



IJM CORPORATION BERHAD
198301008880 (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: **30/09/2023**
 Quarter: **2nd Quarter**
 Financial Year End: **31/03/2024**
 The figures: **Have not been audited**
 Full Quarterly Report: **Refer attached**

Part A2 : Summary of Key Financial Information for the financial period ended 30/09/2023

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2023 RM'000	Preceding year quarter 30/09/2022 RM'000	Current year to date 30/09/2023 RM'000	Preceding year to date 30/09/2022 RM'000
1 Revenue	1,458,357	1,071,904	2,684,183	2,144,634
2 Profit before taxation	191,015	88,818	371,137	180,028
3 Net profit for the period	112,427	43,133	227,286	92,019
4 Net profit attributable to owners of the Company	93,687	27,030	194,329	60,436
5 Basic earnings per share (sen)	2.67	0.77	5.54	1.71
6 Proposed/Declared dividend per share (sen)	2.00	2.00	2.00	2.00
	As at end of current quarter 30/09/2023		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		2.81		2.80

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter			Cumulative Period		
	Current year quarter	Preceding year quarter	Change (+/-)	Current year to date	Preceding year to date	Change (+/-)
	30/09/2023 RM'000	30/09/2022 RM'000	%	30/09/2023 RM'000	30/09/2022 RM'000	%
Operating revenue	1,458,357	1,071,904	36.1%	2,684,183	2,144,634	25.2%
Cost of sales	<u>(1,042,220)</u>	<u>(814,963)</u>	27.9%	<u>(1,988,961)</u>	<u>(1,652,861)</u>	20.3%
Gross profit	416,137	256,941	62.0%	695,222	491,773	41.4%
Other operating income	52,779	62,731	-15.9%	98,462	116,158	-15.2%
Foreign exchange differences	(34,961)	(46,332)	24.5%	6,691	(91,378)	107.3%
Tendering, selling and distribution expenses	(16,818)	(15,872)	6.0%	(25,108)	(23,702)	5.9%
Administrative expenses	(113,119)	(76,220)	48.4%	(201,184)	(145,419)	38.3%
Other operating expenses	<u>(34,123)</u>	<u>(24,884)</u>	37.1%	<u>(58,009)</u>	<u>(42,741)</u>	35.7%
Operating profit before finance cost	269,895	156,364	72.6%	516,074	304,691	69.4%
Finance cost	<u>(77,240)</u>	<u>(58,559)</u>	31.9%	<u>(146,423)</u>	<u>(109,855)</u>	33.3%
Operating profit after finance cost	192,655	97,805	97.0%	369,651	194,836	89.7%
Share of losses of associates	(7,159)	(13,994)	-48.8%	(9,719)	(21,325)	-54.4%
Share of profits of joint ventures	<u>5,519</u>	<u>5,007</u>	10.2%	<u>11,205</u>	<u>6,517</u>	71.9%
Profit before taxation	191,015	88,818	115.1%	371,137	180,028	106.2%
Income tax expense	<u>(78,588)</u>	<u>(45,685)</u>	72.0%	<u>(143,851)</u>	<u>(88,009)</u>	63.5%
Net profits for the period	112,427	43,133	160.7%	227,286	92,019	147.0%
<u>Other comprehensive income/(losses) (net of tax):</u>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Currency translation differences of foreign operations	7,989	8,531		23,708	10,320	
Share of other comprehensive income/(losses) of associates	-	436		(63)	916	
	7,989	8,967	-10.9%	23,645	11,236	110.4%
Total comprehensive income for the period	120,416	52,100	131.1%	250,931	103,255	143.0%
<u>Net profits attributable to:-</u>						
Owners of the Company	93,687	27,030	246.6%	194,329	60,436	221.5%
Perpetual sukuk	11,789	11,785	0.0%	23,346	23,340	0.0%
Non-controlling interests	6,951	4,318	61.0%	9,611	8,243	16.6%
	112,427	43,133	160.7%	227,286	92,019	147.0%
<u>Total comprehensive income attributable to:-</u>						
Owners of the Company	100,634	36,288	177.3%	220,037	72,033	205.5%
Perpetual sukuk	11,789	11,785	0.0%	23,346	23,340	0.0%
Non-controlling interests	7,993	4,027	98.5%	7,548	7,882	-4.2%
	120,416	52,100	131.1%	250,931	103,255	143.0%
<u>Earnings per share (sen):-</u>						
Basic	2.67	0.77		5.54	1.71	
Fully diluted	2.67	0.77		5.54	1.71	

