



IJM CORPORATION BERHAD
198301008880 (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: **30/06/2024**
Quarter: **1st Quarter**
Financial Year End: **31/03/2025**
The figures: **Have not been audited**
Full Quarterly Report: **Refer attached**

Part A2 : Summary of Key Financial Information for the financial period ended 30/06/2024

	Individual Quarter		Cumulative Period	
	Current year quarter 30/06/2024 RM'000	Preceding year quarter 30/06/2023 RM'000	Current year to date 30/06/2024 RM'000	Preceding year to date 30/06/2023 RM'000
1 Revenue	1,404,336	1,225,826	1,404,336	1,225,826
2 Profit before taxation	153,125	180,122	153,125	180,122
3 Net profit for the period	106,602	114,859	106,602	114,859
4 Net profit attributable to owners of the Company	86,879	100,642	86,879	100,642
5 Basic earnings per share (sen)	2.48	2.87	2.48	2.87
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	As at end of current quarter 30/06/2024		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		2.88		2.91

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 (+/-)
	30/06/2024 RM'000	30/06/2023 RM'000	%	30/06/2024 RM'000	30/06/2023 RM'000	%
Operating revenue	1,404,336	1,225,826	14.6%	1,404,336	1,225,826	14.6%
Cost of sales	(1,088,060)	(946,741)	14.9%	(1,088,060)	(946,741)	14.9%
Gross profit	316,276	279,085	13.3%	316,276	279,085	13.3%
Other operating income	61,585	45,683	34.8%	61,585	45,683	34.8%
Foreign exchange differences	(1,407)	41,652	-103.4%	(1,407)	41,652	-103.4%
Tendering, selling and distribution expenses	(16,363)	(8,290)	97.4%	(16,363)	(8,290)	97.4%
Administrative expenses	(94,027)	(88,065)	6.8%	(94,027)	(88,065)	6.8%
Other operating expenses	(32,298)	(23,886)	35.2%	(32,298)	(23,886)	35.2%
Operating profit before finance cost	233,766	246,179	-5.0%	233,766	246,179	-5.0%
Finance cost	(76,649)	(69,183)	10.8%	(76,649)	(69,183)	10.8%
Operating profit after finance cost	157,117	176,996	-11.2%	157,117	176,996	-11.2%
Share of losses of associates	(8,385)	(2,560)	227.5%	(8,385)	(2,560)	227.5%
Share of profits of joint ventures	4,393	5,686	-22.7%	4,393	5,686	-22.7%
Profit before taxation	153,125	180,122	-15.0%	153,125	180,122	-15.0%
Income tax expense	(46,523)	(65,263)	-28.7%	(46,523)	(65,263)	-28.7%
Net profits for the period	106,602	114,859	-7.2%	106,602	114,859	-7.2%
<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	(5,000)	15,719		(5,000)	15,719	
Share of other comprehensive income/(losses) of associates	37	(63)		37	(63)	
	(4,963)	15,656	-131.7%	(4,963)	15,656	-131.7%
Total comprehensive income for the period	101,639	130,515	-22.1%	101,639	130,515	-22.1%
<u>Net profits attributable to:-</u>						
Owners of the Company	86,879	100,642	-13.7%	86,879	100,642	-13.7%
Perpetual sukuk	11,612	11,557	0.5%	11,612	11,557	0.5%
Non-controlling interests	8,111	2,660	204.9%	8,111	2,660	204.9%
	106,602	114,859	-7.2%	106,602	114,859	-7.2%
<u>Total comprehensive income/(losses) attributable to:-</u>						
Owners of the Company	81,740	119,403	-31.5%	81,740	119,403	-31.5%
Perpetual sukuk	11,612	11,557	0.5%	11,612	11,557	0.5%
Non-controlling interests	8,287	(445)	1962.2%	8,287	(445)	1962.2%
	101,639	130,515	-22.1%	101,639	130,515	-22.1%
<u>Earnings per share (sen):-</u>						
Basic	2.48	2.87		2.48	2.87	
Fully diluted	2.48	2.87		2.48	2.87	

