCPS holders carry no right to vote at any general meeting of WCEHB.

(d) Certain losses of associates of the Group are not recognised when they exceed the Group's cost of investment and advances as the Group has no further obligations beyond these amounts. The Group's share of such losses is as follows:

	The Group 2020 RM'000	The Group 2019 RM'000
Current year share of losses	**(33,994)**	(33,281)
Cumulative share of losses	**(116,453)**	(82,459)

(e) Set out below are the associates of the Group as at the reporting dates, which, in the opinion of the management, are material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held either directly or indirectly by the Group.

Name of entity	Place of business/ country of incorporation	% of ownership 2020	% of ownership 2019	Nature of relationship	Measurement method
Grupo Concesionario del Oeste S.A.	Argentina	**20**	20	Associate	Equity
Hexacon Construction Pte Limited	Singapore	**46**	46	Associate	Equity
WCE Holdings Berhad	Malaysia	**26**	26	Associate	Equity

32 ASSOCIATES (cont'd)

(f) Set out below are the summarised financial information for material associates which are accounted for using the equity method:

Summarised statements of financial position:

	Grupo Concesionario del Oeste S.A.		Hexacon Construction Pte Limited		WCE Holdings Berhad	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Current						
Cash and cash equivalents	**66,740**	9,122	**457,549**	486,728	**748,698**	921,134
Other current assets (excluding cash)	**219,902**	191,887	**173,329**	139,770	**87,058**	162,335
Total current assets	**286,642**	201,009	**630,878**	626,498	**835,756**	1,083,469
Other current liabilities (including trade and other payables)	**(202,828)**	(193,639)	**(249,716)**	(251,455)	**(293,699)**	(358,218)
Total current liabilities	**(202,828)**	(193,639)	**(249,716)**	(251,455)	**(293,699)**	(358,218)
Non-current						
Assets	**311,338**	756,920	**298,646**	261,197	**4,725,861**	3,706,383
Financial liabilities	**-**	-	**-**	-	**(3,128,492)**	(2,904,348)
Other liabilities	**(161,156)**	(244,953)	**(27,951)**	(31,756)	**(1,375,694)**	(791,136)
Total non-current liabilities	**(161,156)**	(244,953)	**(27,951)**	(31,756)	**(4,504,186)**	(3,695,484)
Non-controlling interests	**-**	-	**-**	-	**(24,336)**	(41,974)
Net assets (excluding non-controlling interests)	**233,996**	519,337	**651,857**	604,484	**739,396**	694,176
Market value (Group's share)	**47,043**	119,234	**-***	-*	**146,136**	140,645

* Hexacon Construction Pte Limited is a private company and there is no quoted market price available for its shares.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

32 ASSOCIATES (cont'd)

(f) Set out below are the summarised financial information for material associates which are accounted for using the equity method: (cont'd)

Summarised statement of comprehensive income:

	Grupo Concesionario del Oeste S.A.		Hexacon Construction Pte Limited		WCE Holdings Berhad	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	**272,116**	294,274	**338,163**	587,196	**820,715**	715,954
Depreciation and amortisation	**(4,431)**	(55,524)	**-**	-	**(738)**	(115)
Interest income	**296,590**	94,860	**-**	-	**2,312**	1,956
Finance cost	**(119,795)**	(91,943)	**-**	-	**(93,864)**	(8,579)
(Loss)/profit before taxation	**(247,388)**	699,781	**56,183**	74,456	**(56,440)**	18,621
Income tax expense	**44,482**	(935)	**(10,296)**	(11,173)	**1,704**	245
(Loss)/profit after taxation from continuing operations	**(202,906)**	698,846	**45,887**	63,283	**(54,736)**	18,866
Other comprehensive loss	**-**	-	**(195)**	(1,356)	**-**	-
Less: Net profit/(loss) attributable to non-controlling interests	**-**	-	**-**	-	**17,638**	(1,296)
Total comprehensive (loss)/income attributable to owners of the Company	**(202,906)**	698,846	**45,692**	61,927	**(37,098)**	17,570
Dividends received from associates	**28,353**	36,408	**3,529**	2,451	**-**	-

Note: The summarised financial information above reflects the amounts presented in the financial statements of the associates.

Reconciliation of the summarised financial information presented to the carrying amount of its interests in associates:

	Grupo Concesionario del Oeste S.A.		Hexacon Construction Pte Limited		WCE Holdings Berhad	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net assets at 1 April 2019/2018	**519,337**	97,727	**604,484**	536,156	**694,176**	676,606
Less: Gross dividends distributed during the year	**(141,060)**	(181,135)	**(7,757)**	(5,387)	**-**	-
Net (loss)/profit for the financial year	**(202,906)**	698,846	**45,887**	63,283	**(37,098)**	17,570
Other comprehensive loss	**-**	-	**(195)**	(1,356)	**-**	-
Additional shares issued arising from the conversion of RCPS	**-**	-	**-**	-	**82,318**	-
Foreign exchange differences	**58,625**	(96,101)	**9,438**	11,788	**-**	-
Net assets at 31 March	**233,996**	519,337	**651,857**	604,484	**739,396**	694,176
Interests in associates	**47,033**	104,387	**296,595**	275,040	**304,354***	183,710
Less: Net assets attributable to non-controlling interests	**-**	-	**-**	-	**(51,907)**	(43,905)
Carrying value	**47,033**	104,387	**296,595**	275,040	**252,447**	139,805

* Including RCPS of RM108,710,465.

32 ASSOCIATES (cont'd)

(g) Set out below are the financial information of all individually immaterial associates on an aggregate basis.

	2020 RM'000	2019 RM'000
Carrying amounts of interest in associates	**84,255**	159,777
Share of associates' losses	**(54,657)**	(20,676)
Share of associates' other comprehensive income/(losses)	**1,847**	(731)
Share of associates' total comprehensive losses	**(52,810)**	(21,407)

33 JOINT VENTURES

	Note	The Group 2020 RM'000	The Group 2019 RM'000
At cost:			
- In Malaysia		**111,875**	111,875
Share of post-acquisition reserves		**6,950**	(16,765)
Currency translation differences		**9,206**	7,224
		128,031	102,334
Redeemable Convertible Unsecured Loan Stocks ("RCULS")	(A)	**396,496**	378,546
Less: Allowance for impairment of RCULS		**(298,282)**	(345,320)
		98,214	33,226
Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS")	(B)	**96,477**	81,928
Amounts owing by joint ventures		**671,815**	683,119
Less: Allowance for impairment of amounts owing by joint ventures		**(142,167)**	(136,104)
		529,648	547,015
		852,370	764,503

(A) RCULS

In 2007 and 2009, the Company had subscribed for a total of RM240,000,000 nominal value of Redeemable Convertible Unsecured Loan Stocks ("RCULS"), maturing on 8 February 2026, as issued by Lebuhraya Kajang-Seremban Sdn Bhd ("Lekas"), a joint venture of the Company. The terms of the RCULS are as follows:

(i) The RCULS bear fixed cumulative interest of 7% per annum from the date of subscription until the date of redemption or maturity, whichever is earlier.

(ii) The RCULS are convertible on the basis of one RCULS for one new ordinary share of RM1 each in Lekas.

(iii) The conversion period is the period commencing from the date immediately after the first anniversary of the date of issuance of the final completion certificate of the final phase of the works under the Concession Agreement and ending on such a date falling 3 years thereafter. The conversion option expired on 23 August 2013.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

33 JOINT VENTURES (cont'd)

(B) RCSIDS

In 2013, the Company acquired RM90,109,292 nominal value of Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS"), maturing on 10 April 2023, as issued by Lekas, a joint venture of the Company. The terms of the RCSIDS are as follows:

(i) The RCSIDS bear a fixed, cumulative and non-compounding profit rate of 7.9% per annum.

(ii) Every RM1 nominal value of the RCSIDS or every RM1 profit payable on such RCSIDS can be converted into 1 ordinary share of Lekas at the conversion price of RM1. The profit in respect of the RCSIDS can only be converted into ordinary shares if it is done in conjunction with the conversion of the corresponding RCSIDS.

(iii) The conversion period commences from the date immediately after the issue date and ends on the maturity date.

(iv) The RCSIDS may, prior to the maturity date, be redeemed in part or in full at their aggregate nominal value plus accrued and unpaid profit. No cash payment will be made for the principal amount in respect of the RCSIDS and the profit earned on the relevant profit payment dates during the subsistence of the syndicated term loan facility and until the maturity date. Any early redemption shall take place on a profit payment date or such other dates as may be mutually agreed between the parties. All outstanding RCSIDS and cumulative profit shall be redeemed by the issuer on the maturity date.

The RCSIDS which have been redeemed will be cancelled and cannot be reissued and the outstanding profit which has not been converted into new ordinary shares shall be paid by the issuer in the form of cash payment on the maturity date.

	The Company	
	2020	**2019**
	RM'000	**RM'000**
Unquoted shares, at cost	**50,000**	50,000
Less: Allowance for impairment of investments	**(50,000)**	(50,000)
	-	-
RCULS	**396,496**	378,546
Less: Allowance for impairment of RCULS	**(298,282)**	(220,617)
	98,214	157,929
RCSIDS	**96,477**	81,928
Amounts owing by joint ventures	**33,750**	33,648
Less: Allowance for impairment of amounts owing by joint ventures	**(33,567)**	(33,567)
	183	81
	194,874	239,938

The amounts owing by joint ventures of the Group and the Company are mainly unsecured advances for the joint ventures' working capital requirements which bear interest at rates ranging from 5.0% to 7.9% (2019: 5.0% to 7.9%) and at 7.9% (2019: 7.9%) per annum respectively. The Group has not recognised loss allowance for the net balances of RM154,548,000 as at 31 March 2020 (2019: RM142,983,000) which was past due as the receivables are secured by collaterals.

33 JOINT VENTURES (cont'd)

Movements on the Group's and the Company's allowance for impairment of RCULS are as follows:

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
At 1 April 2019/2018		**345,320**	345,320	**220,617**	220,617
Allowance for impairment during the year	5(a)	**-**	-	**77,665**	-
Reversal of impairment during the year	5(b)	**(47,038)**	-	**-**	-
At 31 March		**298,282**	345,320	**298,282**	220,617

The movement in the Group's and the Company's allowance for impairment of RCULS during the financial year is due to the changes in the probability-weighted loss given default rates used to calculate the ECL for RCULS.

Movements on the Group's and the Company's allowance for impairment of amounts owing by joint ventures are as follows:

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
At 1 April 2019/2018		**136,104**	135,750	**33,567**	33,567
Allowance for impairment during the year	5(a)	**6,063**	354	**-**	-
At 31 March		**142,167**	136,104	**33,567**	33,567

The Group has carried out an assessment on the recoverability of the amounts owing by joint ventures and management believes that the current impairment recognised is adequate.

(a) Details of the joint ventures are as follows:

	Group's effective interest in joint ventures 2020 %	Group's effective interest in joint ventures 2019 %	Principal activities
Astaka Tegas Sdn Bhd *	**-**	50	Dissolved
Elegan Pesona Sdn Bhd	**50**	50	Property development
IJM Properties-JA Manan Development Joint Venture	**50**	50	Property development
Sierra Ukay Sdn Bhd *	**50**	50	Property development
IJM Properties-Danau Lumayan Joint Venture	**60**	60	Dormant
IJM Management Services-Giat Bernas Joint Venture	**70**	70	Project and construction management services
Nasa Land Sdn Bhd	**50**	50	Property development
368 Segambut Sdn Bhd	**50**	50	Property development
IJM Perennial Development Sdn Bhd	**50**	50	Property development
IJM-SCL Joint Venture	**50**	50	Dormant
IJM-Gayatri Joint Venture	**60**	60	Dormant
IJM-NBCC-VRM Joint Venture	**50**	50	Dormant
Lebuhraya Kajang-Seremban Sdn Bhd	**50**	50	Toll road operations
IJMC-Zublin Joint Venture	**50**	50	Construction
ISZL Consortium	**25**	25	Construction
BSC-RBM-PATI JV	**25**	25	Construction
IJMC-Gayatri Joint Venture	**60**	60	Construction
IJM-LFE Joint Venture	**70**	70	Construction
Shimizu-Nishimatsu-UEMB-IJM Joint Venture	**20**	20	Construction
Kiara Teratai-IJM Joint Venture	**40**	40	Construction
IJM Sunway Sdn Bhd	**50**	50	Construction
IJM LFE Sdn Bhd	**70**	70	Construction
IJM-CHEC Joint Venture	**60**	60	Construction

* Joint ventures related to WCE Holdings Berhad, an associate of the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

33 JOINT VENTURES (cont'd)

(b) As at 31 March 2020 and 31 March 2019, there are no contingent liabilities and capital commitments relating to the Group's interest in the joint ventures.

(c) Set out below are the joint ventures of the Group as at 31 March 2020 and 31 March 2019, which, in the opinion of the management, are material to the Group. The joint ventures as listed below have share capital consisting solely of ordinary shares, which are held directly or indirectly by the Group.

Name of entity	Place of business/ country of incorporation	% of ownership 2020	% of ownership 2019	Nature of relationship	Measurement method
IJM-CHEC Joint Venture	Malaysia	**60**	60	Joint venture	Equity
368 Segambut Sdn Bhd	Malaysia	**50**	50	Joint venture	Equity
Nasa Land Sdn Bhd	Malaysia	**50**	50	Joint venture	Equity

IJM-CHEC Joint Venture, 368 Segambut Sdn Bhd and Nasa Land Sdn Bhd are private companies and there is no quoted market price available for their shares.

(d) Set out below are the summarised financial information for material joint ventures which are accounted for using the equity method:

(i) Summarised statements of financial position:

	IJM-CHEC Joint Venture		368 Segambut Sdn Bhd		Nasa Land Sdn Bhd	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current						
Cash and cash equivalents	**10**	10	**22,209**	2,842	**2,785**	5,820
Other current assets (excluding cash)	**42,943**	35,264	**321,356**	337,942	**311,876**	326,995
Total current assets	**42,953**	35,274	**343,565**	340,784	**314,661**	332,815
Other current liabilities (including trade and other payables)	**(8,884)**	(8,486)	**(49,378)**	(46,493)	**(108,077)**	(122,223)
Total current liabilities	**(8,884)**	(8,486)	**(49,378)**	(46,493)	**(108,077)**	(122,223)
Non-current						
Assets	**-**	-	**601**	83	**288**	164
Financial liabilities (excluding trade and other payables)	**-**	-	**(251,340)**	(281,892)	**(141,253)**	(138,623)
Total non-current liabilities	**-**	-	**(251,340)**	(281,892)	**(141,253)**	(138,623)
Net assets	**34,069**	26,788	**43,448**	12,482	**65,619**	72,133

33 JOINT VENTURES (cont'd)

(d) Set out below are the summarised financial information for material joint ventures which are accounted for using the equity method: (cont'd)

(ii) Summarised statements of comprehensive income:

	IJM-CHEC Joint Venture		368 Segambut Sdn Bhd		Nasa Land Sdn Bhd	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	**97,039**	104,432	**202,265**	96,538	**18,639**	8,840
Interest income	**-**	-	**208**	56	**302**	556
Finance cost	**-**	-	**(1,405)**	(467)	**(5,504)**	(6,544)
Profit/(loss) before taxation	**7,281**	6,468	**48,621**	19,691	**(4,494)**	3,853
Income tax expense	**-**	-	**(11,662)**	(4,759)	**(1,066)**	(2,786)
Net profit/(loss) for the year/ Total comprehensive income/(loss)	**7,281**	6,468	**36,959**	14,932	**(5,560)**	1,067

(iii) Reconciliation of the summarised information presented to the carrying amounts of interest in joint ventures is set out below:

	IJM-CHEC Joint Venture		368 Segambut Sdn Bhd		Nasa Land Sdn Bhd	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net assets/(liabilities) at 1 April 2019/2018	**26,788**	20,320	**12,482**	(2,547)	**72,133**	71,200
Net profit/(loss) for the financial year	**7,281**	6,468	**36,959**	14,932	**(5,560)**	1,067
Others	**-**	-	**(5,993)**	97	**(954)**	(134)
Net assets at 31 March	**34,069**	26,788	**43,448**	12,482	**65,619**	72,133
Interests in joint ventures	**20,441**	16,073	**21,724**	6,241	**32,810**	36,067
Goodwill	**-**	-	**-**	-	**11,597**	11,597
Carrying value	**20,441**	16,073	**21,724**	6,241	**44,407**	47,664

(e) Set out below are the financial information of all individually immaterial joint ventures on an aggregate basis.