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	30/09/2023	31/03/2023
	RM'000	RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	6,132,406	6,132,406
Treasury shares	(235,102)	(224,912)
Shares held under trust	(1,263)	(1,263)
Other reserves	(61,330)	(87,038)
Retained profits	4,008,357	4,024,571
	9,843,068	9,843,764
Perpetual sukuk of a subsidiary	847,861	847,817
Non-controlling interests	277,160	269,489
	10,968,089	10,961,070
NON-CURRENT LIABILITIES		
Bonds	2,412,444	2,572,025
Term loans	1,075,602	1,057,825
Government support loans	11,792	21,129
Lease liabilities	50,260	52,440
Deferred tax liabilities	492,949	491,158
Trade and other payables	324,698	293,503
Retirement benefits	1,877	1,877
	4,369,622	4,489,957
DEFERRED INCOME	263,350	258,778
	15,601,061	15,709,805

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	30/09/2023 RM'000	31/03/2023 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	970,816	979,189
Right-of-use assets	225,247	233,370
Concession assets	3,966,046	3,994,564
Investment properties	608,108	612,246
Associates	919,435	941,181
Joint ventures	468,236	550,382
Financial assets at fair value through other comprehensive income	3,665	3,665
Long term receivables	190,591	235,221
Deferred tax assets	450,564	463,512
Inventories	556,229	537,397
Intangible assets	112,329	125,414
	8,471,266	8,676,141
CURRENT ASSETS		
Inventories	6,571,545	6,672,599
Trade and other receivables	1,528,724	1,261,800
Contract assets	506,212	432,016
Financial assets at fair value through profit or loss	613,011	541,934
Derivative financial instruments	1,846	-
Assets held for sale	2,038	2,038
Tax recoverable	102,428	98,904
Deposits, cash and bank balances	2,817,687	2,825,163
	12,143,491	11,834,454
Less:		
CURRENT LIABILITIES		
Trade and other payables	2,576,238	2,679,845
Contract liabilities	360,620	309,089
Provisions	3,292	2,992
Lease liabilities	13,923	18,410
Current tax liabilities	84,226	86,521
Borrowings:		
- Bank overdrafts	19,129	7,365
- Others	1,956,268	1,696,568
	5,013,696	4,800,790
NET CURRENT ASSETS	7,129,795	7,033,664
	15,601,061	15,709,805
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	2.81	2.80

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	-----Attributable to owners of the Company-----					Perpetual sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000	
	Share capital RM'000	Treasury shares RM'000	Shares held under trust RM'000	Other reserves RM'000	Retained profits RM'000				Total RM'000
At 1 April 2023	6,132,406	(224,912)	(1,263)	(87,038)	4,024,571	9,843,764	847,817	269,489	10,961,070
Total comprehensive income for the period	-	-	-	25,708	194,329	220,037	23,346	7,548	250,931
Issuance of shares by a subsidiary to non-controlling shareholders	-	-	-	-	-	-	-	250	250
Single tier second interim dividend: Year ended 31 March 2023	-	-	-	-	(210,543)	(210,543)	-	-	(210,543)
Distribution to perpetual sukuk holders	-	-	-	-	-	-	(23,302)	-	(23,302)
Share buy back	-	(10,190)	-	-	-	(10,190)	-	-	(10,190)
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-	-	(127)	(127)
At 30 September 2023	6,132,406	(235,102)	(1,263)	(61,330)	4,008,357	9,843,068	847,861	277,160	10,968,089
At 1 April 2022	6,127,731	(189,939)	(1,263)	968	4,000,050	9,937,547	847,924	675,263	11,460,734
Total comprehensive income for the period	-	-	-	11,597	60,436	72,033	23,340	7,882	103,255
Issuance of employee share options and share grants (net)	-	-	-	(3,049)	-	(3,049)	-	-	(3,049)
Acquisition of a subsidiary	-	-	-	-	-	-	-	3,512	3,512
Single tier second interim dividend: Year ended 31 March 2022	-	-	-	-	(141,127)	(141,127)	-	-	(141,127)
Distribution to perpetual sukuk holders	-	-	-	-	-	-	(23,279)	-	(23,279)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(59,043)	(59,043)
Issuance of shares: - vesting of shares under ESGP	4,675	-	-	(4,675)	-	-	-	-	-
Share buy back	-	(21,240)	-	-	-	(21,240)	-	-	(21,240)
At 30 September 2022	6,132,406	(211,179)	(1,263)	4,841	3,919,359	9,844,164	847,985	627,614	11,319,763