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	30/06/2024	31/03/2024
	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)	(235,102)
Other reserves	(28,134)	(22,995)
Retained profits	4,218,714	4,342,205
	10,087,884	10,216,514
Perpetual sukuk of a subsidiary	859,387	847,775
Non-controlling interests	262,860	254,567
Total equity	11,210,131	11,318,856
NON-CURRENT LIABILITIES		
Bonds	2,642,838	2,703,567
Term loans	1,041,295	1,088,206
Government support loans	798	8,655
Lease liabilities	53,878	62,172
Deferred tax liabilities	477,519	485,275
Trade and other payables	364,112	374,985
Retirement benefits	1,345	1,345
	4,581,785	4,724,205
DEFERRED INCOME	253,006	257,485
	16,044,922	16,300,546

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	30/06/2024 RM'000	31/03/2024 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,095,203	1,097,500
Right-of-use assets	248,191	259,519
Concession assets	3,827,139	3,882,496
Investment properties	632,735	622,172
Associates	1,302,898	1,262,011
Joint ventures	648,845	607,280
Financial assets at fair value through other comprehensive income	2,155	2,155
Financial assets at fair value through profit or loss	47,103	67,006
Long term receivables	298,767	243,951
Deferred tax assets	512,079	505,433
Inventories	556,143	550,936
Intangible assets	112,473	111,756
	9,283,731	9,212,215
CURRENT ASSETS		
Inventories	6,300,743	6,297,161
Trade and other receivables	1,758,550	1,752,272
Contract assets	464,717	440,917
Financial assets at fair value through profit or loss	843,456	657,937
Assets held for sale	467	470
Tax recoverable	69,612	83,962
Deposits, cash and bank balances	2,558,285	2,870,389
	11,995,830	12,103,108
Less:		
CURRENT LIABILITIES		
Trade and other payables	2,936,341	2,758,315
Contract liabilities	420,691	428,897
Provisions	5,141	4,272
Derivative financial instruments	99	332
Lease liabilities	15,197	17,724
Current tax liabilities	63,001	81,297
Borrowings:		
- Bank overdrafts	35,774	22,682
- Others	1,758,395	1,701,258
	5,234,639	5,014,777
NET CURRENT ASSETS	6,761,191	7,088,331
	16,044,922	16,300,546
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	2.88	2.91

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024

	-----Attributable to owners of the Company-----								
	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	Perpetual sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2024	6,132,406	(235,102)	-	(22,995)	4,342,205	10,216,514	847,775	254,567	11,318,856
Total comprehensive income for the period	-	-	-	(5,139)	86,879	81,740	11,612	8,287	101,639
Issuance of shares by a subsidiary to non-controlling shareholders	-	-	-	-	-	-	-	6	6
Single tier second interim dividend: Year ended 31 March 2024	-	-	-	-	(210,370)	(210,370)	-	-	(210,370)
At 30 June 2024	6,132,406	(235,102)	-	(28,134)	4,218,714	10,087,884	859,387	262,860	11,210,131
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	-	-	-	18,761	100,642	119,403	11,557	(445)	130,515
Single tier second interim dividend: Year ended 31 March 2023	-	-	-	-	(210,543)	(210,543)	-	-	(210,543)
Share buy back	-	(5,917)	-	-	-	(5,917)	-	-	(5,917)
At 30 June 2023	6,132,406	(230,829)	(1,263)	(68,277)	3,914,670	9,746,707	859,374	269,044	10,875,125