	2020 RM'000	2019 RM'000
Carrying amounts of interest in joint ventures	**41,459**	32,356
Share of joint ventures' profits/(losses)/share of joint ventures' total comprehensive income/(losses)	**10,204**	(26,693)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

34 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity investments at fair value through other comprehensive income ("FVOCI") comprise the following investments:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current assets				
Unquoted shares in Malaysia	**3,560**	3,560	**2,050**	2,050
Others	**105**	105	**-**	-
	3,665	3,665	**2,050**	2,050

At the date of the initial application of MFRS 9 on 1 April 2018, the Group and the Company had irrevocably elected to present the fair value changes in other comprehensive income. The Group and the Company consider this classification to be more relevant as these investments are strategic investments, which are not held for trading purpose.

All of the financial assets at FVOCI are denominated in Malaysian Ringgit.

35 LONG TERM RECEIVABLES

	Note	The Group 2020 RM'000	The Group 2019 RM'000
Lease receivables	(a)	**1,148**	9,765
Less: Amount receivable within 12 months (included in trade and other receivables - Note 39)		**(114)**	(3,115)
		1,034	6,650
Amounts due from non-controlling interests	(b)	**56,125**	52,897
Less: Allowance for impairment of amounts due from non-controlling interests		**(4,000)**	-
		52,125	52,897
Advances for plasma schemes	(c)	**76,131**	75,010
Other receivables	(d)	**135,229**	135,367
Less: Allowance for impairment of other receivables		**(63,704)**	(63,704)
		71,525	71,663
Prepayment		**19,916**	-
		220,731	206,220

35 LONG TERM RECEIVABLES (cont'd)

(a) Lease receivables

	The Group	
	2020 RM'000	2019 RM'000
Lease receivables:		
- Receivable within 1 year	**114**	3,700
- Receivable between 1 and 5 years	**1,034**	7,228
	1,148	10,928
Less: Unearned interest income	**-**	(1,163)
	1,148	9,765
Lease receivables (net of unearned interest income):		
- Receivable within 1 year	**114**	3,115
- Receivable between 1 and 5 years	**1,034**	6,650
	1,148	9,765

The lease receivables for the current year arise from a separate lease agreement entered into between an indirect subsidiary of the Company and third parties to lease a special purpose building for a period of 15 years. The Group does not have any significant exposure to credit risk from the lease receivables as the ownership and rights to the building revert to the Group in the event of default.

(b) The amounts due from non-controlling interests are denominated in USD. The amounts due from non-controlling interests are in respect of advances made by subsidiaries of IJM Plantations Berhad, a subsidiary of the Company to non-controlling interests. The advances are operational in nature for furtherance of the overseas subsidiaries' business operations. The amounts due from non-controlling interests are currently interest free and secured against the equity shares held by the non-controlling interests in the respective companies. Management reserves the right to charge interest in the future. Management does not intend to demand for repayment of the amounts due from the non-controlling interests within the period of twelve months. As a result, the amounts are classified as non-current assets as at the reporting date.

During the financial year, loss allowance of RM4,000,000 was provided for in respect of amount due from non-controlling interests arising from the difference between the present value of the expected cash flows and the contractual cash flows over the recovery period.

(c) The Government of the Republic of Indonesia requires companies involved in plantation development to provide support to develop and cultivate oil palm lands for local communities in oil palm plantations as part of their social obligation which are known as "Plasma" schemes.

In line with this requirement, the subsidiaries of IJM Plantations Berhad ("indirect subsidiaries"), a subsidiary of the Company, have involvement in several cooperative programs for the development and cultivation of oil palm lands for local communities. The indirect subsidiaries supervise and manage the plasma schemes. Advances made by the indirect subsidiaries to the plasma schemes in the form of plantation development costs are recoverable either through bank loans obtained by the cooperatives or direct repayments from the plasma schemes when these plasma areas come into production. Accordingly, the credit risk arising from these advances is minimal.

Management expects that these advances will not be repaid within the next financial year. As a result, these amounts are classified as non-current assets.

(d) The other receivables are unsecured advances which bear interest at a rate of 6.5% (2019: 6.5%) per annum. As at 31 March 2020, the Group has not recognised loss allowance for the net balances of RM71,525,000 (2019: RM71,663,000) which was past due as the receivables are secured by collaterals.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

36 INTANGIBLE ASSETS

The Group	Goodwill on consolidation RM'000	Quarry development expenditure RM'000	Total RM'000
2020			
Cost			
At 1 April 2019	**1,083,900**	**74,915**	**1,158,815**
Additions	**-**	**2,785**	**2,785**
At 31 March 2020	**1,083,900**	**77,700**	**1,161,600**
Accumulated amortisation			
At 1 April 2019	**-**	**(52,176)**	**(52,176)**
Amortisation for the financial year (Note 5(a))	**-**	**(3,869)**	**(3,869)**
At 31 March 2020	**-**	**(56,045)**	**(56,045)**
Accumulated impairment			
At 1 April 2019/At 31 March 2020	**(1,004,439)**	**-**	**(1,004,439)**
At 31 March 2020	**79,461**	**21,655**	**101,116**
2019			
Cost			
At 1 April 2018	1,083,900	70,483	1,154,383
Additions	-	4,432	4,432
At 31 March 2019	1,083,900	74,915	1,158,815
Accumulated amortisation			
At 1 April 2018	-	(48,348)	(48,348)
Amortisation for the financial year (Note 5(a))	-	(3,828)	(3,828)
At 31 March 2019	-	(52,176)	(52,176)
Accumulated impairment			
At 1 April 2018/At 31 March 2019	(1,004,439)	-	(1,004,439)
At 31 March 2019	79,461	22,739	102,200

During the financial year, amortisation of quarry development expenditure of RM3,869,000 (2019: RM3,828,000) was included in cost of sales.

37 INVENTORIES

	Note	The Group 2020 RM'000	The Group 2019 RM'000
Non-current			
Land held for property development	(a)	**672,337**	631,921
Oil palm nurseries		**6,886**	-
Total non-current		**679,223**	631,921
Current			
At cost:			
Raw materials:			
- Construction materials		**6,270**	10,829
- Other raw materials		**92,373**	132,266
Finished goods:			
- Completed buildings		**630,107**	995,584
- Quarry and manufactured products		**175,734**	170,127
Palm and palm oil products:			
- Crude palm oil		**-**	35,213
- Crude palm kernel oil		**5,559**	4,865
- Oil palm nurseries		**36**	8,710
- Palm kernels		**1,911**	2,058
- Palm kernel expellers		**444**	287
Consumables:			
- Fertilisers and chemicals		**8,604**	16,777
- Stores and spares		**21,118**	20,232
		942,156	1,396,948
At net realisable value:			
Finished goods:			
- Completed buildings		**896,148**	18,726
- Consumables		**5,084**	1,135
Palm and palm oil products:			
- Crude palm oil		**44,407**	-
		945,639	19,861
		1,887,795	1,416,809
Property development costs	(b)	**5,799,219**	6,819,288
Total current		**7,687,014**	8,236,097
Total inventories		**8,366,237**	8,868,018

Inventories recognised as an expense during the financial year amounted to RM2,390,523,000 (2019: RM1,680,015,000).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

37 INVENTORIES (cont'd)

(a) Land held for property development

	The Group 2020 RM'000	The Group 2019 RM'000
Cost:		
Freehold land	**439,134**	420,208
Leasehold land	**114,270**	114,210
Development costs	**43,025**	40,755
	596,429	575,173
Net realisable value:		
Freehold land	**72,236**	53,076
Leasehold land	**3,672**	3,672
	75,908	56,748
	672,337	631,921
At 1 April 2019/2018	**631,921**	663,465
Additions during the year	**43,875**	7,096
Transferred to property development costs (Note 37(b)):		
- Land cost	**-**	(36,816)
- Development costs	**-**	(589)
	-	(37,405)
Exchange differences	**(3,459)**	(1,235)
At 31 March	**672,337**	631,921

In the preceding financial year, finance cost of RM1,887,000 (Note 9) had been capitalised in land held for property development.

The carrying values of leasehold land and freehold land amounting to RM3,371,000 and RM543,000 respectively (2019: RM3,371,000 and RM543,000 respectively) are pledged as security for the term loans of the subsidiaries (Note 17).

37 INVENTORIES (cont'd)

(b) Property development costs

	Note	The Group 2020 RM'000	2019 RM'000
At 1 April 2019/2018		**6,819,288**	6,349,574
Less: Completed development properties:			
Freehold land – at cost		**(20,232)**	(29,564)
Leasehold land – at cost		**(32,108)**	(8,129)
Development costs		**(481,506)**	(566,338)
Accumulated costs charged to profit or loss		**369,280**	324,318
Completed units transferred to inventories		**164,566**	279,713
		-	-
		6,819,288	6,349,574
Completed units transferred to inventories		**(866,096)**	(264,789)
Costs charged to profit or loss		**(1,398,681)**	(807,700)
Costs incurred during the financial year:			
- Purchase of land		**4,339**	-
- Development costs		**1,282,056**	1,524,671
		1,286,395	1,524,671
Disposal during the financial year		**(8,017)**	-
(Impairment)/write back of impairment during the year	5(a),(b)	**(13,231)**	10
Transferred to investment properties	29	**(7,209)**	(9,142)
Transferred from land held for property development:	37(a)		
- Land cost		**-**	36,816
- Development costs		**-**	589
		-	37,405
Exchange differences		**(13,230)**	(10,741)
At 31 March		**5,799,219**	6,819,288
At 31 March:			
Freehold land – at cost		**672,551**	729,671
Leasehold land – at cost		**2,865,497**	2,853,151
Development costs		**7,364,876**	5,936,527
Accumulated costs charged to profit or loss		**(3,827,681)**	(2,142,132)
Completed units transferred to inventories		**(1,234,334)**	(455,901)
Allowance for write down		**(41,690)**	(102,028)
		5,799,219	6,819,288

During the financial year, employee benefits cost and finance cost of RM149,000 (2019: RM153,000) (Note 6) and RM92,615,000 (2019: RM122,127,000) (Note 9) respectively have been capitalised in property development costs.

The carrying values of freehold land and leasehold land amounting to RM232,688,000 (2019: RM349,191,000) and RM1,259,883,000 (2019: RM1,313,043,000) respectively are pledged as security for certain revolving credits (Note 47) and term loans of the subsidiaries (Note 17).

As at 31 March 2020, land titles to leasehold land with a carrying value of RM1,529,000 (2019: RM426,000) are in the process of being transferred.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

38 PRODUCE GROWING ON BEARER PLANTS

Produce growing on bearer plants comprises oil palm fresh fruit bunches ("FFB") growing on palm trees.

	The Group	
	2020 RM'000	2019 RM'000
Current:		
Oil palm FFB	**11,892**	7,750
At 1 April 2019/2018	**7,750**	10,615
Harvest produce transfer to inventories	**(7,750)**	(10,615)
Change in fair value less cost to sell	**12,429**	7,675
Exchange differences	**(537)**	75
At 31 March	**11,892**	7,750

During the financial year, the Group harvested approximately 1,061,771 tonnes (2019: 976,395 tonnes) of FFB. The quantity of unharvested FFB of the Group as at 31 March 2020 is approximately 47,395 tonnes (2019: 45,275 tonnes).

The fair value measurement of the Group's produce growing on bearer plants is categorised within Level 3 of the fair value hierarchy. A change of 10% in the discounted market price of FFB used ranging from RM276 to RM328 per metric tonne (2019: from RM222 to RM325 per metric tonne) would cause the fair value of the Group's produce growing on bearer plants to increase or decrease equally by approximately RM1.7 million (2019: RM1.2 million).

39 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade receivables	**1,429,896**	1,437,334	**54,728**	55,298
Trade advances	**135,464**	126,589	**1,840**	1,646
Other receivables	**212,215**	333,609	**15,429**	3,238
Amounts owing by subsidiaries	**-**	-	**2,216,255**	2,235,421
Amounts owing by associates	**107,655**	212,185	**6,735**	1,340
Amount owing by a joint operation partner*	**58,698**	82,589	**-**	-
Deposits	**38,345**	40,028	**359**	381
	1,982,273	2,232,334	**2,295,346**	2,297,324
Less: Allowance for impairment of trade and other receivables	**(191,153)**	(191,461)	**(79,329)**	(73,934)
	1,791,120	2,040,873	**2,216,017**	2,223,390
Prepayments	**66,287**	30,720	**251**	270
Costs to secure contracts**	**8,257**	18,604	**-**	-
	1,865,664	2,090,197	**2,216,268**	2,223,660

Other receivables include the current portion of the following items:

	The Group	
	2020 RM'000	2019 RM'000
Lease receivables (Note 35)	**114**	3,115

39 TRADE AND OTHER RECEIVABLES (cont'd)

The currency exposure profile of trade and other receivables is as follows:

	The Group	
	2020 RM'000	2019 RM'000
United States Dollar	**19,775**	3,855
Singapore Dollar	**7,070**	4,999
Brunei Dollar	**261**	10,693
	27,106	19,547

* The balance represents an amount owing by a joint operation partner, WCE Holdings Berhad (a 26% associate of the Company) and amount owing by a subsidiary of the joint operation partner. IJMC-KEB joint venture is a 70% unincorporated joint operation of the Group between IJM Construction Sdn Bhd ("IJMC") and WCE Holdings Berhad, which carry out the engineering, procurement and construction works for the construction of the West Coast Expressway. IJMC is a wholly-owned subsidiary of the Company.

** The Group recognised an asset in relation to sales commissions and legal fees incurred on loan agreements in obtaining contracts. The asset is amortised on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue. The amortisation recognised as cost of providing services during the financial year was RM30,085,000 (2019: RM22,825,000).

<u>Trade and other receivables that are neither past due nor impaired</u>:

Credit terms of trade receivables range from payment in advance to 120 days (2019: range from payment in advance to 120 days).

Trade and other receivables that are neither past due nor impaired comprise:

- Receivables in relation to construction business arising from rendering of construction services to companies with a good collection track record with the Group and the Company. These receivables include retention sums which are to be settled in accordance with the terms of the respective contracts;
- Receivables in relation to property development business arising from sale of development units to large number of property purchasers with end financing facilities from reputable end-financiers. The ownership and rights to the properties revert to the Group in the event of default; and
- Receivables from other external parties with no history of default.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

39 TRADE AND OTHER RECEIVABLES (cont'd)

Trade and other receivables that are impaired:

The receivables are individually impaired either because of significant delays in collection periods or because the debtors are in unexpectedly difficult economic situations. As at 31 March 2020, trade and other receivables of the Group and the Company of RM191,153,000 (2019: RM191,461,000) and RM79,329,000 (2019: RM73,934,000) respectively were impaired and provided for.

Movements on the Group's and the Company's allowance for impairment of trade and other receivables are as follows:

		The Group		The Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 April 2019/2018		**191,461**	196,605	**73,934**	73,934
Allowance for impairment of receivables during the year	5(a)	**19,153**	10,524	**5,395**	-
Write back of allowance for impairment of receivables	5(b)	**(11,483)**	(6,891)	**-**	-
Bad debts written off		**(4,094)**	(5,917)	**-**	-
Foreign currency exchange differences		**(4,588)**	(2,803)	**-**	-
Others		**704**	(57)	**-**	-
At 31 March		**191,153**	191,461	**79,329**	73,934

Of the above Group impairment, RM156,191,000 (2019: RM157,173,000) related to trade receivables.

Of the above Company impairment, RM32,122,000 (2019: RM32,122,000) related to trade receivables.

Concentrations of credit risk with respect to trade and other receivables are limited due to the Group's large number of customers, who are dispersed over a broad spectrum of industries and businesses. The Group has carried out an assessment on the recoverability of these balances and management believes that the current impairment recognised is adequate.

The amounts owing by subsidiaries and associates are unsecured and repayable on demand. Certain amounts owing by subsidiaries and associates bear interest at rates ranging from 5.0% to 7.9% (2019: 5.0% to 7.9%) per annum. The Company has carried out an assessment on the recoverability of these balances and management believes that the carrying amount is recoverable.

The amount owing by a joint operation partner and amount owing by a subsidiary of the joint operation partner mainly comprise receivables arising from the rendering of construction services to the joint operations and has no history of default. The credit terms of these trade related balances are 30 days (2019: 30 days).

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above.

There is no material difference between the carrying values of trade and other receivables and their fair values, due to the short-term duration of the receivables.