IJM CORPORATION BERHAD 198301008880 (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	6 months ended 30/09/2023 RM'000	6 months ended 30/09/2022 RM'000
OPERATING ACTIVITIES		
Receipts from customers	2,504,204	2,377,440
Payments to contractors, suppliers and employees	(2,002,018)	(1,675,346)
Income tax paid	(130,125)	(77,246)
Net cash flow from operating activities	372,061	624,848
INVESTING ACTIVITIES		
Investment in a jointly controlled entity	(20,500)	-
Acquisition of a subsidiary	-	(14,734)
Disposal of an associate	-	2,996
Investment in an associate	(3,361)	-
Subscription of Redeemable Unsecured Murabahah Stocks in an associate	(12,000)	(7,340)
Acquisition of financial assets at fair value through profit or loss	(183,653)	(231,206)
Purchases of property, plant and equipment, development land, right-of-use assets, investment properties, concession assets and deferred expenditure	(51,169)	(141,206)
Disposal of investments, property, plant and equipment, right-of-use assets, investment properties and assets held for sale	123,781	212,396
Redemption of preference shares of an associate	10,024	-
Proceeds from capital reduction in an associate	260	-
Interest received	49,309	25,535
Dividends received from associates, jointly controlled entities and other investments	3,384	1,410
Net repayment from/(advances to) associates and joint ventures	16,702	(16,847)
Redemption of Redeemable Convertible Secured Islamic Debt Securities	142,062	-
Net cash flow from/(used in) investing activities	74,839	(168,996)
FINANCING ACTIVITIES		
Issuance of shares by a subsidiary to non-controlling shareholders	250	-
Purchase of treasury shares	(10,190)	(21,240)
Net proceeds from/(repayments of) bank and government borrowings	373,879	(330,312)
Repayments of lease liabilities	(9,481)	(5,037)
Interest paid	(149,324)	(121,777)
Dividends paid by subsidiaries to non-controlling shareholders	-	(59,043)
Distribution to perpetual sukuk holders	(23,302)	(23,279)
Dividends paid by the Company	(210,543)	(141,127)
Net repayment of bonds	(345,000)	(50,000)
Net uplifts of/(placements of) restricted deposits	8,261	(1,318)
Acquisition of additional interests in a subsidiary	(127)	-
Balance of purchase consideration paid in relation to the prior year acquisition of remaining equity interest in a subsidiary	(98,800)	-
Net cash flow used in financing activities	(464,377)	(753,133)
Net decrease in cash and cash equivalents during the financial period	(17,477)	(297,281)
Cash and cash equivalents at beginning of the financial period	2,807,819	2,887,474
Foreign exchange differences	6,497	9,314
Cash and cash equivalents at end of the financial period	2,796,839	2,599,507
Cash and cash equivalents comprise the following :		
Deposits, cash and bank balances	2,817,687	2,683,202
Bank overdrafts	(19,129)	(71,579)
	2,798,558	2,611,623
Less: restricted deposits with licensed banks	(1,719)	(12,116)
	<u>2,796,839</u>	<u>2,599,507</u>

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A NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

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

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2023 which are available at <https://www.ijm.com>. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2023.

The financial statements of the Group, which comprise the statement of financial position of the Group as at 30 September 2023, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the financial period ended 30 September 2023 have not been audited.

A2. Changes in Accounting Policies

(i) The significant accounting policies applied are consistent with those adopted for the audited financial statements for the year ended 31 March 2023 except for the adoption of the following amendments to published standards:

(a) Amendments to published standards that are effective for the Group’s financial year beginning on or after 1 April 2023 and applicable to the Group are as follows:

- Amendments to MFRS 17 Insurance Contracts – *Initial Application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101 Presentation of Financial Statements – *Disclosure of Accounting Policies*
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – *Definition of Accounting Estimates*
- Amendments to MFRS 112 Income Taxes – *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The adoption of the above amendments to published standards did not result in any significant change to the accounting policies and did not have a material impact on the interim financial report of the Group.

(ii) As at the date of this report, the following amendments to published standards have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been early adopted.