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2024

	3 months ended 30/06/2024 RM'000	3 months ended 30/06/2023 RM'000
OPERATING ACTIVITIES		
Receipts from customers	1,379,954	1,095,479
Payments to contractors, suppliers and employees	(1,249,036)	(961,874)
Income tax paid	(64,078)	(86,721)
Net cash flow from operating activities	66,840	46,884
INVESTING ACTIVITIES		
Investment in a jointly controlled entity	-	(2,500)
Subscription of Redeemable Unsecured Murabahah Stocks in an associate	(24,740)	(3,680)
Acquisition of financial assets at fair value through profit or loss	(190,375)	(106,626)
Purchases of property, plant and equipment, development land, right-of-use assets, investment properties, concession assets and deferred expenditure	(38,628)	(27,965)
Disposal of investments, property, plant and equipment, right-of-use assets, investment properties and assets held for sale	11,564	18,406
Interest received	21,034	18,214
Dividends received from associates and other investments	46	3,263
Net advances to associates and joint ventures	(44,445)	(13,510)
Net cash flow used in investing activities	(265,544)	(114,398)
FINANCING ACTIVITIES		
Issuance of shares by a subsidiary to non-controlling shareholders	6	-
Purchase of treasury shares	-	(5,917)
Proceeds from bank and government borrowings	192,004	117,530
Repayments of bank and government borrowings	(242,753)	-
Repayments of lease liabilities	(4,951)	(4,942)
Interest paid	(69,243)	(67,408)
Drawdown of bonds	100,000	-
Repayment of bonds	(100,733)	(285,000)
Net uplifts of restricted deposits	-	8,393
Net cash flow used in financing activities	(125,670)	(237,344)
Net decrease in cash and cash equivalents during the financial period	(324,374)	(304,858)
Cash and cash equivalents at beginning of the financial period	2,845,745	2,807,819
Foreign exchange differences	(824)	8,073
Cash and cash equivalents at end of the financial period	2,520,547	2,511,034
Cash and cash equivalents comprise the following :		
Deposits, cash and bank balances	2,558,285	2,518,243
Bank overdrafts	(35,774)	(5,622)
	2,522,511	2,512,621
Less: restricted deposits with licensed banks	(1,964)	(1,587)
	2,520,547	2,511,034

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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 2024 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 2024.

The financial statements of the Group, which comprise the statement of financial position of the Group as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the financial period ended 30 June 2024 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 2024 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 2024 and applicable to the Group are as follows:

- 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*

Other than Amendments to MFRS 101 Presentation of Financial Statements – *Non-current liabilities with covenants* which requires additional disclosures related to compliance with covenants as disclosed in note B7 of the interim financial report, 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 new accounting standards and 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 2025

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates – *Lack of Exchangeability*

- (b) Effective for financial years beginning on or after 1 April 2026

- Amendments to MFRS 7 Financial Instruments: Disclosures and Amendments to MFRS 9 Financial Instruments - *Classification and Measurement of Financial Instruments*
- MFRS 14 Regulatory Deferral Accounts

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A2. Changes in Accounting Policies (continued)

(ii) (c) Effective for financial years beginning on or after 1 April 2027

- MFRS 18 Presentation and Disclosure in Financial Statements
- MFRS 19 Subsidiaries without Public Accountability: Disclosures

(d) Effective date of this 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 new accounting standards and 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 2024 was unmodified.

A4. Seasonality or Cyclical 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 June 2024.

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 June 2024.

A7. Debt and Equity Securities

Other than the following, there were no share buy-back and no issuance, cancellation and repayment of debt and equity securities for the financial period ended 30 June 2024.

- (a) For the financial period ended 30 June 2024, there were drawdown and repayment of bonds of RM100,000,000 and RM101,593,000 respectively.

A8. Dividend Paid

On 19 July 2024, a single tier second interim dividend and special dividend of 5 sen and 1 sen per share respectively, for the financial year ended 31 March 2024, totaling RM210,369,967 were paid.

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A9. Segmental Information

GROUP		
3 months ended 30/06/2024	3 months ended 30/06/2023	Change (+/-)
RM'000	RM'000	%

External revenue:

Construction	540,538	307,155	76.0%
Property development	342,554	369,490	-7.3%
Manufacturing and quarrying	268,463	307,378	-12.7%
Infrastructure- Toll	120,540	139,813	-13.8%
Infrastructure- Port	125,307	101,916	23.0%
Investment and others	6,934	74	9270.3%
	<u>1,404,336</u>	<u>1,225,826</u>	14.6%

Inter-segment revenue:

Construction	218,618	160,336	36.3%
Manufacturing and quarrying	20,527	14,154	45.0%
Infrastructure- Toll	17	3,112	-99.5%
Investment and others	16,035	26,848	-40.3%
	<u>255,197</u>	<u>204,450</u>	24.8%

Profits/(losses) before taxation:

Construction	23,630	11,223	110.5%
Property development	39,967	81,188	-50.8%
Manufacturing and quarrying	43,929	44,433	-1.1%
Infrastructure- Toll	14,538	23,496	-38.1%
Infrastructure- Port	43,248	24,930	73.5%
Investment and others	(12,187)	(5,148)	-136.7%
	<u>153,125</u>	<u>180,122</u>	-15.0%