40 CONTRACT ASSETS AND CONTRACT LIABILITIES

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Contract Assets:				
Contract assets from construction (Note (a))	**30,705**	39,350	**-**	-
Contract assets from property development (Note (b))	**314,631**	287,486	**-**	-
Total	**345,336**	326,836	**-**	-
Analysed as:				
Current	**345,336**	326,836	**-**	-
Contract Liabilities:				
Contract liabilities from construction (Note (a))	**551,323**	528,360	**1,136**	891
Contract liabilities from property development (Note (b))	**115,043**	245,517	**-**	-
Total	**666,366**	773,877	**1,136**	891
Analysed as:				
Current	**666,366**	773,877	**1,136**	891

(a) Contract assets and contract liabilities from construction

The Group and the Company issue progress billings to customers when the billing milestones are attained. The Group and the Company recognise revenue when the performance obligation is satisfied.

The Group's and the Company's contract assets and contract liabilities relating to construction contracts as of each reporting period can be summarised as follows:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Contract assets	**30,705**	39,350	**-**	-
Contract liabilities	**(551,323)**	(528,360)	**(1,136)**	(891)
	(520,618)	(489,010)	**(1,136)**	(891)
At 1 April 2019/2018	**(489,010)**	(378,032)	**(891)**	(939)
Revenue recognised during the year	**2,041,225**	1,959,537	**-**	-
Progress billings issued during the year	**(2,217,736)**	(1,944,574)	**-**	-
Advances given/(received) on contracts	**70,995**	(127,011)	**-**	-
Exchange translation differences	**(648)**	1,070	**105**	(2)
Others	**-**	-	**(350)**	50
Reclassification of accounts	**74,556**	-	**-**	-
At 31 March	**(520,618)**	(489,010)	**(1,136)**	(891)

The unsatisfied performance obligations at the end of the reporting period are expected to be recognised in the following periods:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Within 1 year	**2,848,903**	2,500,606	**-**	-
Between 1 and 4 years	**1,936,529**	4,224,487	**-**	-
	4,785,432	6,725,093	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

40 CONTRACT ASSETS AND CONTRACT LIABILITIES (cont'd)

(b) Contract assets and contract liabilities from property development

The Group issues progress billings to purchasers when the billing milestones are attained. The Group recognises revenue when the performance obligation is satisfied.

The Group's contract assets and contract liabilities relating to the sale of properties as of each reporting period can be summarised as follows:

	The Group	
	2020 RM'000	2019 RM'000
Contract assets	**314,631**	287,486
Contract liabilities	**(115,043)**	(245,517)
	199,588	41,969
At 1 April 2019/2018	**41,969**	24,621
Revenue recognised during the year	**2,130,431**	1,380,002
Progress billings issued during the year	**(1,973,707)**	(1,367,333)
Exchange translation differences	**895**	4,679
At 31 March	**199,588**	41,969

The unsatisfied performance obligations at the end of the reporting period are expected to be recognised in the following periods:

	The Group	
	2020 RM'000	2019 RM'000
Within 1 year	**373,751**	226,248
Between 1 and 4 years	**278,048**	473,001
	651,799	699,249

41 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Quoted securities in Malaysia				
- held for trading:				
Quoted shares	**2,227**	2,874	**-**	-
Quoted real estate investment trusts	**4,844**	7,701	**4,844**	7,701
Quoted unit trusts	**527,559**	431,280	**22**	-
Quoted securities outside Malaysia				
- held for trading:				
Quoted government securities	**-**	2,844	**-**	2,844
	534,630	444,699	**4,866**	10,545

The fair values of all quoted securities are determined based on their quoted market prices in an active market and are within Level 1 of the fair value hierarchy.

The currency exposure profile of financial assets at fair value through profit or loss is as follows:

	The Group and the Company	
	2020 RM'000	2019 RM'000
Argentine Peso	**-**	2,844

42 DERIVATIVE FINANCIAL INSTRUMENTS

	Note	The Group Assets RM'000	The Group Liabilities RM'000	The Company Assets RM'000	The Company Liabilities RM'000
At 31 March 2020					
Non-current:					
Interest rate swap contracts	(a)	**-**	**872**	**-**	**-**
Current:					
Interest rate swap contracts	(a)	**-**	**2,121**	**-**	**-**
Crude palm oil ("CPO") swap contracts	(b)	**329**	**1,115**	**-**	**-**
Cross currency swap	(c)	**1,393**	**-**	**1,393**	**-**
		1,722	**3,236**	**1,393**	**-**
At 31 March 2019					
Current:					
Crude palm oil ("CPO") swap contracts	(b)	4,470	-	-	-
Cross currency swap	(c)	-	4,467	-	4,467
		4,470	4,467	-	4,467

(a) Interest rate swap contracts

IJM Plantations Berhad, a subsidiary of the Company, has entered into interest rate swap contracts to mitigate the exposure of fluctuations in the interest rates movement of its floating-rated US Dollar borrowings.

The fair value of interest rate swap contracts as at the reporting date is estimated based on the present value of the estimated future cash flows based on observable yield curves.

As at the reporting date, the outstanding interest rate swap contracts are made up of notional amounts as follows:

As at 31 March 2020 Group	Base Currency	Contract/Notional Value RM'000	Fair value of derivative financial liabilities RM'000
Less than 1 year	USD	**168,812**	**2,121**
1 to 2 years	USD	**168,812**	**872**

The company did not have any interest rate swap contracts as at 31 March 2019.

(b) Crude palm oil ("CPO") swap contracts

IJM Plantations Berhad, a subsidiary of the Company, has entered into CPO swap contracts to mitigate the exposure of fluctuations in the price of CPO.

The change in fair value is due to the differences between fixed CPO prices as per the swap contracts and the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange for the specific contracted periods.

As at 31 March 2020, the outstanding CPO swap contracts are made up of notional amounts of 15,500 metric tonnes (2019: 21,000 metric tonnes) with contracted prices ranging from RM2,225 to RM2,565 per metric tonne (2019: RM2,340 to RM2,505 per metric tonne) with settlement dates between 30 April 2020 to 31 March 2021 (2019: 1 January 2019 to 31 March 2020).

(c) Cross currency swap

In the previous financial years, the Company entered into structured cross currency swap contracts to swap USD floating rate liability into MYR floating rate liability, thus hedging the USD/MYR currency and interest rate risks. As at 31 March 2020, the outstanding notional value of the contract is USD77 million (2019: USD45 million).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

42 DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

(d) Maturity profile of derivative financial instruments

Types of derivative	< 1 year RM'000	1 – 3 years RM'000	> 3 years RM'000	Total fair value of derivative financial assets/ (liabilities) RM'000
The Group				
As at 31 March 2020				
(i) CPO swap contracts	**(786)**	**-**	**-**	**(786)**
(ii) Cross currency swap	**1,393**	**-**	**-**	**1,393**
(iii) Interest rate swap contracts	**(2,121)**	**(872)**	**-**	**(2,993)**
				(2,386)
As at 31 March 2019				
(i) CPO swap contracts	4,470	-	-	4,470
(ii) Cross currency swap	(4,467)	-	-	(4,467)
				3
The Company				
As at 31 March 2020				
(i) Cross currency swap	**1,393**	**-**	**-**	**1,393**
As at 31 March 2019				
(i) Cross currency swap	(4,467)	-	-	(4,467)

43 DEPOSITS, CASH AND BANK BALANCES

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
Deposits with licensed banks	50	**812,313**	693,600	**97,204**	21,173
Cash and bank balances		**910,110**	401,538	**85,018**	6,922
Housing Development Accounts (a)		**500,225**	462,815	**-**	-
	50	**1,410,335**	864,353	**85,018**	6,922
		2,222,648	1,557,953	**182,222**	28,095

(a) Cash and bank balances include balances amounting to RM500,225,000 (2019: RM462,815,000) which are maintained in designated Housing Development Accounts pursuant to the Housing Developers (Control and Licensing) Act, 1966 and Housing Regulations, 1991 in connection with the Group's property development projects. The utilisation of these balances is restricted before completion of the housing development projects and fulfilment of all relevant obligations to the purchasers, such that the cash can only be withdrawn from such accounts for the purpose of completing the particular projects.

43 DEPOSITS, CASH AND BANK BALANCES (cont'd)

The currency exposure profile of deposits with licensed banks is as follows:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
United States Dollar	**30,706**	-	**-**	-
Japanese Yen	**800**	777	**-**	-
	31,506	777	**-**	-

The currency exposure profile of cash and bank balances is as follows:

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
United States Dollar	**86,869**	23,655	**37,442**	2,592
Singapore Dollar	**4,260**	9,150	**-**	-
Argentine Peso	**564**	2	**564**	2
Pakistan Rupee	**74**	115	**74**	115
Japanese Yen	**44**	-	**-**	-
	91,811	32,922	**38,080**	2,709

The effective interest rates per annum as at the end of the financial year for the Group and the Company are as follows:

	The Group		The Company	
	2020 %	2019 %	2020 %	2019 %
Deposits with licensed banks:				
Ringgit Malaysia	**2.64**	3.08	**2.33**	3.20
US Dollar	**1.45**	-	**-**	-
Indian Rupee	**6.54**	6.28	**6.43**	6.61
Indonesian Rupiah	**4.75**	5.75	**-**	-
Cash at bank held under Housing Development Accounts	**1.91**	2.24	**-**	-

Deposits, cash and bank balances are mainly deposits with banks with high credit ratings assigned by international credit rating agencies.

The cash and bank balances are deposits held at call with banks and earn no interest.

Deposits with licensed banks of the Group and of the Company have a maturity period ranging between 1 and 365 days (2019: 1 and 365 days). Except for the restricted deposits with licensed banks, the deposits with the maturity period of more than 3 months are readily convertible to known amount of cash and subject to insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

44 ASSETS HELD FOR SALE

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
Investment properties (Note 29)	(a)	**531**	-	**-**	-
Associates	(b)	**3,134**	-	**4,095**	-
		3,665	-	**4,095**	-

On 26 November 2019, the directors of Malaysian Rock Products Sdn Bhd, a wholly-owned subsidiary of Industrial Concrete Products Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Belle Tech Marketing Sdn Bhd to dispose a 3-storey commercial property measuring approximately 178 square meters at Taman Industri Subang for a cash consideration of RM1,650,000. As at 31 March 2020, the disposal is subject to fulfilment of conditions precedent.

During the financial year, the Directors approved the disposal of 233,991,865 ordinary shares at RM0.03 each, representing a 21.4% of the issued and paid-up share capital of an associate, Scomi Group Berhad ("SGB"). The transaction was completed on 25 June 2020 (Note 58).

45 TRADE AND OTHER PAYABLES

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
Trade payables		**1,211,988**	1,169,695	**253**	261
Trade accruals		**1,033,085**	950,518	**37,648**	36,293
Amounts owing to subsidiaries		**-**	-	**84,341**	356,191
Amounts owing to associates		**1**	136	**1**	1
Amounts owing to joint ventures		**10,696**	7,611	**-**	-
Government support loans	18	**36,645**	33,104	**-**	-
Hire purchase and lease payables*	19	**-**	278	**-**	-
Land and development costs payable I**		**241,290**	228,355	**-**	-
Land and development costs payable II	23(b)	**13,750**	18,184	**-**	-
Land costs payable***		**-**	109,257	**-**	-
Other payables and accruals		**574,974**	577,872	**6,153**	8,137
Lease payable to Kuantan Port Authority	23(e)	**6,220**	6,125	**-**	-
		3,128,649	3,101,135	**128,396**	400,883
Retirement benefits payable	24	**2,350**	483	**-**	-
		3,130,999	3,101,618	**128,396**	400,883

* From 1 April 2019 hire purchase and lease payables are presented as a separate line item (lease liabilities) in the statement of financial position. See Note 56 to the financial statements on change in accounting policy upon adoption of MFRS 16.

** This represents the land cost for a mixed development at Royal Mint Street, United Kingdom ("UK"), which will become payable upon surplus cash flow being available from the development.

*** As at the end of the preceding reporting date, the land costs payable was in connection to a property development in Kuala Lumpur, which became payable as the development progressed.

The currency exposure profile of trade and other payables is as follows:

	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
United States Dollar	**1,478**	546	**-**	-

As at the reporting date, the current amounts owing to subsidiaries, associates and joint ventures are unsecured and repayable on demand. Credit terms of trade and other payables range from payments in advance to 120 days (2019: range from payments in advance to 120 days).

46 PROVISIONS

	Note	The Group 2020 RM'000	The Group 2019 RM'000
Provisions (current)	(a)	**2,476**	2,870
Provision for maintenance			
At 1 April 2019/2018		**2,870**	2,764
Current year provision		**5,222**	4,165
Utilised during the year		**(3,631)**	(3,860)
Over provision in respect of prior years		**(1,907)**	-
Reclassification		**(78)**	(199)
At 31 March		**2,476**	2,870

(a) Provision for maintenance is in respect of the contractual obligations under the respective concession agreements to maintain and restore the Expressway Development Expenditure ("EDE") to a specified standard of serviceability.

47 BORROWINGS

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
Secured					
Bonds	16	**60,000**	55,000	**-**	-
Term loans	17	**135,689**	80,834	**-**	-
Revolving credits (A)		**147,721**	107,091	**-**	-
Bank overdrafts (B)	50	**-**	550	**-**	-
		343,410	243,475	**-**	-
Unsecured					
Bonds	16	**150,000**	200,000	**150,000**	200,000
Term loans	17	**827,528**	505,381	**173,140**	30,596
Bankers' acceptances		**19,239**	35,367	**-**	-
Revolving credits		**567,105**	543,392	**127,500**	175,398
Revolving loans		**302,995**	183,578	**302,995**	183,578
Bank overdrafts	50	**118,860**	75,203	**-**	-
Letters of credit		**1,380**	10,572	**-**	-
		1,987,107	1,553,493	**753,635**	589,572
		2,330,517	1,796,968	**753,635**	589,572

The currency exposure profile of the above bank borrowings is as follows:

	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
United States Dollar	**701,574**	534,078	**476,135**	234,572
Chinese Yuan	**2,276**	33,137	**-**	-
Japanese Yen	**10,489**	-	**-**	-
	714,339	567,215	**476,135**	234,572

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

47 BORROWINGS (cont'd)

As at the reporting date, the weighted average annual effective interest rates for the bank borrowings, other than the bonds and term loans which are disclosed in Notes 16 and 17 respectively, of the Group and the Company are as follows:

	The Group 2020			
	Bankers' acceptances %	Revolving credits %	Revolving loans %	Bank overdrafts %
Ringgit Malaysia	**3.74**	**4.17**	**-**	**5.25**
Indian Rupee	**-**	**8.00**	**-**	**8.78**
United States Dollar	**-**	**2.40**	**2.70**	**-**
Chinese Yuan	**-**	**5.13**	**-**	**5.60**

	The Group 2019			
	Bankers' acceptances %	Revolving credits %	Revolving loans %	Bank overdrafts %
Ringgit Malaysia	4.21	4.66	-	7.40
Indian Rupee	-	8.90	-	9.13
United States Dollar	-	3.54	3.61	-
Chinese Yuan	-	5.13	-	5.44

	The Company			
	2020		2019	
	Revolving credits %	Revolving loans %	Revolving credits %	Revolving loans %
Ringgit Malaysia	**3.79**	**-**	4.30	-
United States Dollar	**-**	**2.70**	3.90	3.61

The security for bonds and term loans are disclosed in Notes 16 and 17 respectively.

(A) As at the reporting date, the following revolving credits of the Group are secured as follows:

	Note	The Group 2020 RM'000	2019 RM'000
Revolving credit (i)	(a)	**19,600**	8,943
Revolving credit (ii)	(b)	**6,121**	200
Revolving credit (iii)	(c)	**60,500**	97,948
Revolving credit (iv)	(d)	**29,500**	-
Revolving credit (v)	(e)	**30,000**	-
Revolving credit (vi)	(f)	**2,000**	-
		147,721	107,091

47 BORROWINGS (cont'd)

(A) As at the reporting date, the following revolving credits of the Group are secured as follows: (cont'd)

(a) The security for revolving credit (i) of RM19,600,000 (2019: RM8,943,000) is disclosed in Note 17(C)(a).

(b) The security for revolving credit (ii) of RM6,121,000 (2019: RM200,000) is disclosed in Note 17(C)(i).

(c) The security for revolving credit (iii) of RM60,500,000 (2019: RM97,948,000) is disclosed in Note 17(C)(j).

(d) The security for revolving credit (iv) of RM29,500,000 (2019: RM Nil) is disclosed in Note 17(C)(b).

(e) The revolving credit (v) of RM30,000,000 (2019: RM Nil) is secured by way of a Lien-Holder's Caveat over landed properties (Note 37) of a subsidiary of IJML with minimum security cover of 1.0 time the loan outstanding.