(a) Effective for financial years beginning on or after 1 April 2024

- Amendments to MFRS 16 Leases – *Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 Presentation of Financial Statements – *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures – *Supplier Finance Arrangements*
- Amendments to MFRS 121 The Effect of Changes in Foreign Exchange Rates – *Lack of Exchangeability*

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A2. Changes in Accounting Policies (continued)

- (ii) (b) Effective date of these Amendments to Standards has been deferred and yet to be announced

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company are currently assessing the impact of the above amendments to published standards.

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 March 2023 was unmodified.

A4. Seasonality or Cyclicity of Operations

The Group's operations are not materially affected by seasonal or cyclical factors.

A5. Unusual Significant Items

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual in nature, size or incidence during the financial period ended 30 September 2023.

A6. Material Changes in Estimates

There were no major changes in estimates that have a material effect on the results for the financial period ended 30 September 2023.

A7. Debt and Equity Securities

Other than the following, there were no issuance, cancellation and repayment of debt and equity securities for the financial period ended 30 September 2023.

- (a) For the financial period ended 30 September 2023, 6,735,800 ordinary shares were repurchased in the open market at an average price of RM1.51 per share and retained as treasury shares of the Company.
- (b) For the financial period ended 30 September 2023, RM345,000,000 bonds were repaid.

A8. Dividend Paid

On 21 July 2023, a single tier second interim dividend and special dividend of 4 sen and 2 sen per share respectively, for the financial year ended 31 March 2023, totaling RM210,543,367 were paid.

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A9. Segmental Information

	GROUP			GROUP		
	3 months ended 30/09/2023	3 months ended 30/09/2022	Change (+/-)	6 months ended 30/09/2023	6 months ended 30/09/2022	Change (+/-)
	RM'000	RM'000	%	RM'000	RM'000	%
External revenue:						
Construction	416,149	268,604	54.9%	723,304	536,866	34.7%
Property development	463,695	326,550	42.0%	833,185	671,545	24.1%
Manufacturing and quarrying	316,011	259,331	21.9%	623,389	508,589	22.6%
Infrastructure	242,355	217,154	11.6%	484,084	427,283	13.3%
Investment and others	20,147	265	7502.6%	20,221	351	5661.0%
	<u>1,458,357</u>	<u>1,071,904</u>	36.1%	<u>2,684,183</u>	<u>2,144,634</u>	25.2%
Inter-segment revenue:						
Construction	177,370	132,913	33.4%	337,706	236,178	43.0%
Property development	-	27,000	-100.0%	-	27,000	-100.0%
Manufacturing and quarrying	18,595	5,707	225.8%	32,749	10,045	226.0%
Infrastructure	(3,078)	28	-11092.9%	34	28	21.4%
Investment and others	45,863	185,031	-75.2%	72,711	248,402	-70.7%
	<u>238,750</u>	<u>350,679</u>	-31.9%	<u>443,200</u>	<u>521,653</u>	-15.0%
Profits/(losses) before taxation:						
Construction	15,281	24,357	-37.3%	26,504	43,905	-39.6%
Property development	76,184	29,330	159.7%	157,372	63,252	148.8%
Manufacturing and quarrying	44,738	50,602	-11.6%	89,171	81,951	8.8%
Infrastructure	53,746	(16,607)	423.6%	102,172	(13,857)	837.3%
Investment and others	1,066	1,136	-6.2%	(4,082)	4,777	-185.5%
	<u>191,015</u>	<u>88,818</u>	115.1%	<u>371,137</u>	<u>180,028</u>	106.2%
Earnings/(losses) before interest, tax, depreciation and amortisation:						
Construction	41,623	46,734	-10.9%	77,513	88,622	-12.5%
Property development	94,120	41,249	128.2%	187,538	84,266	122.6%
Manufacturing and quarrying	58,005	64,275	-9.8%	115,390	109,364	5.5%
Infrastructure	148,253	73,472	101.8%	290,736	164,084	77.2%
Investment and others	1,438	1,145	25.6%	(3,697)	4,790	-177.2%
	<u>343,439</u>	<u>226,875</u>	51.4%	<u>667,480</u>	<u>451,126</u>	48.0%
Finance Cost	(77,240)	(58,559)		(146,423)	(109,855)	
Depreciation and amortisation	(75,184)	(79,498)		(149,920)	(161,243)	
Profits before taxation	<u>191,015</u>	<u>88,818</u>	115.1%	<u>371,137</u>	<u>180,028</u>	106.2%
				As at 30/06/2023	As at 31/03/2023	
				RM'000	RM'000	
Total Assets:						
Construction				2,368,444	2,273,542	
Property development				10,244,378	10,121,574	
Manufacturing and quarrying				1,397,954	1,374,875	
Infrastructure				5,652,268	5,880,900	
Investment and others				398,721	297,288	
Total segment assets				<u>20,061,765</u>	19,948,179	
Unallocated corporate assets				552,992	562,416	
Consolidated total assets				<u>20,614,757</u>	20,510,595	

