IJM CORPORATION BERHAD

ANNUAL REPORT **2021**

DELIVERING TODAY, BUILDING TOMORROW

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DELIVERING TODAY, BUILDING TOMORROW

IJM prides itself on being resourceful, progressive and responsible, corporate traits that resonate in this year's Annual Report theme: *Delivering Today, Building Tomorrow*. This outlook reflects our consistency as a profitable Group that has the tenacity to ride through economic storms.

In 2021, IJM faced the COVID-19 pandemic head-on, and although it had an adverse impact on some of our businesses, we persevered and emerged stronger. Amid constraints imposed, uncertainties in the marketplace and operational disruptions, we succeeded in delivering a commendable financial performance for the year.

We are now pressing ahead for a more future-ready IJM by implementing the Group's strategic blueprint that took effect in 2021. This is a three-year strategy map with three anchors: building resilience, driving growth and nurturing capabilities. These strategies aim to ensure IJM continues to retain its leadership against a backdrop of rising stakeholder expectations, greater emphasis on technology advancements, sustainability and macro-economic uncertainties.

37TH

ANNUAL GENERAL MEETING IJM CORPORATION BERHAD

Thursday, 26 August 2021, 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

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**

Our Vision and Mission

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.

IJM CHARTER

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

Our 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 everyone we deal with, always delivering on our promise.

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.

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.

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.

The IJM Value Creation Journey

IJM's "Diversified but Focused" business model has proven to be sustainable. Conceptualised by our forefathers almost forty years ago, it is built on five core businesses: Construction, Property, Industry, Plantations and Infrastructure.

These diverse businesses tap on synergies between themselves while retaining their individual focus to deliver products and services that are recognised as inspired solutions. Over the years, each of our businesses has emerged as a market leader in its own right.

Since 2020, IJM started sharpening its strategic focus to get the best returns from its business mix through calculated investments and divestments. This new direction is being driven by three strategic pillars: build resilience, drive growth and nurture capabilities. This pathway, underpinned by our longstanding commitment to financial prudence, quality delivery capabilities, good corporate governance and continuous drive for excellence, aim to ensure that IJM delivers sustainable value to shareholders and other stakeholders with purpose and without pause.

01

IJM at a Glance

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

5 BUSINESS DIVISIONS

3,796 EMPLOYEES

Group Services : 150
Construction : 742
Property : 523
Industry : 544
Plantation : 849
Infrastructure : 988

PRESENCE IN 8 COUNTRIES

MARKET CAPITILISATION

RM **6,113** million

93x from initial listing market capitalisation with CAGR of 13%

ESTABLISHED 1983

LISTED 1986

(subsidiary IJM Plantations Berhad is also listed)