**Earnings/(losses) before interest,
tax, depreciation and amortisation:**

Construction	49,604	35,890	38.2%
Property development	55,745	93,418	-40.3%
Manufacturing and quarrying	57,966	57,385	1.0%
Infrastructure- Toll	78,209	85,812	-8.9%
Infrastructure- Port	74,735	56,671	31.9%
Investment and others	(7,979)	(5,135)	-55.4%
	<u>308,280</u>	<u>324,041</u>	-4.9%
Finance cost	(76,649)	(69,183)	
Depreciation and amortisation	(78,506)	(74,736)	
Profits before taxation	<u>153,125</u>	<u>180,122</u>	-15.0%

As at 30/06/2024 RM'000	As at 31/03/2024 RM'000
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Total Assets:

Construction	2,291,997	2,439,613
Property development	10,371,388	10,367,521
Manufacturing and quarrying	1,555,042	1,575,126
Infrastructure- Toll	3,734,752	3,706,400
Infrastructure- Port	2,068,854	2,042,604
Investment and others	675,837	594,664
Total segment assets	<u>20,697,870</u>	<u>20,725,928</u>
Unallocated corporate assets	581,691	589,395
Consolidated total assets	<u>21,279,561</u>	<u>21,315,323</u>

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A9. Segmental Information (continued)

	Construction RM'000	Property development RM'000	Manufacturing & Quarrying RM'000	Infrastructure- Toll RM'000	Infrastructure- Port RM'000	Investment & Others RM'000	Total RM'000
3 months ended 30/06/2024							
Revenue from contract with customers							
Timing of revenue recognition:							
- At a point in time	3,532	99,605	252,148	-	-	-	355,285
- Over time	537,006	236,997	13,926	120,505	117,984	6,880	1,033,298
	540,538	336,602	266,074	120,505	117,984	6,880	1,388,583
Revenue from other sources	-	5,952	2,389	35	7,323	54	15,753
Total revenue	540,538	342,554	268,463	120,540	125,307	6,934	1,404,336
3 months ended 30/06/2023							
Revenue from contract with customers							
Timing of revenue recognition:							
- At a point in time	3,966	96,639	299,879	-	-	-	400,484
- Over time	303,189	266,899	5,936	134,901	96,372	22	807,319
	307,155	363,538	305,815	134,901	96,372	22	1,207,803
Revenue from other sources	-	5,952	1,563	4,912	5,544	52	18,023
Total revenue	307,155	369,490	307,378	139,813	101,916	74	1,225,826

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 2024.

A11. Changes in the Composition of the Group

During the current financial period, there has been no change in the composition of the Group.

A12. Contingent Liabilities

The changes in contingent liabilities are summarised as follows:-

	RM'000
Balance as at 31 March 2024	61,398
- Exchange differences	(324)
Balance as at 30 June 2024	<u>61,074</u>

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A13. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 June 2024 are as follows:

	RM'000
Approved and contracted for	115,835
Approved but not contracted for	73,935
	<u>189,770</u>
 <u>Analysed as follows:</u>	
- Purchases of property, plant and equipment	181,384
- Purchases of development land	605
- Concession assets	1,992
- Investment properties	5,789
	<u>189,770</u>

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 which are 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).
- (d)

	<u>As at 30 June 2024</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
<u>Non-Current Assets:</u>				
Financial assets at fair value through other comprehensive income	-	-	2,155	2,155
Financial assets at fair value through profit or loss	47,103	-	-	47,103
<u>Current Assets:</u>				
Financial assets at fair value through profit or loss	843,456	-	-	843,456

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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 RM1,404.3 million for 1Q FY2025, an increase of 14.6% as compared to 1Q FY2024. However, the Group's pre-tax profit decreased by 15.0% mainly due to the higher unrealised foreign exchange gains of RM41.7 million recorded in 1Q FY2024 as opposed to unrealised foreign exchange losses of RM1.4 million in 1Q FY2025. In addition, the Group also recognised a fair value loss on WCE Holdings Berhad ("WCEHB") warrants of RM19.9 million in 1Q FY2025. After excluding the effects of the unrealised foreign exchange movements and the fair value loss, the Group's pre-tax profit increased by 26.0%.

An analysis of the divisional performances is shown below.