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A9. Segmental Information (continued)

	Construction RM'000	Property development RM'000	Manufacturing & Quarrying RM'000	Infrastructure RM'000	Investment & Others RM'000	Total RM'000
3 months ended 30/09/2023						
Revenue from contract with customers						
Timing of revenue recognition:						
- At a point in time	5,168	117,320	305,580	-	-	428,068
- Over time	410,981	340,422	8,723	228,358	19,998	1,008,482
	416,149	457,742	314,303	228,358	19,998	1,436,550
Revenue from other sources	-	5,953	1,708	13,997	149	21,807
Total revenue	416,149	463,695	316,011	242,355	20,147	1,458,357
6 months ended 30/09/2023						
Revenue from contract with customers						
Timing of revenue recognition:						
- At a point in time	9,134	213,959	605,459	-	-	828,552
- Over time	714,170	607,321	14,659	459,631	20,020	1,815,801
	723,304	821,280	620,118	459,631	20,020	2,644,353
Revenue from other sources	-	11,905	3,271	24,453	201	39,830
Total revenue	723,304	833,185	623,389	484,084	20,221	2,684,183
3 months ended 30/09/2022						
Revenue from contract with customers						
Timing of revenue recognition:						
- At a point in time	6,286	120,568	253,516	26	-	380,396
- Over time	262,318	198,097	4,139	206,650	65	671,269
	268,604	318,665	257,655	206,676	65	1,051,665
Revenue from other sources	-	7,885	1,676	10,478	200	20,239
Total revenue	268,604	326,550	259,331	217,154	265	1,071,904
6 months ended 30/09/2022						
Revenue from contract with customers						
Timing of revenue recognition:						
- At a point in time	13,689	264,570	499,204	26	-	777,489
- Over time	523,177	393,123	6,304	406,290	101	1,328,995
	536,866	657,693	505,508	406,316	101	2,106,484
Revenue from other sources	-	13,852	3,081	20,967	250	38,150
Total revenue	536,866	671,545	508,589	427,283	351	2,144,634

A10. Carrying Amount of Revalued Property, Plant and Equipment

The carrying amounts of property, plant and equipment have been brought forward without amendments from the audited financial statements for the financial year ended 31 March 2023.

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A11. Changes in the Composition of the Group

During the financial period ended 30 September 2023, the following changes in composition were effected:

- (i) On 3 July 2023, IJM RE Sdn. Bhd. ("IJM RE"), a wholly-owned subsidiary of the Company has entered into a shareholders' agreement with FMM Elmina Sdn. Bhd. ("FESB") to establish Exio Logistics Sdn. Bhd. ("EXIO"), an incorporated jointly controlled entity that is in the business of construction and development of logistics hubs. Following the completion of the share subscription in EXIO on 3 July 2023, IJM RE and FMM each hold 50% shareholdings in EXIO.
- (ii) On 3 July 2023, Malaysian Rock Products Sdn Bhd ("MRP"), a wholly-owned subsidiary of Industrial Concrete Products Sdn Bhd ("ICP"), which in turn is a wholly-owned subsidiary of the Company, issued 250,000 ordinary shares in IJM Minerals Sdn Bhd ("IJMM") (formerly known as ICP Precast Products Sdn Bhd) to Kuari Wan Ahmad Sdn Bhd. Following the completion of the allotment of shares, the Group's effective equity interest in IJMM has decreased from 100% to 75%.
- (iii) On 25 August 2023, IJM Land Berhad, a wholly-owned subsidiary of the Company, entered into a share sale and purchase agreement with FCW Holdings Berhad to acquire 45 ordinary shares in Urban Reach Sdn Bhd ("Urban Reach"), representing a 45% equity interest in Urban Reach for a total purchase consideration of RM3,360,540. The acquisition was completed on 30 August 2023. Following the completion of the acquisition, Urban Reach has become an associate of the Company.