(f) The security for revolving credit (vi) of RM2,000,000 (2019: RM Nil) is disclosed in Note 17(C)(g).

(B) As at 31 March 2019, the bank overdrafts of RM550,000 of a subsidiary of the Company were secured by a fixed charge over certain property, plant and equipment (Note 26) and land use rights (Note 27) of the subsidiary.

48 IMPAIRMENT OF ASSETS

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segments.

The carrying amounts of goodwill allocated to the CGUs are as follows:

	Manufacturing and quarrying RM'000	Construction RM'000	Property RM'000	Total RM'000
2020				
At 1 April 2019/At 31 March	**56,026**	**13,132**	**10,303**	**79,461**
2019				
At 1 April 2018 / At 31 March	56,026	13,132	10,303	79,461

The recoverable amounts of the respective CGUs are determined based on value-in-use ("VIU") calculations, using pre-tax cash flow projections on the following basis:

CGU	Basis of cash flow projections	Growth rate 2020 %	Growth rate 2019 %	Discount rate 2020 %	Discount rate 2019 %
Manufacturing and Quarrying	Financial budgets approved by management covering a 5-year period based on past performance and expectations of market development	**2.2**	2.1	**6.5**	7.0
Construction	Discounted cash flows of the construction order book covering a 3-year period	**N/A**	N/A	**10.0**	10.0
Property	Discounted cash flows of a property development project covering a 17-year period	**N/A**	N/A	**10.0**	10.0

N/A denotes not applicable

The discount rates used are pre-tax and reflect the specific risks relating to the respective CGUs.

There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of the CGUs to materially exceed the recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

49 (a) ACQUISITION OF A SUBSIDIARY

On 23 May 2018, Industrial Concrete Products Sdn Bhd, a wholly-owned subsidiary of the Company incorporated a wholly-owned subsidiary, namely IJM IBS Sdn Bhd with an initial share capital of one ordinary share of RM1 each. The incorporation had no significant effect on the financial results of the Group in the preceding financial year and the financial position of the Group as at the end of the preceding financial year.

(b) DISPOSAL OF A SUBSIDIARY

On 23 October 2018, ICPB (Mauritius) Limited, a wholly-owned subsidiary of Industrial Concrete Products Sdn Bhd ("ICP") via ICP Investments (L) Limited entered into a share purchase agreement to dispose 32,083,669 ordinary shares of INR10 each, representing 99.99% of the issued and paid-up share capital of IJM Steel Products Private Limited ("IJMSPPL") to Pravan Holdings LLP and Highworth Holdings LLP in equal proportion for a total consideration of INR63,999,998 (which was equivalent to RM3.6 million). Following the completion of the disposal, IJMSPPL ceased to be a subsidiary of the Group.

Details of the disposal were as follows:

	Note	At date of disposal RM'000
Non-current asset		
Property, plant and equipment	26	3,717
Current assets		
Inventories		74
Other receivables		1,080
Cash and bank balances		42
		1,196
Current liability		
Trade and other payables		(251)
Net assets disposed		4,662
Transfer from foreign exchange reserve		1,667
Net disposal proceeds		(3,634)
Loss on disposal of a subsidiary	5(a)	(2,695)
The net cash flows on disposal is determined as follows:		
Total proceeds from disposal – cash consideration		3,634
Cash and cash equivalents of subsidiary disposed of		(42)
Cash inflow to the Group on disposal		3,592

50 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Group's and the Company's cash flow statements comprise the following:

	Note	The Group 2020 RM'000	The Group 2019 RM'000	The Company 2020 RM'000	The Company 2019 RM'000
Deposits with licensed banks	43	**812,313**	693,600	**97,204**	21,173
Cash and bank balances	43	**1,410,335**	864,353	**85,018**	6,922
Bank overdrafts					
- Secured	47	**-**	(550)	**-**	-
- Unsecured	47	**(118,860)**	(75,203)	**-**	-
		2,103,788	1,482,200	**182,222**	28,095
Less: Restricted deposits with licensed banks	(a)	**(32,579)**	(31,065)	**-**	-
		2,071,209	1,451,135	**182,222**	28,095

(a) As at the reporting date, the restricted deposits with licensed banks are mainly deposits of certain subsidiaries, which were assigned to the banks to be held as security in respect of a corporate guarantee facility to a co-operative in Indonesia, escrow amounts in respect of toll collected on behalf of the tollway authority and being pledged as consent for an assignment of performance bond in relation to Sukuk Wakalah.

51 FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is assumed to be the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

Quoted market prices, when available, are used as a measure of fair values. However, for a significant portion of the Group's and of the Company's financial instruments, quoted market prices do not exist. For such financial instruments, fair values presented are estimates derived using the discounted value of future cash flows or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values.

The carrying values of financial assets and financial liabilities of the Group and of the Company at the reporting date approximated their fair values except for the following:

	Note	The Group Carrying value RM'000	The Group Fair value* RM'000	The Company Carrying value RM'000	The Company Fair value* RM'000
Financial Liabilities					
At 31 March 2020					
(i) Bonds	16	**3,086,119**	**3,104,402**	**1,550,000**	**1,583,832**
(ii) Term loans	17	**2,578,360**	**2,578,360**	**346,280**	**346,280**
(iii) Government support loans	18	**95,317**	**97,859**	**-**	**-**
(iv) Advances from the State Government	23(a)	**33,180**	**(aa)**	**-**	**-**
At 31 March 2019					
(i) Bonds	16	3,010,848	3,008,667	1,500,000	1,518,050
(ii) Term loans	17	2,569,175	2,569,175	275,366	275,366
(iii) Government support loans	18	126,074	129,175	-	-
(iv) Advances from the State Government	23(a)	33,180	(aa)	-	-

(aa) The fair value of the Advances from the State Government has not been disclosed as the repayment is scheduled upon completion of certain conditions as set out in Note 23(a) to the financial statements, of which the completion date could not be reasonably determined as at the reporting date.

* The fair values of the financial liabilities above have been derived based on discounted cash flows using market interest rates applicable for similar financial instruments as at the reporting date and are within Level 2 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

52 SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances.

(a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties:

The Group	2020 RM'000	2019 RM'000
(aa) Associates		
(i) Sales/progress billings in respect of construction contract:		
- West Coast Expressway Sdn Bhd	**494,267**	460,385
(ii) Interest charged to:		
- Kuantan Pahang Holding Sdn Bhd	**1,053**	1,005
(iii) Net (advances to)/repayment from:		
- Scomi Group Berhad	**(5,000)**	-
- West Coast Expressway Sdn Bhd	**513,240**	525,677
(ab) Joint ventures		
(i) Project management and sales and marketing fees charged to:		
- 368 Segambut Sdn Bhd	**-**	1,498
- IJM-CHEC Joint Venture	**1,020**	1,058
(ii) Toll operation and maintenance revenue charged to:		
- Lebuhraya Kajang-Seremban Sdn Bhd	**10,608**	8,710
(iii) Interest charged to:		
- Sierra Ukay Sdn Bhd	**15,665**	6,678
- Nasa Land Sdn Bhd	**4,224**	4,016
- 368 Segambut Sdn Bhd	**3,784**	3,388
- ISZL Consortium	**770**	4,707
(iv) Net (advances to)/repayment from:		
- IJM-LFE Joint Venture	**3,208**	-
- 368 Segambut Sdn Bhd	**(2,050)**	(2,748)
- Sierra Ukay Sdn Bhd	**(2,979)**	(10,256)
- Elegan Pesona Sdn Bhd	**-**	3,383
- IJM Perennial Development Sdn Bhd	**41,490**	(92,846)
- ISZL Consortium	**(727)**	10,365
- IJM-CHEC Joint Venture	**-**	643
- Lebuhraya Kajang-Seremban Sdn Bhd	**9,991**	8,543
(v) Interest accretion on RCULS and RCSIDS		
- Lebuhraya Kajang-Seremban Sdn Bhd	**32,499**	7,119
(ac) Joint operation partner		
(i) Progress billings in respect of construction contracts to:		
- IJMC-KEB Joint Venture	**84,540**	138,265
(ii) Project management fees/management fees charged to:		
- IJMC-KEB Joint Venture	**68**	1,082
(ad) Other related parties*		
(i) Purchase of fresh fruit bunches	**4,614**	4,076

* Companies in which a director of the Company has deemed interest through his family members.

52 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties: (cont'd)

The Company	2020 RM'000	2019 RM'000
(aa) Subsidiaries		
(i) Interest charged to/(by):		
- IJM Properties Sdn Bhd	**41,575**	38,242
- Murni Lapisan Sdn Bhd	**2,030**	7,503
- Suria Bistari Development Sdn Bhd	**4,752**	4,517
- IJM Land Berhad	**15,446**	25,742
- IJM Land Management Services Sdn Bhd	**1,544**	1,626
- IJM RE Sdn Bhd	**11,953**	5,230
- Fairview Valley Sdn Bhd	**19,923**	12,591
- RB Development Sdn Bhd	**733**	688
- Nilai Cipta Sdn Bhd	**500**	500
- New Pantai Expressway Sdn Bhd	**(656)**	(2,923)
- CIDB Inventures Sdn Bhd	**(3,291)**	(1,079)
- Panorama Jelita Sdn Bhd	**678**	406
(ii) Capital contribution via share-based payment in:		
- IJM Construction Sdn Bhd	**6,602**	15,414
- IJM Land Berhad	**2,320**	7,843
- IJM Plantations Berhad	**1,176**	3,238
- Industrial Concrete Products Sdn Bhd	**2,613**	6,398
- Road Builder (M) Holdings Bhd	**1,593**	4,015
(iii) Share-based payments charged to:		
- Kuantan Port Consortium Sdn Bhd	**193**	769
- Industrial Concrete Products Sdn Bhd	**1,191**	2,865
- IJM Plantations Berhad	**1,097**	2,147
- IJM Construction Sdn Bhd	**4,920**	8,419
- IJM Land Management Services Sdn Bhd	**1,837**	4,491
- Besraya (M) Sdn Bhd	**471**	716
(iv) Management fees charged to:		
- IJM Construction Sdn Bhd	**9,300**	9,310
- IJM Plantations Berhad	**1,813**	1,813
- Industrial Concrete Products Sdn Bhd	**4,521**	4,521
- New Pantai Expressway Sdn Bhd	**1,137**	1,137
- Kuantan Port Consortium Sdn Bhd	**3,387**	3,387
- Besraya (M) Sdn Bhd	**1,050**	1,050
- IJM Land Management Services Sdn Bhd	**5,938**	5,948
(v) Office rental charged by:		
- IJM Construction Sdn Bhd	**2,054**	2,058

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

52 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties: (cont'd)

The Company (cont'd)	**2020 RM'000**	**2019 RM'000**
(aa) Subsidiaries (cont'd)		
(vi) Repayment from/(advances to):		
- IJM Investments (M) Limited	**(52)**	(147,705)
- IJM Construction Sdn Bhd	**9,553**	18,786
- IJM Properties Sdn Bhd	**41,744**	(70,840)
- IJM Land Berhad	**59,628**	427,745
- Panorama Jelita Sdn Bhd	**5,406**	(18,464)
- Murni Lapisan Sdn Bhd	**2,294**	(36,274)
- Seremban Two Holdings Sdn Bhd	**5,858**	(5,610)
- Cypress Potential Sdn Bhd	**922**	(2,167)
- Chen Yu Land Sd Bhd	**(4,375)**	-
- Jelita Kasturi Sdn Bhd	**2,668**	(9,114)
- IJM Shared Services Sdn Bhd	**236**	(962)
- IJM Investments (L) Ltd	**13,406**	(183,340)
- Kuantan Port Consortium Sdn Bhd	**3,528**	63,491
- IJM Land Management Services Sdn Bhd	**10,744**	13,605
- Industrial Concrete Products Sdn Bhd	**5,869**	7,605
- IJM Plantations Berhad	**2,749**	3,169
- RB Development Sdn Bhd	**-**	(4,150)
- Besraya (M) Sdn Bhd	**1,437**	2,103
- New Pantai Expressway Sdn Bhd	**1,649**	2,154
- IJM RE Sdn Bhd	**41,490**	(85,788)
- Fairview Valley Sdn Bhd	**(38,991)**	(187,353)
- IJM Rewa (Mauritius) Limited	**(7)**	(793)
- RB Land Sdn Bhd	**2,308**	111
- Nilai Cipta Sdn Bhd	**500**	-
(vii) (Repayments to)/advances from:		
- Road Builder (M) Holdings Bhd	**(79,912)**	(24,875)
- CIDB Inventures Sdn Bhd	**(3,013)**	64,570
- IJM Vijayawada (Mauritius) Limited	**(612)**	(572)
- Nilai Cipta Sdn Bhd	**5,170**	-
(viii) Redemption of preference shares issued by Nilai Cipta Sdn Bhd	**10,000**	-
(ab) Associates		
(i) Advances to Scomi Group Berhad	**5,000**	-
(ac) Joint ventures		
(i) Interest accretion on RCULS and RCSIDS		
- Lebuhraya Kajang-Seremban Sdn Bhd	**32,499**	7,119

52 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) Key management compensation during the financial year:

Key management personnel comprises the Directors and certain management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Wages, salaries and bonus	**8,573**	10,321	**4,332**	5,613
Defined contribution retirement plan	**1,430**	1,685	**778**	932
Fees and other employee benefits	**10,140**	6,157	**9,521**	2,154
Share-based payments	**(2,249)**	4,969	**(2,153)**	2,991
	17,894	23,132	**12,478**	11,690

(c) Transactions with Directors and key management of the Company relating to the purchase of properties during the financial year:

In the ordinary course of business, certain Directors and key management personnel of the Group purchased properties from the property development subsidiaries during the financial year.

The following transactions with Directors and key management personnel were carried out under terms not more favourable than those generally available to the public or employees of the Group, or under negotiated terms which the Board of Directors, after deliberation, has believed to be in the best interests of the Group:

	The Group	
	2020 RM'000	2019 RM'000
Progress billings during the financial year:		
- Directors and key management personnel of the Company	**723**	827
- Close family members of Directors and key management personnel of the Company	**96**	1,996
Amount outstanding arising from progress billings as at end of financial year from:		
- Directors and key management personnel of the Company	**-**	-
- Close family members of Directors and key management personnel of the Company	**-**	39

(d) The amounts that remained outstanding at the reporting date in respect of the transactions with related parties are disclosed in Notes 31, 32, 33, 39 and 45.

53 COMMITMENTS

(a) Capital commitments

	The Group	
	2020 RM'000	2019 RM'000
Approved and contracted for	**966,404**	1,500,496
Approved but not contracted for	**246,153**	84,376
	1,212,557	1,584,872
Analysed as follows:		
Purchases of property, plant and equipment	**436,716**	193,144
Purchases of development land	**11,673**	16,127
Concession assets	**744,718**	1,346,275
Investment properties	**19,450**	29,326
	1,212,557	1,584,872

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

53 COMMITMENTS (cont'd)

(b) Non-cancellable operating lease commitments

(i) The Group as lessor:

The non-cancellable operating lease commitments are in relation to operating lease receivables from various tenants.

	The Group 2019 RM'000
Future minimum sublease receipts:	
- expiring not later than 1 year	19,225
- expiring later than 1 year but not later than 5 years	75,906
- expiring later than 5 years	79,275
	174,406

(ii) The Group as lessee:

The non-cancellable operating lease commitments is in relation to the operating lease payables by IJM Plantations Berhad, a 56%-owned subsidiary of the Company and its subsidiaries, which is pursuant to the Sub-lease Agreement dated 30 September 2015 for land use rights until the end of the respective land use rights periods.

	The Group 2019 RM'000
Future minimum lease payments:	
- expiring not later than 1 year	1,134
- expiring later than 1 year but not later than 5 years	4,537
- expiring later than 5 years	51,706
	57,377

As explained in Note 56 to the financial statements, the Group has changed its accounting policies for leases. The new accounting policies are as described in the summary of significant accounting policies. The impact of the change and the reconciliation for the differences between operating lease commitments disclosed as at 31 March 2019 and lease liabilities recognised at the date of initial application of 1 April 2019 are disclosed in Note 56 to the financial statements. The maturity analysis of undiscounted lease payments received by the Group as lessor is disclosed in Note 20 to the financial statements.