Operating Segment	Commentary
Construction	Revenue and pre-tax profit for 1Q FY2025 improved significantly by 76.0% and 110.5% respectively as compared to 1Q FY2024 mainly due to higher construction work activities during the period in tandem with the higher order book.
Property development	Revenue for 1Q FY2025 decreased marginally by 7.3% as compared to 1Q FY2024 mainly attributable to lower level of work progress achieved for the division's ongoing developments. Pre-tax profit for 1Q FY2025 decreased by 50.8% as compared to 1Q FY2024, principally due to the unrealised foreign exchange gains of RM42.2 million recorded in 1Q FY2024 instead of unrealised foreign exchange losses of RM0.9 million in 1Q FY2025. After excluding the effect of the unrealised foreign exchange movements, pre-tax profit improved by 4.6%.
Manufacturing and quarrying	Revenue for 1Q FY2025 decreased by 12.7% as compared to 1Q FY2024 mainly due to lower deliveries of piles, quarry and ready mixed concrete products. However, pre-tax profit for 1Q FY2025 only decreased by 1.1%, mainly due to the impairment of quarries of RM7.2 million in 1Q FY2024.
Infrastructure- Toll	Revenue and pre-tax profit for 1Q FY2025 decreased by 13.8% and 38.1% respectively as compared to 1Q FY2024, mainly due to lower traffic volumes in certain overseas tollways as well as the absence of compensation income post restructuring of the local toll roads in the current quarter.
Infrastructure- Port	Revenue for 1Q FY2025 increased by 23.0% as compared to 1Q FY2024, mainly driven by higher port revenue due to the increase in cargo throughput. Pre-tax profit for 1Q FY2025 almost doubled year-on-year.
Investment and others	Revenue for 1Q FY2025 increased as a result of the reclassification of the infrastructure connectivity business from Infrastructure to Investment and others, whilst pre-tax losses for 1Q FY2025 increased significantly due to the recognition of fair value losses on WCE Holdings Berhad ("WCEHB") warrants of RM19.9 million.

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

The Group's pre-tax profit decreased by 58.3% from RM366.8 million to RM153.1 million as compared to the immediate preceding quarter, mainly due to lower profit contribution from the property development and toll divisions as well as the recognition of fair value loss on WCE Holdings Berhad warrants in the current quarter as compared to a gain in the immediate preceding quarter (1Q FY2025: RM19.9 million loss vs 4Q FY2024: RM67.0 million gain).

B3. Prospects for the New Financial Year

Global growth is on track to achieve the April 2024 World Economic Outlook forecasts of 3.2% in 2024 and 3.3% in 2025. Meanwhile, Bank Negara Malaysia projects Malaysia's economic growth to average between 4% and 5% in 2024, an improvement from 3.7% in 2023.

The Group's Construction division will focus on the timely execution and completion of its order book in hand of RM6.5 billion. The order book grew by RM1.3 billion in the current quarter comprising Siliconware Precision Industries Phase 1, Iskandar Puteri Data Centre and United Logistic Hub (Plot A). With the current orderbook in hand and the anticipation of further job wins during FY2025, the division is expected to perform better in FY2025.

The property market shows signs of recovery, supported by a positive economic outlook and strong consumer sentiment. With its unbilled sales of about RM2.3 billion and its diverse range of new property launches scheduled for FY2025, the Property division is well-positioned to maintain its good performance in FY2025.

With its secured order book of 0.9 million tonnes and the pipeline of new projects coming on stream, both locally and overseas, the Industry division is poised to deliver another year of strong performance in FY2025.

The Toll business is expected to uphold its performance for FY2025. Its mature highways continue to provide the Group with recurrent revenue and cashflow stream whilst the newer highways are undergoing the gestation period before achieving maturity.

The Port business's performance remains positive on the back of an expected improvement in bulk cargo volume eg. bauxite and silica sand, as well as reaping the benefits of the increased handling capacity and improved efficiency.

Premised on the above, the Group is well-positioned for an improved performance in FY2025.

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 JUNE		CUMULATIVE PERIOD 3 MONTHS ENDED 30 JUNE	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysian income tax	58,823	58,495	58,823	58,495
Overseas taxation	-	18	-	18
Deferred taxation	(12,300)	6,750	(12,300)	6,750
	<u>46,523</u>	<u>65,263</u>	<u>46,523</u>	<u>65,263</u>

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

B6. Status of Corporate Proposals

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"). On 16 August 2024, the Company and PESTECH had mutually terminated the Subscription Agreement.