A12. Contingent Liabilities

The changes in contingent liabilities are summarised as follows:-

	RM'000
Balance as at 31 March 2023	58,132
- Exchange differences	2,917
	61,049
Balance as at 30 September 2023	61,049

A13. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 September 2023 are as follows:

	RM'000
Approved and contracted for	135,856
Approved but not contracted for	11,087
	146,943
<u>Analysed as follows:</u>	
- Purchases of property, plant and equipment	81,786
- Purchases of development land	1,912
- Concession assets	14,655
- Investment properties	632
- Share of capital commitments of a joint venture	47,958
	146,943

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

There were no significant events subsequent to the date of the statement of financial position.

A15. Fair Value of Financial Instruments

The following hierarchies were applied to determine the fair value of all the financial instruments carried at fair value:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<u>As at 30 September 2023</u>			
	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>Non-Current Assets:</u>				
Financial assets at fair value through other comprehensive income	-	-	3,665	3,665
<u>Current Assets:</u>				
Financial assets at fair value through profit or loss	613,011	-	-	613,011

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

B1. Detailed Analysis of Performance of all Operating Segments

The Group recorded operating revenue of RM1,458.4 million and RM2,684.2 million for 2Q FY2024 and 6m FY2024 respectively, an increase of 36.1% and 25.2% as compared to 2Q FY2023 and 6m FY2023 respectively.

Correspondingly, the Group recorded pre-tax profits of RM191.0 million and RM371.1 million for 2Q FY2024 and 6m FY2024 respectively, an increase of 115.1% and 106.2% as compared to 2Q FY2023 and 6m FY2023 respectively.

An analysis of the divisional performances is shown below.

Operating Segment	Commentary
Construction	<p>Revenue for 2Q FY2024 and 6m FY2024 increased by 54.9% and 34.7% respectively as compared to 2Q FY2023 and 6m FY2023 mainly due to higher construction work activities during the period.</p> <p>However, pre-tax profits for 2Q FY2024 and 6m FY2024 decreased by 37.3% and 39.6% respectively as compared to 2Q FY2023 and 6m FY2023 because some of the ongoing projects' profit margins were negatively impacted by the material and commodity price increases and prolongation cost, whilst the new projects undertaken are presently at their initial stages of construction which do not allow for profit recognition until a set milestone of physical completion has been achieved. In addition, pre-tax profits were further reduced by the recognition of unrealised foreign exchange losses of RM3.6 million for 6m FY2024 as opposed to unrealised foreign exchange gains of RM2.3 million for 6m FY2023.</p>
Property development	<p>Revenue for 2Q FY2024 and 6m FY2024 increased by 42.0% and 24.1% respectively as compared to 2Q FY2023 and 6m FY2023 mainly due to the higher level of work progress achieved for the division's ongoing developments as well as the completion of the sale of 2 parcels of industrial land in Bandar Rimbayu.</p> <p>As a result, pre-tax profits for 2Q FY2024 and 6m FY2024 increased significantly by 159.7% and 148.8% respectively as compared to 2Q FY2023 and 6m FY2023 due to the higher revenue combined with the higher profit margin derived from the current portfolio mix of ongoing projects and industrial land sale. In addition, an unrealised foreign exchange gain of RM24.5 million was recorded in 6m FY2024 as compared to an unrealised foreign exchange loss of RM28.5 million for 6m FY2023.</p>
Manufacturing and quarrying	<p>Revenue for 2Q FY2024 and 6m FY2024 increased by 21.9% and 22.6% respectively as compared to 2Q FY2023 and 6m FY2023, principally due to higher deliveries of its piles, quarry and ready-mixed concrete products.</p> <p>However, pre-tax profit for 6m FY2024 increased by only 8.8% mainly due to the RM7.6 million one-off gain recognised from the disposal of assets in 2Q FY2023.</p>

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B1. Detailed Analysis of Performance of all Operating Segments