54 CONTINGENT LIABILITIES (UNSECURED)

	The Group		The Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Performance guarantees in respect of the contract performance on concession agreements	**-**	-	**-**	47,320
Stamp duty matters under appeal	**1,886**	1,932	**-**	-
Sales and service tax matters under appeal	**3,136**	3,212	**757**	775
	5,022	5,144	**757**	48,095

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2020

SUBSIDIARIES

Name	Country of incorporation	Effective equity interest 2020 %	2019 %	Principal activities
Held by the Company				
CIDB Inventures Sdn Bhd	Malaysia	**100**	100	Dormant
Emcee Corporation Sdn Bhd	Malaysia	**100**	100	Dormant
IJM Construction Sdn Bhd	Malaysia	**100**	100	Civil and building construction and investment holding
IJM Construction (Middle East) LLC*	United Arab Emirates	**100**	100	Construction
IJM Highway Services Sdn Bhd	Malaysia	**100**	100	Provision of toll operation and maintenance services
IJM International Limited*	Hong Kong	**100**	100	Investment holding
IJM Investments (L) Ltd	Federal Territory of Labuan	**100**	100	Investment holding
IJM Investments (M) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Land Berhad	Malaysia	**100**	100	Investment holding
IJM Overseas Ventures Sdn Bhd^^^	Malaysia	**-**	100	Liquidated
IJM Plantations Berhad	Malaysia	**56**	56	Cultivation of oil palms and investment holding
IJM RE Sdn Bhd	Malaysia	**100**	100	Investment holding
Industrial Concrete Products Sdn Bhd	Malaysia	**100**	100	Production and sale of concrete products and investment holding
Kamad Quarry Sdn Bhd	Malaysia	**100**	100	Dormant
Kemena Industries Sdn Bhd*	Malaysia	**55**	55	Manufacture and sale of ready-mixed concrete and reinforced concrete products
IJM Shared Services Sdn Bhd	Malaysia	**100**	100	Investment holding
Nilai Cipta Sdn Bhd ^^^	Malaysia	**70**	70	Under members' voluntary liquidation
RB Manufacturing Sdn Bhd	Malaysia	**100**	100	Dormant
Road Builder (M) Holdings Bhd	Malaysia	**100**	100	Investment holding
Held by IJM Construction Sdn Bhd				
Commerce House Sdn Bhd	Malaysia	**100**	100	Trading in construction materials and providing insurance agency services
IJM Building Systems Sdn Bhd	Malaysia	**100**	100	Construction contracts, trading and rental of aluminium formworks
IJM Construction Vietnam Co., Ltd#	Vietnam	**100**	100	Provision of construction services, consulting service and installation of electrical system and mechanical system
IJM Investments J.A. Limited*	United Arab Emirates	**100**	100	Investment holding
IJM-Norwest JV	**	**100**	100	Civil and building construction

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2020 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2020 %	2019 %	Principal activities
Held by IJM Construction Sdn Bhd (cont'd)				
Jurutama Sdn Bhd	Malaysia	**100**	100	Construction contract
Prebore Piling & Engineering Sdn Bhd	Malaysia	**100**	100	Piling, engineering and other construction works
Road Builder (M) Sdn Bhd	Malaysia	**100**	100	Civil and building construction
Held by IJM Investments J.A. Limited				
IJM Construction (Pakistan) (Private) Limited #	Pakistan	**100**	100	Civil and building construction
IM Technologies Pakistan (Private) Limited *	Pakistan	**60**	60	Civil, building construction and property development
Held by Road Builder (M) Sdn Bhd				
RBM-PATI JV	**	**100**	100	Construction
Held by IJM Investments (M) Limited				
IEMCEE Infra (Mauritius) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Dewas (Mauritius) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Engineering (Mauritius) Limited # (1)	Republic of Mauritius	**100**	-	Investment holding
IJMII (Mauritius) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Rajasthan (Mauritius) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Realty (Mauritius) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Rewa (Mauritius) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Trichy (Mauritius) Ltd #	Republic of Mauritius	**100**	100	Investment holding
IJM Vijayawada (Mauritius) Limited #	Republic of Mauritius	**100**	100	Investment holding
Held by IJM Dewas (Mauritius) Limited				
Dewas Bypass Tollway Private Limited * (of which 26% (2019: 26%) is held directly by the Company)	India	**100**	100	Highway development
Held by IJMII (Mauritius) Limited				
IJM (India) Infrastructure Limited *	India	**99.9**	99.9	Construction

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2020 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2020 %	2019 %	Principal activities
Held by IJM (India) Infrastructure Limited				
IJM (India) Geotechniques Private Limited *	India	**99.9**	99.9	Soil investigation & testing, foundation laying & treatment & piling
IJM Lingamaneni Township Private Limited *	India	**98**	98	Property development
Roadstar (India) Infrastructure Private Limited ^^^	India	**-**	70	Liquidated
Swarnandhra-IJMII Integrated Township Development Company Private Limited *	India	**51**	51	Property development
Swarnandhra RoadCare Private Limited *	India	**99.9**	99.9	Road maintenance
Held by IJM Realty (Mauritius) Limited				
Nagpur Integrated Township Private Limited *	India	**95**	95	Property development
Held by IJM Rewa (Mauritius) Limited				
Rewa Tollway Private Limited *	India	**100**	100	Infrastructure development
Vijayapura Tollway Private Limited * (of which 26% (2019: 26%) is held directly by the Company)	India	**100**	100	Highway development
Held by IJM Vijayawada (Mauritius) Limited				
Vijayawada Tollway Private Limited * (of which 25.51% (2019: 25.51%) is held directly by the Company)	India	**99.9**	99.9	Highway development
Held by IJM Land Berhad				
Asas Panorama Sdn Bhd	Malaysia	**60**	60	Property development
Emko Properties Sdn Bhd	Malaysia	**100**	100	Property development
ERMS Berhad	Malaysia	**100**	100	Hotel operations
IJM Land Management Services Sdn Bhd	Malaysia	**100**	100	Provision of management services
IJM Properties Sdn Bhd	Malaysia	**100**	100	Property development and investment holding
Mintle Limited #	Jersey	**51**	51	Property investment
OneAce Global Limited	Federal Territory of Labuan	**100**	100	Investment holding
RB Development Sdn Bhd	Malaysia	**100**	100	Property development

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2020 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2020 %	2019 %	Principal activities
Held by IJM Land Berhad (cont'd)				
RB Land Sdn Bhd	Malaysia	**100**	100	Property development and construction activities
Sova Holdings Sdn Bhd	Malaysia	**70**	70	Property development
Held by Emko Properties Sdn Bhd				
Emko Management Services Sdn Bhd	Malaysia	**100**	100	Property management
Held by ERMS Berhad				
Holiday Villa Management Sdn Bhd	Malaysia	**100**	100	Dormant
Held by IJM Properties Sdn Bhd				
Aqua Aspect Sdn Bhd	Malaysia	**80**	80	Property development
Chen Yu Land Sdn Bhd	Malaysia	**100**	100	Property development
Cypress Potential Sdn Bhd	Malaysia	**70**	70	Property development activities and property investment
Era Moden Hartanah Sdn Bhd	Malaysia	**55**	55	Dormant
Ever Mark (M) Sdn Bhd	Malaysia	**100**	100	Dormant
IJM Management Services Sdn Bhd	Malaysia	**100**	100	Providing project and construction management services and sales and marketing services
IJMP-MK Joint Venture	**	**100**	70	Property development
Jalinan Masyhur Sdn Bhd	Malaysia	**51**	51	Dormant
Jelutong Development Sdn Bhd	Malaysia	**80**	80	Property development
Larut Leisure Enterprise (Hong Kong) Limited *	Hong Kong	**99**	99	Investment holding
Liberty Heritage (M) Sdn Bhd	Malaysia	**100**	100	Dormant
Manda'rina Sdn Bhd	Malaysia	**100**	100	Property development
Maxharta Sdn Bhd	Malaysia	**100**	100	Investment holding
NS Central Market Sdn Bhd	Malaysia	**70**	70	Property development
Preferred Accomplishment Sdn Bhd	Malaysia	**100**	100	Sale of electricity
Radiant Pillar Sdn Bhd * (of which 10.6% (2019: 10.6%) is held indirectly by the Company via WCE Holdings Berhad)	Malaysia	**71**	71	Property development and investment holding
Sinaran Intisari (M) Sdn Bhd	Malaysia	**100**	100	Dormant
Suria Bistari Development Sdn Bhd	Malaysia	**51**	51	Property development
The Light Waterfront Sdn Bhd	Malaysia	**100**	100	Dormant
Valencia Terrace Sdn Bhd	Malaysia	**100**	100	Property development
Worldwide Ventures Sdn Bhd	Malaysia	**86**	86	Property development and investment holding

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2020 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2020 %	2019 %	Principal activities
Held by Cypress Potential Sdn Bhd				
Sebana Golf & Marina Resort Berhad *	Malaysia	**70**	70	Resort, marina and golf course operator
Held by Larut Leisure Enterprise (Hong Kong) Limited				
Jilin Dingtai Enterprise Development Co. Ltd. *	People's Republic of China	**99**	99	Property development
Held by Maxharta Sdn Bhd				
Jelita Kasturi Sdn Bhd	Malaysia	**100**	100	Property development
Panorama Jelita Sdn Bhd	Malaysia	**100**	100	Property development
Eksplorasi Cemerlang Sdn Bhd	Malaysia	**100**	100	Dormant
Held by Radiant Pillar Sdn Bhd				
Bandar Rimbayu Sdn Bhd * (of which 10.6% (2019: 10.6%) is held indirectly by the Company via WCE Holdings Berhad)	Malaysia	**71**	71	Property development
IJMP-RPSB Joint Venture * (of which 5.3% (2019: 5.3%) is held indirectly by the Company via WCE Holdings Berhad)	**	**85**	85	Dormant
Held by Worldwide Ventures Sdn Bhd				
Island Golf View Sdn Bhd	Malaysia	**86**	86	Property development
Sheffield Enterprise Sdn Bhd (of which Nil% (2019: 30%) is held directly by IJM Properties Sdn Bhd)	Malaysia	**-**	90	Liquidated
Held by Mintle Limited				
RMS (England) Limited #	England and Wales	**51**	51	Property development
Held by RMS (England) Limited				
RMS (England) 1 Limited #	England and Wales	**51**	51	Dormant
RMS (England) 2 Limited #	England and Wales	**51**	51	Dormant
RMG Residential Management Limited # (3)	England and Wales	**51**	-	Dormant

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2020 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2020 %	2019 %	Principal activities
Held by RB Land Sdn Bhd				
Aras Varia Sdn Bhd	Malaysia	**100**	100	Property development and clubhouse operations
Casa Warna Sdn Bhd	Malaysia	**100**	100	Property management
Dian Warna Sdn Bhd	Malaysia	**100**	100	Property development
Ikatan Flora Sdn Bhd	Malaysia	**100**	100	Property development
Murni Lapisan Sdn Bhd	Malaysia	**100**	100	Property development and construction activities
RB Property Management Sdn Bhd	Malaysia	**100**	100	Property development
Seremban Two Holdings Sdn Bhd	Malaysia	**100**	100	Property development
Seremban Two Property Management Sdn Bhd	Malaysia	**100**	100	Property management
Seremban Two Properties Sdn Bhd	Malaysia	**100**	100	Property development
Shah Alam 2 Sdn Bhd	Malaysia	**100**	100	Property development
Tarikan Abadi Sdn Bhd	Malaysia	**100**	100	Property development
Titian Tegas Sdn Bhd	Malaysia	**100**	100	Property development
Unggul Senja Sdn Bhd	Malaysia	**100**	100	Property development
Held by IJM Plantations Berhad				
Akrab Perkasa Sdn. Bhd.	Malaysia	**56**	56	Dormant
Berakan Maju Sdn. Bhd.	Malaysia	**56**	56	Cultivation of oil palms
Desa Talisai Palm Oil Mill Sdn. Bhd.	Malaysia	**56**	56	Dormant
Desa Talisai Sdn. Bhd.	Malaysia	**56**	56	Dormant
Dynasive Enterprise Sdn. Bhd.	Malaysia	**56**	56	Investment holding
Excellent Challenger (M) Sdn. Bhd.	Malaysia	**56**	56	Cultivation of oil palms
Gunaria Sdn. Bhd.	Malaysia	**56**	56	Investment holding
IJM Biofuel Sdn. Bhd.	Malaysia	**56**	56	Dormant
IJM Edible Oils Sdn. Bhd.	Malaysia	**56**	56	Palm oil and kernel milling
Minat Teguh Sdn. Bhd.	Malaysia	**56**	56	Investment holding
Rakanan Jaya Sdn. Bhd.	Malaysia	**56**	56	Cultivation of oil palms
Ratus Sempurna Sdn. Bhd.	Malaysia	**56**	56	Property holding
Sabang Mills Sdn. Bhd.	Malaysia	**56**	56	Dormant
Sijas Plantations Sdn. Bhd.	Malaysia	**56**	56	Dormant
Held by Dynasive Enterprise Sdn. Bhd.				
PT Prima Alumga #	Indonesia	**53**	53	Cultivation of oil palms
Held by Gunaria Sdn. Bhd.				
PT Sinergi Agro Industri #	Indonesia	**53**	53	Cultivation of oil palms and milling
PT Karya Bakti Sejahtera Agrotama #	Indonesia	**53**	53	Cultivation of oil palms

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2020 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2020 %	2019 %	Principal activities
Held by Minat Teguh Sdn. Bhd.				
PT Primabahagia Permai #	Indonesia	**53**	53	Cultivation of oil palms and milling
Held by PT Primabahagia Permai				
PT Indonesia Plantation Synergy #	Indonesia	**48**	48	Cultivation of oil palms and milling
Held by IJM RE Sdn Bhd				
IJM RE Commercial Sdn Bhd	Malaysia	**100**	100	Investment holding
Held by IJM RE Commercial Sdn Bhd				
Fairview Valley Sdn Bhd	Malaysia	**100**	100	Property development, property investment and investment holding
Held by Industrial Concrete Products Sdn Bhd				
Durabon Sdn Bhd	Malaysia	**100**	100	Processing and sales of steel bars
ICP Investments (L) Limited ^^^	Federal Territory of Labuan	**-**	100	Liquidated
ICP Jiangmen Co. Ltd. *	People's Republic of China	**96**	96	Production and sale of concrete products
ICP Marketing Sdn Bhd	Malaysia	**100**	100	Dormant
ICP Precast Products Sdn Bhd	Malaysia	**100**	100	Dormant
IJM IBS Sdn Bhd	Malaysia	**100**	100	Manufacture of precast concrete components
Malaysian Rock Products Sdn Bhd	Malaysia	**100**	100	Quarrying, sale of rock products and investment holding
ICPB (Mauritius) Limited #	Mauritius	**100**	100	Investment holding
Held by ICPB (Mauritius) Limited				
IJM Concrete Products Private Limited *	India	**100**	100	Production and supply of ready-mixed concrete
Held by IJM Concrete Products Private Limited				
IJM-AIKYA Joint Venture *	India	**100**	100	Ceased operations

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2020

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2020 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2020 %	2019 %	Principal activities
Held by Malaysian Rock Products Sdn Bhd				
Aggregate Marketing Sdn Bhd	Malaysia	**100**	100	Under member's voluntary liquidation
Azam Ekuiti Sdn Bhd	Malaysia	**100**	100	Leaseholder of quarry land
Bohayan Industries Sdn Bhd	Malaysia	**70**	70	Dormant
IJM Concrete (Private) Limited ^	United Arab Emirates	**60**	60	Dormant
IJM Concrete Products Pakistan (Private) Limited ^	Pakistan	**100**	100	Dormant
Kuang Rock Products Sdn Bhd	Malaysia	**100**	100	Quarrying and sale of rock products
Oriental Empire Sdn Bhd	Malaysia	**100**	100	Leaseholder of quarry land
Scaffold Master Sdn Bhd	Malaysia	**100**	100	Sale and rental of steel scaffolding
Strong Mixed Concrete Sdn Bhd	Malaysia	**100**	100	Production and supply of ready-mixed concrete
Warga Sepakat Sdn Bhd	Malaysia	**100**	100	Leaseholder of quarry land
Held by Strong Mixed Concrete Sdn Bhd				
SMC Islamabad (Private) Limited *	Pakistan	**60**	60	Production and supply of ready-mixed concrete
Held by RB Manufacturing Sdn Bhd				
Kuching Riverine Resort Management Sdn Bhd	Malaysia	**100**	100	Property management
Held by Road Builder (M) Holdings Bhd				
Besraya (M) Sdn Bhd	Malaysia	**100**	100	Toll road operation
Essmarine Terminal Sdn Bhd	Malaysia	**100**	100	Investment holding
Gagah Garuda Sdn Bhd	Malaysia	**100**	100	Investment holding
HMS Resource Sdn Bhd	Malaysia	**100**	100	Investment holding
ITD Media & Advertising Sdn Bhd (2)	Malaysia	**100**	-	Advertising services
Kuantan Port Consortium Sdn Bhd (of which 30% (2019 : 30%) is held directly by Essmarine Terminal Sdn Bhd)	Malaysia	**60**	60	Port management
New Pantai Expressway Sdn Bhd	Malaysia	**100**	100	Design, construction, management, operation and maintenance of New Pantai Highway
NPE Property Development Sdn Bhd	Malaysia	**100**	100	Property development
Held by Kuantan Port Consortium Sdn Bhd				
KP Port Services Sdn Bhd	Malaysia	**60**	60	Port supporting services, stevedorage, storage handling and providing nitrogen purging and pigging services