There are no other outstanding corporate proposals.

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B7. Group Borrowings

Particulars of the Group's borrowings as at 30 June 2024 are as follows:

	As at 30/06/2024 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Bonds	222,467
- Term loans	37,924
- Revolving credits	12,085
Unsecured:-	
- Bonds	199,250
- Bankers' acceptances	10,777
- Government support loans (included in trade and other payables)	8,324
- Term loans	442,391
- Revolving credits	830,243
- Bank overdrafts	35,774
- Letters of credit	3,258
	<u>1,802,493</u>
(ii) Long Term Borrowings	
Secured:-	
- Bonds	1,443,376
- Term loans	1,001,295
Unsecured:-	
- Bonds	1,199,462
- Government support loans	798
- Term loans	40,000
	<u>3,684,931</u>

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	220,020	1,035,134
Indian Rupee	7,288,238	411,785
		<u>1,446,919</u>

An indirect subsidiary of the Group has a US dollar denominated borrowings and is required to comply with its financial covenants i.e. (i) debt service cover ratio ("DSCR") and (ii) debt to equity ratio (collectively known as "Financial Covenants"). The Financial Covenants are to be complied with semi-annually. As of 30 June 2024, the carrying value of the borrowings was USD153.32 million.

The subsidiary continues to review and monitor the Financial Covenants of its debts with the lender. It is currently in discussion with the lender to moderate the Financial Covenants' requirement. The subsidiary anticipates difficulties in meeting its Financial Covenant (i) DSCR ratio when it is subject to compliance testing requirement at the next compliance date (i.e. 30 September 2024) due to the significant increase in the Secured Overnight Financing Rate ("SOFR") and the weakening of the Indian Rupee against the US Dollar since the inception of the borrowings in 2020. Based on past experiences, it has managed to obtain a waiver or letter of indulgence when required.

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B8. Changes in Material Litigation

There was no material litigation since 31 March 2024.

B9. Dividends

No dividend has been declared for the current financial year ending 31 March 2025.

In respect of the financial year ended 31 March 2024, a single tier first interim dividend of 2 sen per share was paid on 29 December 2023; and a single tier second interim dividend and special dividend of 5 sen and 1 sen respectively per share were paid on 19 July 2024.

B10. Earnings per Share

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	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	86,879	100,642	86,879	100,642
Weighted average number of ordinary shares ('000)	3,506,166	3,512,413	3,506,166	3,512,413
Basic earnings per share (sen)	2.48	2.87	2.48	2.87
<u>Diluted earnings per share:-</u>				
Net profit for the period attributable to owners of the Company	86,879	100,642	86,879	100,642
Weighted average number of ordinary shares ('000)	3,506,166	3,512,413	3,506,166	3,512,413
Effect of dilution ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	3,506,166	3,512,413	3,506,166	3,512,413
Diluted earnings per share (sen)	2.48	2.87	2.48	2.87

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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
	30/06/2024 RM'000	30/06/2023 RM'000	30/06/2024 RM'000	30/06/2023 RM'000
Interest income	35,544	26,820	35,544	26,820
Other income (including investment income)	13,661	13,145	13,661	13,145
Interest expense	(76,649)	(69,183)	(76,649)	(69,183)
Depreciation and amortisation	(78,506)	(74,736)	(78,506)	(74,736)
Net reversal of impairment of receivables	5,283	283	5,283	283
Net gains on disposal of investments or properties	77	252	77	252
Net allowance for impairment of assets	(101)	(7,949)	(101)	(7,949)
Net realised foreign exchange gains	1,049	511	1,049	511
Net unrealised foreign exchange (losses)/gains	(2,456)	41,141	(2,456)	41,141
Net losses on financial assets at fair value through profit or loss	(14,996)	-	(14,996)	-
Net gains on derivatives	233	-	233	-

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 June 2024, 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 30/6/2024 (USD'000)	Notional value outstanding as at 30/6/2024 (RM'000)	Fair value of the derivative financial instrument as at 30/6/2024 (RM'000)
- Less than 1 year	42,000	198,207	(99)

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B13. Fair value changes of financial liabilities

The Group recognised a total fair value gain on derivative financial liabilities of RM0.1 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	233	233	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 28 August 2024.