Operating Segment	Commentary
Infrastructure	<p>Revenue for 2Q FY2024 and 6m FY2024 increased by 11.6% and 13.3% respectively as compared to 2Q FY2023 and 6m FY2023, mainly driven by higher port revenue arising from the recovery of cargo throughput and higher ship revenue.</p> <p>Pre-tax profits for 2Q FY2024 and 6m FY2024 increased significantly by 423.6% and 837.3% respectively, mainly attributable to higher profit contribution from the port business, lower unrealised foreign exchange losses of RM14.2 million and RM16.1 million for 2Q FY2024 and 6m FY2024 respectively on its US Dollar denominated borrowings for its Indian operations (2Q FY2023: RM35.3 million losses; 6m FY2023: RM68.3 million losses) and the absence of the higher maintenance (resurfacing) costs incurred in the previous financial periods.</p>

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

The Group's pre-tax profit increased by 6.0% from RM180.1 million to RM191.0 million as compared to the immediate preceding quarter, mainly due to higher revenue recorded across all its businesses which was partially negated by unrealised foreign exchange losses of RM35.0 million in 2Q FY2024 (1Q FY2024: RM41.7 million gains).

B3. Prospects for the Financial Year

In 2023, the global economy is anticipated to experience a slower rate of growth projected at 3.0% (source: World Economic Outlook Update in October 2023). In tandem, Malaysia's economic growth is expected to moderate at 4.0% (source: National Budget 2024).

The Group's Construction division will be focusing on the timely execution and completion of its recently enhanced order book of RM6.4 billion, comprising the recently secured RTS Link Project Package 2A & 2B, KPC Spurline and an ancillary building in Kulim totalling RM1.75 billion in 3Q FY2024.

Notwithstanding the challenges faced such as rising interest rate and cost of building materials, the Property division's focus is to continue offering compelling products that are aligned with market preferences at the various price point segments. With its unbilled sales of about RM2.5 billion and its on-going efforts in introducing attractive packages with right product pricing, the Property division is expected to deliver a strong performance for the current financial year.

The Group's Industry division is expected to post another strong performance for the current financial year on the back of its strong orders in hand.

The toll operations are expected to perform better in the current year in the absence of the higher maintenance (resurfacing) costs incurred in the previous year. In line with the tariff increase which commenced on 1 April 2023 and the recovery of cargo throughput experienced in 6m FY2024, the Port operation is expected to deliver a better performance for the current year.

Premised on the above, the Group is expected to register a better performance for FY2024 versus FY2023.

B4. Profit Forecast

Not applicable.

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B5. Taxation

Taxation for the Group for the financial period under review is as follows:

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	69,323	53,225	127,818	103,368
Overseas taxation	-	56	18	56
Deferred taxation	9,265	(7,596)	16,015	(15,415)
	<u>78,588</u>	<u>45,685</u>	<u>143,851</u>	<u>88,009</u>

The Group's effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) for the financial period was substantially higher than the statutory tax rate mainly due to certain expenses being not deductible for tax purposes, the non-recognition of deferred tax assets on unutilised tax losses of certain subsidiaries and the derecognition of deferred tax assets in certain subsidiaries arising from unabsorbed tax losses that may no longer be utilised.

B6. Status of Corporate Proposals

- (a) On 24 July 2023, the Company entered into a conditional subscription agreement ("Subscription Agreement") with PESTECH International Berhad ("PESTECH") for the proposed subscription of 800 million new ordinary shares in PESTECH representing 44.83% of the enlarged share capital in PESTECH, at an aggregate subscription price of RM124 million ("Proposed Subscription"). The transaction is subject to fulfilment of conditions precedent.

There are no other outstanding corporate proposals.

- (b) As at 30 September 2023, the status of the proposed utilisation of proceeds received from the disposal of IJM Plantations Berhad are as follows:

Purpose	Proposed utilisation	Actual utilisation	Balance unutilised	Estimated utilisation timeframe from the completion of the disposal of IJM Plantations Bhd
	RM'000	RM'000	RM'000	
Future investment opportunities / capital expenditure	430,000	399,772	30,228	within 36 months
Capital management activities	800,000	745,666	54,334	} Note (i)
General working capital	300,000	282,169	17,831	
Estimated expenses	4,000	2,598	1,402	
	<u>1,534,000</u>	<u>1,430,205</u>	<u>103,795</u>	

Note (i) The utilisation timeframe has lapsed and according to the circular dated 28 July 2021, any unutilised amounts will be utilised for future investment opportunities/capital expenditure.