TOTAL ASSETS

RM **23,494** million

137x from initial listing market capitalisation with CAGR of 14%

REVENUE

RM **5,622.87** million

PROFIT BEFORE TAX

RM **779.56** million

DIVIDEND PER SHARE

6.00 sen

EARNINGS PER SHARE

11.91 sen

CONSTRUCTION ORDER BOOK

RM **4.0** billion

COMMUNITY INITIATIVES

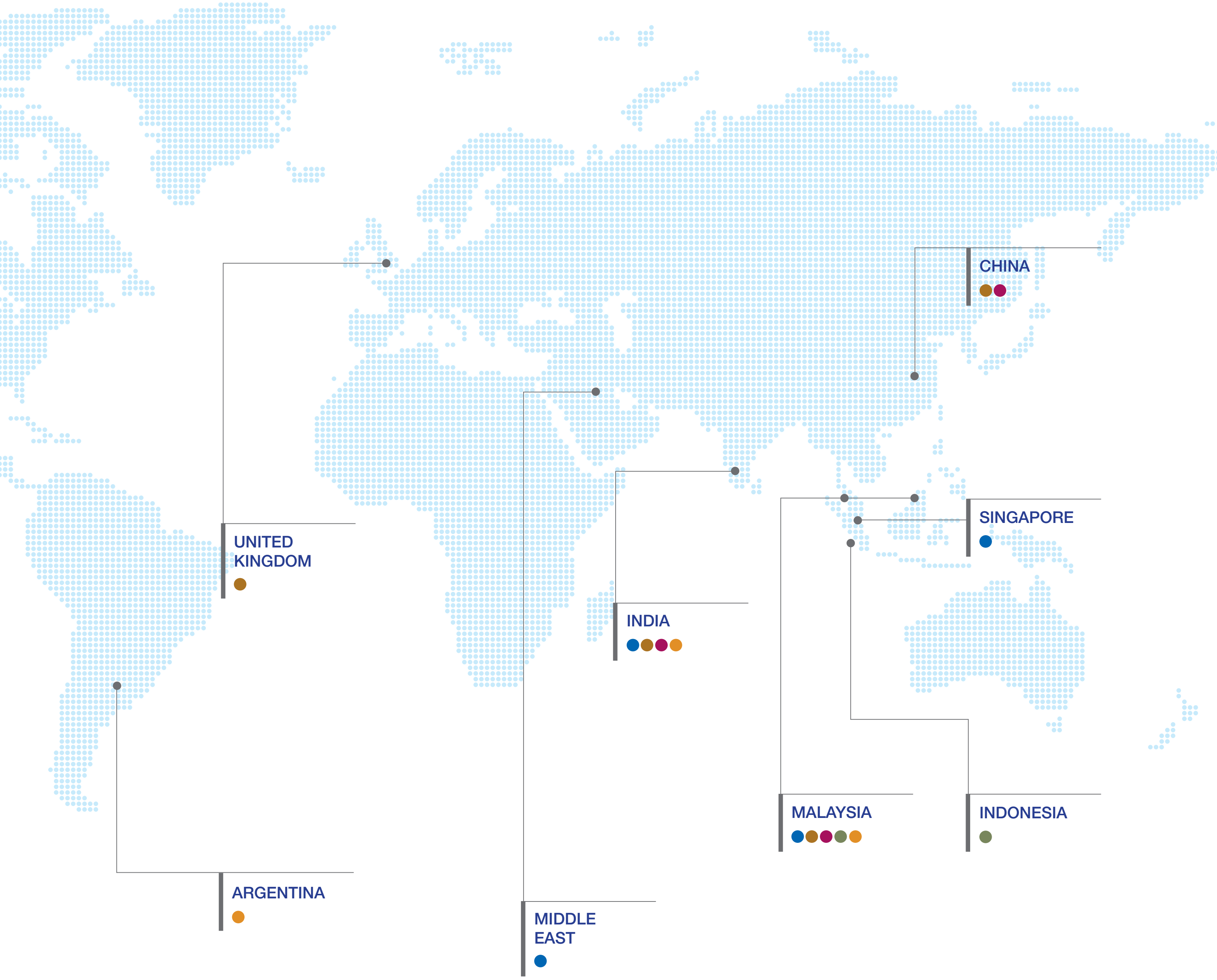
RM **2.94** million

Figures updated as at 31 March 2021

Our Global Presence

IJM is a Malaysia-based company with an international footprint. A well-known brand in the domestic market, it has established a presence in eight other countries. Currently, its primary focus is on the emerging economies of Malaysia, India, China and Indonesia.

The Group's growth over the past 38 years is the result of its sustainable "Diversified but Focused" business model that drives its five core businesses to adopt a dual approach to move ahead: the continuous strengthening of existing assets while exploring expansion opportunities in new markets.



Construction Property Industry Plantation Infrastructure

Corporate Profile

IJM ranks as one of Malaysia's leading conglomerates with an international footprint forged by its five core businesses: construction, property development, industry (quarrying and the manufacture of building materials), infrastructure concessions and plantations. IJM holds leading positions across all its business divisions. Its growth is the direct result of strong leadership, dedicated employees, financial prudence and commitment to good governance and quality.

IJM Corporation Berhad ("IJM") was incorporated in 1983, with the merger of three mid-size construction companies who sought to professionalise the industry in Malaysia. It began to bear results, and three years later in 1986, the company was listed on Bursa Malaysia.

IJM has grown from strength to strength over the years. Initially in construction, it expanded into property development, industry and infrastructure because of synergies to be harnessed from these related businesses. In a departure from norm, it took a calculated risk and entered the unchartered field of plantations. It was a move that paid off, and helped the Group counteract the cyclical nature of the other four inter-related businesses.

One of IJM's biggest game changers was the acquisition of Road Builder in 2007, its nearest competitor with a similar business profile. The merger of the two entities saw IJM's construction business becoming one of Malaysia's biggest builder, with an impressive portfolio of iconic buildings, infrastructure and townships in Malaysia and overseas.

IJM's entry into property development was a natural progression for the construction business. The Group's property arm, IJM Land Berhad, is one of the largest real estate developers in Malaysia with numerous award-winning, sustainable developments in key growth areas. They range from sprawling townships, commercial buildings and high-rise condominiums. Currently, IJM Land is involved in projects in London, United Kingdom and China. IJM is also known as a reputable township developer in India and its international real estate credentials extend to Orlando, USA, Singapore and Australia.