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2020 (cont'd)

ASSOCIATES

Name	Country of incorporation	Effective equity interest 2020 %	2019 %	Principal activities
Held by the Company				
Bionic Land Berhad *	Malaysia	**20**	20	Investment holding and provision of management services
Cofreth (M) Sdn Bhd *	Malaysia	**25**	25	Total facilities management, operations & maintenance, co-generation and district cooling system/service provider
Emas Utilities Corporation Sdn Bhd *	Malaysia	**40**	40	Investment holding
Grupo Concesionario del Oeste S.A. *	Argentina	**20**	20	Construction, renovation, repair, conservation and operation of Acesso Oeste highway
Inversiones E Inmobiliaria Sur-Sur S.A. *	Chile	**25**	25	Property development
WCE Holdings Berhad *	Malaysia	**26**	26	Investment holding
Scomi Group Berhad * (4)	Malaysia	**-**	21	Investment holding and provision of management services
Held by IEMCEE Infra (Mauritius) Limited				
GVK Gautami Power Limited *	India	**20**	20	Power generation
Held by IJM Construction Sdn Bhd				
Hexacon Construction Pte Limited *	Singapore	**46**	46	Civil and building construction
Highway Master Sdn Bhd *	Malaysia	**50**	50	Road pavement construction
Integrated Water Services (M) Sdn Bhd *	Malaysia	**35**	35	Operation and maintenance of a water treatment plant
Held by IJM Investments (L) Ltd				
Earning Edge Sdn Bhd	Malaysia	**22**	22	Property development
Held by IJM Land Berhad				
Kuantan Pahang Holding Sdn Bhd	Malaysia	**40**	40	Investment holding
Held by PT Indonesia Plantation Synergy				
PT Perindustrian Sawit Sinergi *	Indonesia	**10**	10	Dormant
Held by IJM Properties Sdn Bhd				
Cekap Tropikal Sdn Bhd *	Malaysia	**50**	50	Property development
Good Debut Sdn Bhd *	Malaysia	**50**	50	Property development
MASSCORP-Vietnam Sdn Bhd *	Malaysia	**20**	20	Investment holding
Sierra Selayang Sdn Bhd *	Malaysia	**50**	50	Dormant

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2020 (cont'd)

ASSOCIATES (cont'd)

Name	Country of incorporation	Effective equity interest 2020 %	2019 %	Principal activities
Held by KP Port Services Sdn Bhd				
KP Depot Services Sdn Bhd *	Malaysia	**18**	18	Provision of container depot services
Held by Malaysian Rock Products Sdn Bhd				
DML-MRP Resources (M) Sdn Bhd ^^^	Malaysia	**-**	50	Liquidated
Held by Road Builder (M) Holdings Bhd				
West Coast Expressway Sdn Bhd * (of which 21.2% (2019: 21.2%) is held indirectly by the Company via WCE Holdings Berhad)	Malaysia	**41**	41	Design, construction and development of the West Coast Expressway Project and managing its toll operations
Held by Road Builder (M) Sdn Bhd				
Budi Benar Sdn Bhd ^^^	Malaysia	**-**	25	Liquidated

Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers PLT, Malaysia.

* Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and Pricewaterhouse Coopers PLT, Malaysia.

** Unincorporated entities.

^ Entity is not required to be audited under the laws of the country of incorporation.

^^^ Entity is not required to be audited as it is either in liquidation or liquidated.

(1) On 23 January 2020, IJM Investments (M) Limited, a wholly-owned subsidiary of the Company has incorporated a wholly-owned subsidiary, known as IJM Engineering (Mauritius) Limited.

(2) On 7 August 2019, Road Builder (M) Holdings Bhd, a wholly-owned subsidiary of the Company has incorporated a wholly-owned subsidiary, known as ITD Media & Advertising Sdn Bhd.

(3) On 24 July 2019, RMS (England) Limited, a wholly-owned subsidiary of Mintle Limited has incorporated a wholly-owned subsidiary, known as RMG Residential Management Limited. Mintle Limited is a 51%-owned subsidiary of IJM Land Berhad, which in turn is a wholly-owned subsidiary of the Company.

(4) On 25 June 2020, the transaction in relation to the disposal of 21.4% of the issued and paid-up share capital of Scomi Group Berhad was completed (Note 44(b)).

56 CHANGES IN ACCOUNTING POLICIES UPON ADOPTION OF MFRS 16

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" (ROU) of the underlying asset and the lease liability reflecting future lease payment liabilities in the statement of financial position. The ROU 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 accordingly.

During the financial year, the Group changed its accounting policies on leases upon the adoption of MFRS 16 with the date of initial application of 1 April 2019. The Group has elected to use the simplified retrospective transition method and to apply a number of practical expedients as provided in MFRS 16.

Under the simplified retrospective transition method, the 2019 comparative information was not restated and the reclassifications and adjustments arising from the new leasing rules are recognised in the opening balance of the statement of financial position as at 1 April 2019. The comparative information continued to be reported under the previous accounting policies governed under MFRS 117 "Leases" and IC Interpretation 4 "Determining whether an arrangement contains a lease".

As a lessor, the Group is not required to make any adjustment on transition, except for the reassessment of existing operating subleases at the date of initial application.

As permitted by the exemption 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.

In addition, the Group has 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 applying MFRS 117 and IC Interpretation 4.

<u>The Group as a lessee</u>

a) Leases classified as operating leases under MFRS 117

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, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The incremental borrowing rates applied to the lease liabilities on 1 April 2019 range between 5% and 5.2%.

The Group measures the associated ROU asset on a retrospective basis 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:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Reliance on previous assessments on whether leases are onerous;
- The accounting for operating leases with remaining lease terms of less than 12 months as at 1 April 2019 as short-term leases;
- The exclusion of initial direct costs for the measurement of the right-of-use assets at the date of initial application; and
- The use of hindsight in determining the lease terms where the contracts contain options to extend or terminate the leases.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

56 CHANGES IN ACCOUNTING POLICIES UPON ADOPTION OF MFRS 16 (cont'd)

The Group as a lessee (cont'd)

b) Leases classified as finance leases under MFRS 117

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition which were measured by applying MFRS 117 as the carrying amount of the ROU 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 hire purchase payable have been made to ROU assets and lease liabilities respectively on the date of initial application.

The Group as a lessor

Under MFRS 16, the Group (as a sub-lessor) is required to assess the lease classification of a sublease with reference to the ROU asset, not the underlying asset. On transition, the Group reassessed the lease classification of a sublease contract previously classified as an operating lease under MFRS 117. The Group concluded that the sublease is a finance lease under MFRS 16 and the sublease contract was accounted for as a new finance lease entered into at the date of initial application. Accordingly, the Group derecognises the ROU asset related to the head lease, and recognises a receivable at an amount equal to the net investment in the sublease.

The effects arising from the adoption of MFRS 16 as at 1 April 2019 on the statements of financial position of the Group and the Company are as follows:

	Note	As at 31 March 2019 RM'000	Effects of adoption of MFRS 16 RM'000	As at 1 April 2019 RM'000
Consolidated Statement of Financial Position				
Non-current assets:				
Property, plant and equipment	26	2,946,837	(249,543)	2,697,294
Land use rights	27	145,968	(145,968)	-
Right-of-use assets	28	-	457,350	457,350
Long term receivables		206,220	1,148	207,368
Non-current liabilities:				
Lease liabilities		-	50,126	50,126
Hire purchase	19	11	(11)	-
Current assets:				
Trade and other receivables		2,090,197	(1,148)	2,089,049
Current liabilities:				
Lease liabilities		-	12,002	12,002
Hire purchase (included in trade and other payables)	19	3,101,618	(278)	3,101,340
Company Statement of Financial Position				
Non-current assets:				
Right-of-use assets	28	-	5,971	5,971
Non-current liabilities:				
Lease liabilities		-	4,192	4,192
Current liabilities:				
Lease liabilities		-	1,779	1,779

56 CHANGES IN ACCOUNTING POLICIES UPON ADOPTION OF MFRS 16 (cont'd)

The reconciliation between the operating lease commitments disclosed applying MFRS 117 at 31 March 2019 to the lease liabilities recognised at the date of initial application of 1 April 2019 is as follows:

	RM'000
The Group	
Operating lease commitments disclosed as at 31 March 2019	57,377
Discounted at the incremental borrowing rate as at 1 April 2019	(39,944)
Add/(less):	
Finance lease liabilities recognised as at 31 March 2019	289
Adjustments as a result of a different treatment of extension and termination options	44,406
Lease liabilities recognised as at 1 April 2019	62,128
Analysed as:	
Current lease liabilities	12,002
Non-current lease liabilities	50,126
	62,128
The Company	
Operating lease commitments disclosed as at 31 March 2019	-
Add/(less):	
Adjustments as a result of a different treatment of extension and termination options	5,971
Lease liabilities recognised as at 1 April 2019	5,971
Analysed as:	
Current lease liabilities	1,779
Non-current lease liabilities	4,192
	5,971

57 PERPETUAL SUKUK OF A SUBSIDIARY

On 19 March 2019, IJM Land Berhad ("IJML") ("the issuer"), a wholly-owned subsidiary of the Company made its first issuance of RM650 million aggregate nominal value of subordinated Perpetual Islamic Notes ("Perpetual Sukuk") pursuant to a Perpetual Islamic Notes Issuance Programme of RM2.0 billion in nominal value based on the Shariah Principle of Musharakah with a subordinated Guarantee from the Company ("the Kafalah Provider"). The proceeds arising from the Perpetual Sukuk will be utilised for Shariah-compliant purposes which include the refinancing of IJML Group's existing borrowings, investments, working capital requirements and its general corporate purposes.

On 25 September 2019, IJML made its second issuance of RM200 million aggregate nominal value of subordinated Perpetual Sukuk.

The salient features of the Perpetual Sukuk are as follows:

(a) The Perpetual Sukuk is unsecured and issued under the Shariah Principle of Musharakah.

(b) The Perpetual Sukuk and the subordinated Guarantee shall at all times rank as follows:

   (i) Below all present and future creditors of the issuer or the Kafalah Provider.

   (ii) Pari passu with any instruments or security issued or guaranteed by the issuer or Kafalah Provider that is expressed to rank whether by its terms or by operation or law, pari passu with the Perpetual Sukuk or Subordinated Guarantee ("Parity Obligations").

   (iii) Above any class of the issuer's or Kafalah Provider's share capital including without limitation, any ordinary shares and preference shares in the capital of the issuer or the Kafalah Provider ("Junior Obligations").

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2020

57 PERPETUAL SUKUK OF A SUBSIDIARY (cont'd)

The salient features of the Perpetual Sukuk are as follows: (cont'd)

(c) Perpetual in tenure. However, IJML has a call option to redeem all of the Perpetual Sukuk on the First Call Date and on each periodic distribution date thereafter. The First Call Date for the Perpetual Sukuk Tranche 1 of RM350 million, Tranche 2 of RM300 million and Tranche 3 of RM200 million shall fall on 19 March 2026, 19 March 2027 and 27 September 2027 respectively.

(d) IJML has the option to redeem all of the Perpetual Sukuk if:

(i) there are changes or amendments to the Malaysian Financial Reporting Standards resulting in the Perpetual Sukuk no longer being classified as "equity" ("Accounting Event"), or

(ii) the expected periodic distribution amount made would not be fully tax deductible for Malaysian income tax purposes ("Tax Event"), or

(iii) there are amendments, clarification or change in the rating methodology by the Rating Agency resulting in a lower equity credit as compared to its first assigned equity credit or if equity credit is not assigned for the Perpetual Sukuk. ("Rating Event"), or

(iv) the Company ceases to hold more than fifty per cent of voting shares in IJML or when IJML ceases to be a subsidiary of the Company ("Change of Control Event").

(e) The Perpetual Sukuk carries initial fixed periodic distribution rates of 5.65%, 5.73% and 4.73% per annum and are payable semi-annually. If IJML does not exercise its option to redeem on the First Call Date, the periodic distribution rate shall be increased by 1% per annum after the First Call Date.

(f) Upon occurrence of a "Change of Control Event" and if IJML does not elect to redeem the Perpetual Sukuk, the periodic distribution rate shall be increased by three per cent per annum.

(g) IJML may opt to defer payment in whole or in part of the expected periodic distribution amount. So long as any deferred periodic distribution amount is not made in full, the issuer and the Kafalah Provider shall not declare or pay any dividends or no other payments can be made in respect of any of its ordinary shares and preference shares or its Parity Obligations except on a pro-rata basis with the Perpetual Sukuk.

(h) If, during the six-months period ending on the day before the relevant scheduled Periodic Distribution Date, either or both of the following have occurred:

(i) A dividend, distribution or other payment has been declared or paid by the Issuer and/or Kafalah Provider in respect of any of the Issuer's or the Kafalah Provider's Junior Obligation or Parity Obligations except on a pro-rata basis with the Sukuk Musharakah; and

(ii) The Issuer's or the Kafalah Provider's Junior Obligations, or Parity Obligations except on a pro-rata basis with the Sukuk Musharakah have been purchased, redeemed, reduced, cancelled, bought-back or acquired by the Issuer or the Kafalah Provider.

An Issuer's or the Kafalah Provider's Compulsory Periodic Distribution Payment Event ("CPDPE") shall have occurred.

(i) To facilitate the issuance of the Perpetual Sukuk, IJML entered into a notional Musharakah Arrangement with the Sukuk Trustee to undertake a Musharakah Venture consisting of Shariah compliant business operations of certain subsidiaries. The Musharakah Venture does not represent collateralisation of business operations or land titles to the Musharakah Venture.

58 SUBSEQUENT EVENTS

On 25 June 2020, the Company had disposed 233,991,865 ordinary shares at RM0.03 each, representing 21.4% of the issued and paid-up share capital of Scomi Group Berhad for a total consideration of RM7.02 million. The transaction was completed on that day and the loss on the disposal was RM4.2 million.

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Cyrus Eruch Daruwalla, being the officer primarily responsible for the financial management of IJM Corporation Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements set out on pages 191 to 360 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Notary Act, 1952.

Subscribed and solemnly declared at Hyderabad on 26 June 2020.

CYRUS ERUCH DARUWALLA

Before me:

ATTESTED
K. SUNIL., B.Com., BL
ADVOCATE & NOTARY
Appointed By Govt. Of Telangana
Regn. No:245
Kukatpally, Medchal Dist., Telangana
My Comission Expires on 16-4-2022
Ph: 9440572415

INDEPENDENT AUDITORS' REPORT

to the members of IJM Corporation Berhad
(Incorporated in Malaysia)
Registration No. 198301008880 (104131-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of IJM Corporation Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 March 2020 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 191 to 360.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants
Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Revenue and costs recognition of the Group i) Construction contracts Revenue: RM2,041.2 million Costs: RM1,980.2 million ii) Property development activities Revenue: RM2,130.4 million Costs: RM1,659.2 million Refer to Notes 9(a) and 9(b) for the accounting policies and Notes 2(c), 2(d), 4 and 5(a) to the financial statements. We focused on this area because the accounting for construction contracts and property development activities is inherently complex as it involved the use of significant judgements made by management in the following areas: a) Stage of completion and the overall progress of projects as to whether provision for liquidated ascertained damages ("LAD") is required; b) Extent of costs incurred for construction contracts and property development projects, and construction costs or property development costs yet to be incurred; and c) Status of variation orders and claims with customers. In addition, management has considered the implications of COVID-19 on the construction contracts and the property development projects due to the temporary suspension of work during the Movement Control Order ("MCO") or lockdown in the countries where the Group operates.	We evaluated and tested the key controls in respect of the review and approval of construction contract and property development project budgets to assess the reliability of these budgets. We discussed with management and read management meeting minutes to understand the overall progress of construction and property development projects. With regards to projects whereby actual progress is behind planned progress, we obtained explanation from management on the cause of the delays, inspected correspondences with customers and sub-contractors and corroborated key judgement applied by management as to whether provision for LAD is required. We checked the extent of costs incurred to date to internal quantity surveyors' latest valuations or sub-contractor claim certificates to corroborate the stage of completion. Where costs have not been billed or certified, we assessed the adequacy of management's accruals of such costs by checking subsequent contractors' claims certificates or approvals from internal quantity surveyors. We checked the reasonableness of the estimated total construction costs and property development costs, including subsequent changes to the costs, by agreeing to supporting documentation, i.e. approved budgets, quotations, correspondences, contracts and variation orders with sub-contractors. We had discussions with management to understand the nature of the variation orders and claims included in revenue and inspected correspondences from the customers and minutes of meetings to corroborate the key judgement applied by management.