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B7. Group Borrowings

Particulars of the Group's borrowings as at 30 September 2023 are as follows:

	As at 30/09/2023 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Islamic bonds	160,000
- Term loans	103,137
- Revolving credits	13,039
Unsecured:-	
- Government support loans (included in trade and other payables)	9,930
- Term loans	493,354
- Revolving credits	1,165,882
- Bankers' acceptances	10,555
- Bank overdrafts	19,129
- Letters of credit	10,301
	1,985,327
 (ii) Long Term Borrowings	
Secured:-	
- Islamic bonds	1,412,444
- Term loans	1,075,602
Unsecured:-	
- Islamic bonds	1,000,000
- Government support loans	11,792
	3,499,838

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	245,900	1,154,288
Indian Rupee	6,743,593	381,013
		1,535,301

B8. Changes in Material Litigation

There was no material litigation since 31 March 2023.

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B9. Dividends

The Company has declared a single tier first interim dividend in respect of the financial year ending 31 March 2024 of 2 sen per share to be paid on 29 December 2023 to every member who is entitled to receive the dividend at the close of business on 18 December 2023.

In respect of the financial year ended 31 March 2023, a single tier first interim dividend of 2 sen per share was paid on 30 December 2022; and a single tier second interim dividend and special dividend of 4 sen and 2 sen per share respectively were paid on 21 July 2023.

B10. Earnings per Share

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000	RM'000	RM'000	RM'000
<u>Basic earnings per share:-</u>				
Net profit for the period attributable to owners of the Company	93,687	27,030	194,329	60,436
Weighted average number of ordinary shares ('000)	3,506,477	3,525,095	3,509,429	3,527,732
Basic earnings per share (sen)	2.67	0.77	5.54	1.71
<u>Diluted earnings per share:-</u>				
Net profit for the period attributable to owners of the Company	93,687	27,030	194,329	60,436
Weighted average number of ordinary shares ('000)	3,506,477	3,525,095	3,509,429	3,527,732
Effect of dilution ('000)				
- Employee share grants	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	3,506,477	3,525,095	3,509,429	3,527,732
Diluted earnings per share (sen)	2.67	0.77	5.54	1.71

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B11. Notes to the Statement of Comprehensive Income

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000	RM'000	RM'000	RM'000
Interest income	32,154	38,982	58,974	65,937
Other income (including investment income)	13,871	6,994	27,016	27,764
Interest expense	(77,240)	(58,559)	(146,423)	(109,855)
Depreciation and amortisation	(75,184)	(79,498)	(149,920)	(161,243)
Net (allowance for)/write back of impairment of receivables	(984)	442	(701)	(680)
Net (allowance for)/reversal of write down of inventories	(29)	54	(29)	(3,393)
Net gains on disposal of investments or properties	405	8,425	657	12,370
Net allowance for impairment of assets	(11,853)	(6,996)	(19,802)	(4,371)
Net realised foreign exchange gains/(losses)	210	(270)	721	(244)
Net unrealised foreign exchange (losses)/gains	(35,171)	(46,062)	5,970	(91,134)
Net gains/(losses) on derivatives	1,846	(164)	1,846	337

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

B12 Derivative financial instruments

Cross Currency Swap Contracts

The Company entered into a Cross Currency Swap contract offered by a reputable bank in Malaysia to swap USD floating rate liabilities into MYR floating rate liabilities, thus hedging the USD/MYR currency risk and the interest rate risk.

As at 30 September 2023, the outstanding notional value of the cross currency swap contract and its fair value is as follows:

Cross currency swap contracts	Notional value outstanding as at 30/09/2023 (USD'000)	Notional value outstanding as at 30/09/2023 (RM'000)	Fair value of the derivative financial instrument as at 30/09/2023 (RM'000)
- Less than 1 year	20,000	93,930	1,846

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B13. Fair value changes of derivative financial instruments

The Group recognised a total fair value gain on derivative financial instruments of RM1.8 million during the current financial period. The details are as follows:

Type of derivative	Current quarter fair value gains/(losses) RM'000	Current period fair value gains/(losses) RM'000	Basis of fair value measurement	Reasons for the gains/(losses)
Cross currency swap contracts	1,846	1,846	Exchange rate differentials between the USD/MYR spot rate and the contracted USD/MYR rate; Interest rate differentials between the USD floating interest rate and the MYR interest rate.	The fair value gain or loss is affected by movements in the USD/MYR spot rates and the USD and MYR interest rates.

B14. Authorised for issue

The interim financial report was authorised for issue by the Board in accordance with a resolution of the Directors on 30 November 2023.