The Group's Industry business is involved in quarrying and the manufacture of building materials. It is led by Industrial Concrete Products Berhad ("ICP") that was established to support the needs of the Group's construction business. In time, its products were sought by the wider domestic and export markets. ICP is a market leader in pretensioned spun high strength concrete piles and has a strong presence in Malaysia, China and India.

The Group also owns and operates infrastructure concessions that represent 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 has an equity interest in the West Coast Expressway that is currently being constructed by IJM Construction as the main contractor. Given its success as a concessionaire of privatised infrastructure in Malaysia, IJM was awarded Build-Operate-Transfer privatisation projects in India. Amongst the Group's overseas investments are the Chilkaluripet-Vijayawada Tollway, Dewas Bypass and Vijayapura-Solapur Tollway and the Western Access Tollway in Argentina.


Imazium, Damansara Uptown, Petaling Jaya

The Group's plantation business was listed on Bursa Malaysia as IJM Plantations Berhad in 2003. From a land bank of 10,000 acres in Sandakan, Sabah, IJM Plantations has since grown to become a mid-size plantation company with a landbank of 61,000 hectares in Malaysia and Indonesia.

The Group's reputation for professionalism, performance and good governance is acknowledged by customers and investors. And this has won it numerous corporate and industry awards. As a public-listed company, IJM is committed to ethical business conduct and adheres to the principles of good corporate citizenship for sustainable growth and development.


IJM Land's Rimbun Alam @ Seremban 2 Heights


ICP pile being lifted using a vacuum lifter

Delivering Inspired Solutions
Our Brand Promise

"At IJM, we are committed to meeting the needs of our clients and stakeholders with our brand promise: *Delivering Inspired Solutions*. This is our guiding philosophy, driving all our business decisions and actions. We promise our clients that we will leverage on our experience and know-how built over decades to invent and re-invent, and in so doing, deliver inspired solutions."


Manubar Estate, Indonesia


Kuantan Port


New Pantai Expressway

IJM in the News

IJM on the road to a better 2021

By INTAN FARHANA ZAINUL
intanzainul@thestar.com.my

PETALING JAYA: With all its businesses fully operational, IJM Corp Bhd expects an improvement in its financial performance for 2021.

Besraya Expressway, Lebuhraya Kajang-Seremban and the West Coast Expressway.

IJM is sitting on a construction order book of RM5.5bil comprising building, infrastructure and road projects from both the private and public sectors.

"It will provide earnings visibility over the

continued weakness in the pr

"Public-sector investments

ly weak mainly due to lower

and the review of large infr

jects," the group said.

IJM said it will be looking

"low-yielding" assets and wo

IJM Corp's Q2 net profit up 42pct, revenue at RM1.43bil

IJM India sets new record for road construction

IJM Corp posts stronger 3Q results, net profit at RM144m

CORPORATE NEWS

Thursday, 25 Feb 2021 7:04 PM MYT

IJM's Kuantan Port expands

TheStar Fri, Nov 06, 2020 09:10am - 8 months ago View Original

Mazlim Husin (pic) said the magnificent cranes
to optimise capacity and cater for the increasi
ite their goods all over the world.

vned Kuantan Port continues its expansion plan.
livered via transporter vessel Zen Hua 29, by or
Heavy Industries Co (ZPMC).

cranes sailed along the South China Sea, across the
and arrived in Kuantan Port after ten days.

Mazlim Husin (pic) said the magnificent cranes are
to optimise capacity and cater for the increasing
ite their goods all over the world.

enges caused by the global pandemic, Kuantan Po
ovide a better quality of services to our existing cus
e of Kuantan Port and the services we deliver." it s

operational in the first week of December, adding t

Builder IJM sees encouraging outlook after improved Q2 results

CONSTRUCTION

Wednesday, 25 Nov 2020 6:03 PM MYT

KUALA LUMPUR:
prospect for its co

"The division had
projects identified

Seremban 2 by IJM Land – A Relaxing Life Amidst Nature

Prepared to adapt

THE EDGE Top Property Developers Awards 2020

No. 5 | IJM Land Bhd

We can now afford to be a bit more aggressive in launching projects without having to worry about cash flow.
– Chong

IJM Land关怀弱势群体

林吉尤镇Starling掀抢购热潮

IJM晤魏家祥商关丹港口发展

For communities to live well and thrive

METRO NEWS

Wednesday, 10 Feb 2021

accounting for 22% of the entire The Light Waterfront Penang masterplan, IJM Land's The Light
bination of inter-connected components namely the Penang Waterfront Convention Centre, The
s, hotel and office tower, commercial tower, and luxurious highrise residences.