INDEPENDENT AUDITORS' REPORT
to the members of IJM Corporation Berhad (cont'd)
(Incorporated in Malaysia)
Registration No. 198301008880 (104131-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key audit matters (cont'd)

Key audit matters	How our audit addressed the key audit matters
Revenue and costs recognition of the Group (cont'd) Management has considered the legislative protection, where applicable, to contractors and property developers from legal consequences arising from failure or inability to perform their contractual obligations, protective clauses (such as force majeure clauses) in the agreements with the employers and also the Group's applications of extension of time ("EOT") to the employers and the relevant authorities. Where appropriate, management has made provision for LADs based on their best estimates and judgements. Management has also considered the additional construction and property development costs as a result of the MCO or the lockdown imposed by the relevant authorities and the additional health and safety precautionary measures to be adhered to at the construction sites after the MCO or lockdown is lifted and has made revisions to the construction and property development budgets, where applicable, based on management's best estimates and judgements.	With regards to potential delay due to the temporary suspension of work during the MCO or the lockdown period, we corroborated key judgements applied by management as to whether provision for LAD is required by having discussions with management, read agreements to understand the enforceability of the protective clauses, inspected the EOT applications submitted by the Group to the employers and relevant authorities, and to the extent that the employers and relevant authorities have responded to the Group on the EOT applications, we inspected the correspondences. To the extent that LAD has been provided, we checked the reasonableness of management's estimates of provision for LAD. We also discussed with management and understand management's judgements and estimates on the additional construction costs and property development costs to be incurred as a result of the COVID-19 outbreak. We corroborated the estimates of the additional construction costs and property development costs to the approved budgets prepared by management and where applicable, the quantity surveyors' cost estimates. Based on the procedures performed above, we noted no material exceptions in the revenue and costs recognition and the provision for LAD for the Group's construction contracts and property development activities.
Recoverability of the carrying amounts of inventories (property development costs and completed development units) i) Property development costs - RM5,799.2 million ii) Completed development units - RM1,526.3 million Refer to Notes 11(b) and 11(c) for the accounting policies and Notes 2(j), 37 and 37(b) to the financial statements. We focused on the recoverability of the carrying amounts of inventories of the Group because of the estimates made by management in determining the net realisable values. Management assessed the net realisable values of the completed development units based on estimates derived from recent transacted prices or revised selling prices in light of the current economic condition and future market outlook, net of expected discounts to be given which were approved by the Directors.	For inventories which have recent sale transactions, we compared the carrying amounts of these development units (including costs yet to be incurred for property development costs), on a sample basis, to the selling prices stated in the signed sale and purchase agreements, net of discounts given. For inventories which did not have recent sale transactions, we compared the carrying amounts of these development units (including costs yet to be incurred for property development costs), on a sample basis, to the recent transacted prices of comparable development units in similar or nearby locations, and where applicable, prices were adjusted for the size of the units.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key audit matters (cont'd)

Key audit matters	How our audit addressed the key audit matters
Recoverability of the carrying amounts of inventories (property development costs and completed development units) (cont'd) For property development costs, management has also considered the costs yet to be incurred to complete the development project before comparing to the net realisable value. Based on management's assessment, the Group's property development costs and long outstanding unsold completed development units were written down by RM13.2 million and RM78.0 million respectively during the financial year.	For inventories which management has relied on independent valuations, we read the valuation reports issued by the independent valuers and discussed with the independent valuers to understand and evaluate the appropriateness of valuation methodology, assumptions and adjustments applied, which include types, conditions, ages and sizes of the properties. We also compared the values of the properties by the independent valuers to available information through market research. We discussed with management on the basis used to write down certain inventories at the year end to their net realisable values, and checked, on a sample basis, to the Group's latest sales plan and campaigns and expected costs to be incurred to complete the sale transactions. We also checked, on a sample basis, the reasonableness of the assumptions used in the calculation of the net realisable values. Based on the above procedures performed, we noted no material exceptions.
Recoverability of trade receivables Refer to Notes 14 and 22 for the accounting policies and Notes 2(i), 3(b) and 39 to the financial statements. The Group and the Company assessed on a forward-looking basis the expected credit loss ("ECL") associated with its trade receivables using the simplified approach. ECL represents a probability-weighted estimate of the difference between the present value of contractual cash flows and the present value of cash flows that the Group and the Company expect to receive, over the remaining life of the financial instrument, which requires the use of significant assumptions about future economic conditions and credit risk of the customers.	For ECL measured under the collective approach, we checked that the trade receivables have been grouped based on similar credit risk characteristics and age of receivables. We also checked that the expected loss rates were developed based on the historical credit losses rate. For ECL measured under the individual debtor assessment, we checked the expected timing and quantum of receipts of trade receivables by comparing it to the historical payment trend of individual customers, considered collaterals held by the Group and the Company and sighted to correspondence on settlement arrangements agreed between the Group and the Company and the customers. We also held discussions with management to understand the status of the ongoing negotiations on the recovery of trade receivables and corroborated the key assumptions included in the ECL model, namely on likelihood, quantum and timing of receipt of the balances.

INDEPENDENT AUDITORS' REPORT

to the members of IJM Corporation Berhad (cont'd)
(Incorporated in Malaysia)
Registration No. 198301008880 (104131-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key audit matters (cont'd)

Key audit matters	How our audit addressed the key audit matters
Recoverability of trade receivables (cont'd) The measurement of ECL incorporates expected loss rates, time value of money, forward looking information and probability-weighted estimates. Management has increased the overall loss rates used in the ECL due to the disruption in business operations experienced by the debtors during the MCO or lockdown period and the deterioration in the overall economic condition. The Group and the Company assessed ECL for trade receivables based on two approaches, namely the collective assessment and individual debtor assessment. To measure the expected credit losses under the collective approach, trade receivables have been grouped based on shared credit risk characteristics and number of days past due. The Group and the Company applied individual debtor assessment for debtors with different risk characteristics, where the credit risk information of these debtors is obtained and monitored individually. As at 31 March 2020, the Group's and the Company's trade receivables prior to loss allowances were RM1,429.9 million and RM54.7 million of which, RM156.2 million and RM32.1 million has been provided for as loss allowances respectively. We focused on this area because management's assessment of ECL requires significant judgement over the expected loss rates, timing of the recovery of the debts, forward-looking information and probability-weighted estimates.	For both collective assessment and individual debtor assessment, we have assessed and considered the reasonableness of the forward-looking information included in management's assessment and the revision in overall loss rates used in the calculation of expected credit loss provisions. We found management's assessment of its loss allowances of trade receivables to be materially consistent with the supporting information provided to us.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement and the Statement on Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, and the Chairman's Statement and other sections of the 2020 Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

to the members of IJM Corporation Berhad (cont'd)
(Incorporated in Malaysia)
Registration No. 198301008880 (104131-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Auditors' responsibilities for the audit of the financial statements (cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 55 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

PAULINE HO
02684/11/2021 J
Chartered Accountant

Kuala Lumpur
26 June 2020

LIST OF MATERIAL PROPERTIES

as at 31 March 2020

No	Location	Description	Area Hectares	Tenure	Existing Use	Year of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (Years)	Net Book Value (RM'000)
1	Mukim Tanjung Dua Belas, Kuala Langat District, Selangor PT 36309, 36330 - 36334, 36341, 36342, 36344, 36348 - 36349, 41090, 41184 - 41186, 41188 - 41189, 41211, 41213- 41217, 43417, 44088	Mixed development	423.29	Leasehold (expiring 2111)	Under development	A: 2014	N/A	1,429,300
2	PT 9573 (HSD 120445)	Residential	1.71	Leasehold (expiring 2106)	Under development	A: 2013	N/A	934,198
	PT 9211 (HSD 119540) PT 9216 (HSD 119543) PT 9222 (HSD 119548) PT 9223 (HSD 119549)	Residential land	7.26		For future development			
	PT 9212 (HSD 119541) PT 9217 (HSD 119544) PT 9218 (HSD 119545) PT 9219 (HSD 119546) PT 9220 (HSD 119547) PT 9230 (HSD 119550)	Commercial land	11.63					
3	Kutai Timur, East Kalimantan Indonesia	Agriculture land	21,827	Leasehold (expiring 2044, 2045 & 2053)	Oil Palm Estate, Palm Oil Mill and Kernel Crushing Plant	A: 2008, 2012 & 2014	8	649,128
4	Mukim Sungai Karang Kuantan, Pahang							643,116
	HSD No. 19137 - 19178 HSD No. 19180 - 19195	Industrial/ Commercial	273.68	Leasehold (expiring 2065 & 2098)	Under development	A: 2013	N/A	
	HSD No. 19179, 19196	Residential						
	HSD No. 20044, 20046	Industrial						
	HSD No. 20056 - 20061	Industrial / Commercial						
	HSD No. 47540	Commercial	404.69	Leasehold (expiring 2115)	Under development	A: 2017	N/A	
5	PT 39938 - 40039 PT 42406 - 42431 PT 42450 - 42474 PT 42495 - 42516 PT 42537 - 42584 PT 42605 - 42644 PT 42685 - 42724 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus	Residential	5.52		Under development			
	PT 32965 Mukim Labu, Daerah Seremban Negeri Sembilan Darul Khusus							
	PT 23227 - 23243 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus							

LIST OF MATERIAL PROPERTIES (cont'd)

as at 31 March 2020

No	Location	Description	Area Hectares	Tenure	Existing Use	Year of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (Years)	Net Book Value (RM'000)
5	PT 36987 - 37048 PT 37049 - 37055 PT 37057 - 37067 PT 37069 - 37150 PT 37801 PT 37158 - 37323 PT 37334 - 37527 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus	Residential land	32.76	Freehold	For future development	A: 2004	N/A	506,375
	PT 32116 - 32118 PT 36982 - 36984 PT 37154 PT 37327 PT 42111, PT 42310 PT 36066 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus	Commercial land	34.46					
	PT 23245 - 23247 PT 23996 PT 22597 PT 25326 - 25328 PT 27157 - 27158 Lot 51509 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus							
	PT 27161 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus	Agriculture land	80.10					
	PT 40174 - 40182 PT 40554 - 42110 PT 42112 - 42310 PT 42432 - 42449 PT 42475 - 42494 PT 42517 - 42536 PT 42585 - 42604 PT 42645 - 42684 PT 42725 - 42750 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus							
6	Menara Prudential Persiaran TRX Barat Tun Razak Exchange 55188 Kuala Lumpur	Commercial	3.84	Freehold	Office building	A: 2017	1	481,789

No	Location	Description	Area Hectares	Tenure	Existing Use	Year of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (Years)	Net Book Value (RM'000)
7	Seksyen 8, Georgetown Daerah Timur Laut Penang Parcel A1, Lot 691 Geran 117786	Residential	12.98		Under development			
	Parcel A1-3, Lot 10005 Geran 165499	Residential	1.73					
	Balance Parcel A1	Residential, Mixed development & Commercial	13.96	Freehold	Reclaimed			
	Parcel A2	Mixed Development & Commercial	8.75			N/A	N/A	458,419
	Parcel B1	Residential & Commercial	15.06	Leasehold	Yet to be reclaimed			
	Lot 657 PN 9242	Recreation & Amenities	0.56	Leasehold (expiring 2105)	For future development			
	Lot 10014 PN 11267 & Lot 10015 PN 11268	Residential & Commercial	1.83	Leasehold (expiring 2104)	Under development/ For future development			
8	Huihai Plaza, Xi'an Road, Chaoyang District, Changchun, Jilin Province, The People's Republic of China	Commercial	4.18	Leasehold (expiring 2043)	Under development	A: 2014	N/A	312,750
9	Bulungan, East Kalimantan, Indonesia	Agriculture land	15,188	Leasehold (expiring 2043 & 2046)	Oil Palm Estate and Palm Oil Mill	A: 2008	1	266,356

LIST OF MATERIAL PROPERTIES (cont'd)
as at 31 March 2020

No	Location	Description	Area Hectares	Tenure	Existing Use	Year of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (Years)	Net Book Value (RM'000)
10	HS(D)44250-60 PTD6652-62 HS(D) 44286-383 PTD6688-6785 HS(D) 44384-386 PTD6809-11 HS(D) 44387-45102 PTD6826-7541 HS(D) 45103-391 PTD7583-871 HS(D) 45392-993 PTD7886-8427 HS(D) 45935-46042 PTD8429-8536 HS(D) 46044-45 PTD8538-39 HS(D) 46047 PTD8541 HS(D) 46049-234 PTD8543-8728 HS(D) 46239 PTD8733 HS(D) 46245 PTD8739 HS(D) 46248 PTD8742 HS(D) 46256 PTD8750 HS(D) 46261-4 PTD8755-8758 HS(D) 46269-342 PTD8763-8836 HS(D) 46276-72 PTD8770-8766 HS(D) 46348-52 PTD8842-46 HS(D) 46355-56 PTD8849-50 HS(D) 46362-63 PTD8856-5 HS(D) 4636 PTD8859 HS(D) 46370-446 PTD8864-8940 HS(D) 46448-51 PTD8942-45 HS(D) 46454-57 PTD8948-51 HS(D) 46464-502 PTD8958-96 HS(D) 16092 PTD8586 HS(D) 46503-4 PTD9025-6 HS(D) 46510-1 PTD9056-7 HS(D) 46516 PTD9063 HS(D) 46518-38 PTD9067-87 Mukim Pengerang, Daerah Kota Tinggi, Johor			Leasehold (expiring 2117)				

No	Location	Description	Area Hectares	Tenure	Existing Use	Year of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (Years)	Net Book Value (RM'000)
10	HS(D)36851-56 PTD3974-9 HS(D)36861-64 PTD3984-7 Mukim Pengerang Daerah Kota Tinggi, Johor	Development land	176.48	Leasehold (expiring 2115)	Under development	A: 2008	N/A	225,354
	HS(D) 33935-86 PTD3999-4050 Mukim Pengerang Daerah Kota Tinggi, Johor			Leasehold (expiring 2098)				
	HS(D) 13901-2 PTD2926-7 Mukim Pengerang Daerah Kota Tinggi, Johor			Leasehold (expiring 2092)				
	HS(D)44261-85 PTD6663-87 HS(D) 46505 PTD9037 HS(D) 46506-9 PTD9052-55 HS(D) 46512-13 PTD9058-59 HS(D) 46514-15 PTD9061-62 HS(D) 46517 PTD9066 HS(D)14217 PTD2943 HS(D)14243 PTD2969 HS(D)44247 PTD6644 HS(D)44248 PTD6647 HS(D)44249 PTD6651 HSM1702-3 PTD61-2 Lot 10002 G132593 Lot 4671-3 G138174-6 Lot4688 G138191 Lot 4690-1 G138192-3 Mukim Pengerang Daerah Kota Tinggi, Johor			Freehold				

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 36th Annual General Meeting ("AGM") of IJM CORPORATION BERHAD [198301008880 (104131-A)] will be held fully virtual through live streaming from the broadcast venue at the Multipurpose Hall, 3rd Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia ("Broadcast Venue") on Tuesday, 22 September 2020, at 10.00 a.m. to transact the following matters:-

1. To receive the audited financial statements for the year ended 31 March 2020 together with the reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who retire by rotation in accordance with Clause 88 of the Company's Constitution and who being eligible, offer themselves for re-election:-
   a) Datuk Lee Teck Yuen (Resolution 1)
   b) Pushpanathan A/L S A Kanagarayar (Resolution 2)
   c) Lee Chun Fai (Resolution 3)

   Please refer to Note 1
3. To re-elect Liew Hau Seng who retires in accordance with Clause 92 of the Company's Constitution and who being eligible, offers himself for re-election. (Resolution 4)

   Please refer to Note 1
4. To re-appoint PricewaterhouseCoopers PLT as Auditors and to authorise the Directors to fix their remuneration. (Resolution 5)
5. As special business to consider and pass the following resolutions:-
   a) DIRECTORS' FEES (Resolution 6)

      "THAT the Directors' fees of RM1,222,968 for the year ended 31 March 2020 be approved to be divided amongst the Directors in such manner as they may determine."

      Please refer to Note 2
   b) DIRECTORS' BENEFITS (Resolution 7)

      "THAT the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM385,000 for the period from 23 September 2020 until the next Annual General Meeting be approved."

      Please refer to Note 2
   c) DIRECTORS' FEES AND MEETING ALLOWANCE OF A SUBSIDIARY (Resolution 8)

      "THAT the payment of Directors' fees and/or meeting allowance by a subsidiary to several common Directors be approved:-

      (i) Directors' fees of RM381,861 for the year ended 31 March 2020; and

      (ii) Directors' meeting allowance of up to an amount of RM30,000 from 23 September 2020 until the next Annual General Meeting."

      Please refer to Note 2

d) AUTHORITY TO ISSUE SHARES UNDER SECTIONS 75 AND 76 (Resolution 9)

"THAT the Directors be and are hereby authorised, pursuant to Sections 75 and 76 of the Companies Act 2016, to allot and issue not more than 10% of the total number of issued shares of the Company at any time, upon such terms and conditions and for such purposes as the Directors in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force, and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof."

Please refer to Note 3

e) PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (Resolution 10)

"THAT the Directors be and are hereby authorised to purchase the ordinary shares of the Company through the stock exchange of Bursa Malaysia Securities Berhad at any time upon such terms and conditions as the Directors in their absolute discretion deem fit provided that:-

i) the aggregate number of shares purchased (which are to be treated as treasury shares) does not exceed 10% of the total number of issued shares of the Company; and

ii) the funds allocated for the purchase of shares shall not exceed its retained profits

AND THAT the Directors be and are hereby further authorised to deal with the treasury shares in their absolute discretion (which may be distributed as dividends, resold, transferred, cancelled and/or in any other manner as prescribed by the Companies Act 2016, and the relevant rules, regulations and/or requirements)

AND THAT such authority shall continue to be in force until:-

a) the conclusion of the next Annual General Meeting ("AGM");

b) the expiration of the period within which the next AGM is required by law to be held; or

c) revoked or varied in a general meeting,

whichever occurs first."

Please refer to Note 4

By Order of the Board

Ng Yoke Kian
Company Secretary
CCM PC No. 202008000554
MAICSA 7018150

Petaling Jaya
24 August 2020

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT NOTICE

A. **VIRTUAL MEETING**

In view of the Covid-19 pandemic and as part of the Company's precautionary measures, the 36th AGM of the Company will be held fully virtual through live streaming and online remote voting via the Remote Participation and Voting ("RPV") Facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") which are available on its TIIH Online website at https://tiih.online. Please follow the procedures provided in the Administrative Guide for the 36th AGM in order to register, participate and vote remotely via the RPV Facilities.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting.

No members or proxies shall be physically present at the Broadcast Venue on the day of the meeting.

B. **APPOINTMENT OF PROXY AND ENTITLEMENT OF ATTENDANCE**

(i) every member, including authorised nominee and exempt authorised nominee which holds securities for multiple beneficial owners in one (1) securities account (Omnibus Account), is entitled to appoint another person as his proxy and such proxy need not be a member;

(ii) a member who appoints a proxy must duly execute the Form of Proxy, and if more than one (1) proxy is appointed, the number of shares to be represented by each proxy must be clearly indicated;

(iii) a corporate member who appoints a proxy must execute the Form of Proxy under seal or the hand of its officer or attorney duly authorised;

(iv) only members whose names appear in the Record of Depositors and/or Register of Members as at **14 September 2020** will be entitled to attend and vote at the meeting;

(v) the duly executed Form of Proxy may be deposited in a hard copy form or by electronic means in the following manner before **10.00 a.m. on 21 September 2020**:-

(a) In hard copy form
submit to the Share Registrar of the Company, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; OR

(b) By electronic form
lodge via TIIH Online website at https://tiih.online (applicable to individual members only) by following the procedures provided in the Administrative Guide for the 36th AGM; and

(vi) a member who has appointed a proxy or authorised representative to attend and vote at the 36th AGM via RPV must request his/her proxy or authorised representative to register himself/herself for RPV at TIIH Online website at https://tiih.online. Please follow the procedures in the Administrative Guide for the 36th AGM.

C. The Annual Report, Share Buy-Back Statement, Form of Proxy and Administrative Guide are available for viewing and/or downloading at www.ijm.com/investor/agm.

EXPLANATORY NOTES ON ORDINARY/SPECIAL BUSINESS

1. **RE-ELECTION OF DIRECTORS**

The performance of each Director who subject for re-election had been assessed through the Board annual evaluation (including the independence of Independent Non-Executive Directors, Datuk Lee Teck Yuen and Pushpanathan A/L S A Kanagarayar). The Nomination & Remuneration Committee and the Board are satisfied with the performance and effectiveness of the Directors.

Datuk Lee Teck Yuen, Pushpanathan A/L S A Kanagarayar, Lee Chun Fai and Liew Hau Seng are standing for re-election as Directors, and being eligible, have offered themselves for re-election at this AGM.

The profiles of the Directors who are subject for re-election are set out on pages 23 to 27 of the Annual Report 2020.

2. **DIRECTORS' FEES AND BENEFITS**

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at the general meeting.

The Resolution 6, if approved, will authorise the payment of Directors' fees to the Non-Executive Directors ("NED") pursuant to Clause 95 of the Company's Constitution.

The Resolution 7, if approved, will authorise the payment of Directors' benefits to the NED by the Company. The Directors' benefits of RM385,000 for the period from 23 September 2020 until the next AGM in year 2021 are derived from the estimated meeting allowance based on the number of scheduled meetings and unscheduled meetings (when necessary) for the Board and Board Committees, number of NEDs involved in the meetings, overseas allowance of the Chairman of Audit Committee (IJM India Operations), travel claims of the NEDs and car benefits of the Non-Executive Chairman. The meeting allowance for a NED is RM1,000 per meeting.

The Resolution 8 is in relation to the payment of Directors' fees and/or meeting allowance by IJM Plantations Berhad ("IJMP"), a 56% owned subsidiary to several common Directors of the Company. The details are as follows:-

(a) Directors' fees of RM381,861 payable to Tan Sri Dato' Tan Boon Seng @ Krishnan, Pushpanathan A/L S A Kanagarayar, Liew Hau Seng (appointed on 1 September 2019) and Dato' Soam Heng Choon (resigned on 31 August 2019) for the financial year ended 31 March 2020; and

(b) the common Directors are also entitled to the meeting allowance of IJMP for RM1,000 per person for each meeting attended. The estimated Directors' meeting allowance of RM30,000 is based on the number of scheduled meetings and unscheduled meetings (when necessary) for the Board and Board Committees of IJMP during the period from 23 September 2020 until the next AGM in year 2021.

The Directors' fees and/or meeting allowance payable by IJMP are subject to the shareholders' approval at the general meeting of IJMP.

3. **AUTHORITY TO ISSUE SHARES UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

The Resolution 9, if approved, will empower the Directors to issue up to 10% of the total number of issued shares (excluding treasury shares) of the Company, for purposes of funding future investment projects, working capital, acquisitions and/or so forth. The approval is a renewal of general mandate and is sought to provide flexibility and avoid any delay and cost in convening a general meeting for such issuance of shares for fund raising activities, including placement of shares. The authorisation, unless revoked or varied by the Company at a general meeting, will expire at the next AGM. At this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the authorisation is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

4. **SHARE BUY-BACK AUTHORITY**

The details of the proposal are set out in the Share Buy-Back Statement dated 24 August 2020, which is published at the Company's website at **www.ijm.com/investor/agm**.

FORM OF PROXY

I/We ____

NRIC/Passport/Company No.: ______________________ Mobile Phone No.: ______________

CDS Account No.: ______________________ Number of Shares Held: ______________

Address: ____

____

being a member of **IJM CORPORATION BERHAD [198301008880 (104131-A)]**, hereby appoint:-

1) Name of proxy: ______________________ NRIC No.: ______________

Address: ____

______________________ Number of Shares Represented: ______________

2) Name of proxy: ______________________ NRIC No.: ______________

Address: ____

______________________ Number of Shares Represented: ______________

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the 36th Annual General Meeting ("AGM") of IJM CORPORATION BERHAD to be held fully virtual through live streaming from the broadcast venue at the Multipurpose Hall, 3rd Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 22 September 2020, at 10.00 a.m., and at any adjournment thereof, in the manner indicated below:-

No.	Resolutions	For	Against
1.	To re-elect Datuk Lee Teck Yuen as Director		
2.	To re-elect Pushpanathan A/L S A Kanagarayar as Director		
3.	To re-elect Lee Chun Fai as Director		
4.	To re-elect Liew Hau Seng as Director		
5.	To re-appoint PricewaterhouseCoopers PLT as Auditors and to authorise the Directors to fix their remuneration		
6.	To approve the payment of Directors' fees of RM1,222,968		
7.	To approve the payment of Directors' benefits of RM385,000		
8.	To approve the payment of Directors' fees of RM381,861 and/or meeting allowance of up to an amount of RM30,000 by a subsidiary		
9.	To authorise the issuance of up to 10% of the total number of issued shares of the Company		
10.	To approve the Proposed Renewal of Share Buy-Back Authority		

Please indicate with "X" how you wish your vote to be cast. In the absence of specific instruction, your Proxy will vote or abstain as he/she thinks fit.

Signed (and sealed) this ______________ day of ______________ 2020

Signature(s): ______________________________________

Notes:-

(i) every member, including authorised nominee and exempt authorised nominee which holds securities for multiple beneficial owners in one (1) securities account (Omnibus Account), is entitled to appoint another person as his proxy and such proxy need not be a member;

(ii) a member who appoints a proxy must duly execute the Form of Proxy, and if more than one (1) proxy is appointed, the number of shares to be represented by each proxy must be clearly indicated;

(iii) a corporate member who appoints a proxy must execute the Form of Proxy under seal or the hand of its officer or attorney duly authorised;

(iv) only members whose names appear in the Record of Depositors and/or Register of Members as at **14 September 2020** will be entitled to attend and vote at the meeting;

(v) the duly executed Form of Proxy may be deposited in a hard copy form or by electronic means in the following manner before **10.00 a.m.** on **21 September 2020**:-

(a) In hard copy form
submit to the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; OR

(b) By electronic form
lodge via TIIH Online website at https://tiih.online (applicable to individual members only) by following the procedures provided in the Administrative Guide for the 36th AGM; and

(vi) a member who has appointed a proxy or authorised representative to attend and vote at the 36th AGM via the Remote Participation and Voting ("RPV") Facilities provided by Tricor must request his/her proxy or authorised representative to register himself/herself for RPV at TIIH Online website at https://tiih.online. Please follow the procedures in the Administrative Guide for the 36th AGM.

2. Fold this flap to seal

Stamp

The Share Registrar

Tricor Investor & Issuing House Services Sdn. Bhd.

Registration No. 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

1. Fold here

CORPORATE INFORMATION

IJM CORPORATION BERHAD

198301008880 (104131-A)

HEAD OFFICE
Wisma IJM, Jalan Yong Shook Lin
46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel : 603-7985 8288 Fax : 603-7952 9388
E-mail : ijm@ijm.com Website : http://www.ijm.com

Certified to ISO 9001:2015
Cert. No. : AR 0911

Certified to ISO 45001:2018
Cert. No.: OHS 00105

Certified to MS 1722:2011
Cert. No. : SR 0308

Certified to ISO 14001:2015
Cert. No. : ER 0489

DIVISIONAL OFFICES

CONSTRUCTION

MALAYSIA
IJM CONSTRUCTION SDN BHD
199001004083 (195650-H)
Wisma IJM, Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : 603-7985 8288
Fax : 603-7952 9388
E-mail : ijm@ijm.com
Website : http://www.ijm.com
Contact : Mr Ong Teng Cheng

INDIA
IJM (INDIA) INFRASTRUCTURE LIMITED
H. No. 1-89/1, 3rd & 4th Floor
Plot No. 42 & 43, Kavuri Hills Phase-1
Madhapur, Hyderabad – 500 081, India
Tel : 91 40 2311 4661/62/63/64
Fax : 91 40 2311 4669
E-mail : ijmii@ijm.com
Website : http://www.ijm.com
Contact : Mr Cyrus Eruch Daruwalla

UNITED ARAB EMIRATES
IJM CONSTRUCTION (MIDDLE EAST) LLC
(560467)
Flat #101, Building #U05
International City
P.O.Box 36634
Dubai, United Arab Emirates
Tel : 971 4874 2377
E-mail : ijm@ijm.com
Contact : Mr Liew Hau Seng

PAKISTAN
IJM CONSTRUCTION (PAKISTAN) (PVT) LTD
IT Tower Complex
Plot # ST-2 & 3/15A, Block No.14
Adjacent to Civic Center
Opposite Water & Sewerage Board Office
Gulshan-e-Iqbal, 75300 Karachi
Pakistan
E-mail : ijm@ijm.com
Contact : Mr Liew Hau Seng

SINGAPORE
HEXACON CONSTRUCTION PTE LTD
(198204843K)
432, Balestier Road, #02-432 Public Mansion
Singapore 329813
Tel : 65-6251 9388
Fax : 65-6253 1638
E-mail : hexacon@singnet.com.sg
Website : http://www.hexacon.com.sg
Contact : Mr Pang Hoe Sang

INDUSTRY

MALAYSIA
INDUSTRIAL CONCRETE PRODUCTS SDN BHD
197701001400 (32369-W)
DURABON SDN BHD
199601020341 (392693-W)
IJM IBS SDN BHD
201801019198 (1281214-T)
Wisma IJM Annexe, Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : 603-7955 8888
Fax : 603-7958 1111
E-mail : icp@ijm.com
Website : http://www.icpb.com.my
Contact : Mr Tan Boon Leng

MALAYSIAN ROCK PRODUCTS SDN BHD
196201000284 (4780-T)
STRONG MIXED CONCRETE SDN BHD
199001002259 (193822-X)
SCAFFOLD MASTER SDN BHD
198501013600 (146056-P)
KUANG ROCK PRODUCTS SDN BHD
199201014780 (246283-D)
Wisma IJM Annexe
Jalan Yong Shook Lin, 46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : 603-7955 8888
Fax : 603-7957 4891
E-mail : mrp@ijm.com
Website : http://www.ijm.com
Contact : Mr Tan Khuan Beng

CHINA
ICP JIANGMEN CO LTD
6, Sihang Road
Gujing Town, Xinhui District
Jiangmen City, Guangdong
529145 China
Tel : 86 (0) 750-826 9008
Fax : 86 (0) 750-826 9098
E-mail : icpjm@163.com
Website : http://www.icpjm.com.cn
Contact : Mr Lee Hong Chai

INDIA
IJM CONCRETE PRODUCTS PRIVATE LIMITED

Head Office – Hyderabad
H. No. 1-89/1, 2nd Floor
Plot No. 42 & 43, Kavuri Hills Phase-1
Madhapur, Hyderabad – 500 081
India
Tel : 91 40 4340 8888
Fax : 91 40 2311 4669
E-mail : ijmcppl@ijm.com
Contact : Mr Lau Liang See

PLANTATION

IJM PLANTATIONS BERHAD
198501000955 (133399-A)
Wisma IJM Plantations
Lot 1, Jalan Bandar Utama
Mile 6, Jalan Utara
90000 Sandakan, Sabah
Postal Address: BQ 3933
Mail Bag No. 8, 90009 Sandakan
Sabah, Malaysia
Tel : 6089-667 721
Fax : 6089-667 728
E-mail : ijmplt@ijm.com
Website : http://www.ijmplantations.com
Contact : Mr Joseph Tek Choon Yee

INFRASTRUCTURE

BESRAYA (M) SDN BHD
199501013021 (342223-A)
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56100 Kuala Lumpur
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199601002037 (374383-H)
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- HSBC Bank Malaysia Berhad
- Malayan Banking Berhad
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- RHB Banking Group
- Standard Chartered Bank Malaysia Berhad
- Sumitomo Mitsui Banking Corporation

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STOCK EXCHANGE LISTING
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Bursa Malaysia Securities Berhad
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BMSB Code : 3336
Reuters Code : IJMS.KL
Bloomberg Code : IJM MK

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