KUANTAN PORT

IJM Land cerikan warga emas

BAGI meraikan perayaan Tahun Baharu Cina (TBC), IJM Land Berhad (IJM Land) telah menganjurkan program bertema New Year, New Hope bersama warga emas di Persatuan Kebajikan Warga Usia Emas Tong Sim, Seremban baru-baru ini.

Pengurus Besar Kanan IJM Land, Datuk Hoo Kim See berkata, Perintah Kawalan Pergerakan telah menjejaskan usaha kebajikan kerana terdapat banyak rumah kebajikan yang memerlukan bantuan pada musim-musim perayaan.

"Warga emas sememangnya memerlukan perhatian dan kasih sayang yang lebih, dan kami memahami betapa pentingnya untuk mereka dikunjungi orang tersayang, terutama bagi meredakan emosi mereka," katanya dalam kenyataan.

HOO Kim See memberi angpau kepada seorang penghuni Rumah Kebajikan Warga Usia Emas Tong Sim, Seremban baru-baru ini.

IJM gears up for the next construction upcycle

Kuchai Link 2 features a direct two-lane overpass from Jalan Kuchai Lama to Besraya, bypassing the Kuchai Lama Interchange and MEX (right).

flanked by Besraya (M) Sdn Bhd corporate communications assistant manager Mohd Halmiee Saharudin (left) and engineering, maintenance and traffic senior manager Azarulizam Ismail looking at a map of the Besraya Highway as they stand at the start of to Kuchai Link 2.

Kuchai Link 2 to ease travel time

By JADE CHAN
jade@thestar.com.my

1.17km overpass serves those headed to Balakong, Putrajaya

THE newly-completed Kuchai Link 2 in Kuala Lumpur is expected to reduce traffic congestion at the Kuchai Lama Interchange by up to 15 minutes during peak hours.

The link features a direct two-lane over-

Lama," said Besraya (M) Sdn Bhd senior manager Nur Amani Zakaria.

"Once it is open, the existing Kuchai Lama Interchange will be reconfigured from a four-phase traffic light intersection

heading towards Sri Petaling will also have to make a U-turn after Central Residence and journey on.

"Based on a study done by our traffic consultant at the end of 2016, the level of ser-

operating conditions and Level F the worst.

Besides serving residents from nearby housing developments and an upcoming MRT station near UPA Press, Nur Amani said Kuchai Link 2 would also benefit

槟岛海上铸下定海神针
林祥雄美术馆动土

IJM unit wins RM315mil Penang construction job

IJM Land's Rimbun Jasmine fully taken up during private preview

Despite a gloomy economic backdrop, Rimbun Jasmine in Seremban was fully taken up by buyers within three hours during a recent private preview.

Developed by IJM Land, the 11.24-acre freehold residential development has a gross development value (GDV) of RM73.2 million. It offers 129 units of double-storey spacious link houses in a guarded community with perimeter fencing.

Additionally, the intermediate lots measure up to 20ft by 70ft, with a built up of 1,932 sq ft. These make for sufficient space that can be compartmentalised for different daily activities of play, work and study.

IJM clinches RM314.8mil contract to build hotel, office tower in Penang's The Light City

By NST Business - November 24, 2020 @ 6:59pm

Celebration of star performers

Fifth edition of awards honours work of property developers

We commend your efforts in being attentive to market demands as you incorporate sustainable practices within your organisations and

Phase 3 of IJM Land's Starling fully taken up

IJM Plantations' 3Q net profit up three times amid higher commodity prices, better forex rates and lower fair value losses

IJM Land sedia lancar projek Starling Fasa 3

Developer makes Deepavali brighter for three families

Festival of Lights

IJM PLANTATIONS BERHAD

IJM peroleh kontrak RM314 juta di The Light City

Awards & Accolades

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

- **12th Annual Vishwakarma Awards 2020 organised by the Construction Industrial Development Council of India (CIDC)**
  - Chairman's Commendation Trophy Award for IJM India Infrastructure Limited's Solapur-Bijapur road project
- **India Book of Records** for IJM India Infrastructure Limited's record-breaking achievement of laying 25.54 lane kms of bituminous concrete mix in 17 hours 45 minutes for the Solapur-Bijapur road project in 2020
- **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, 2013
  - Builder of the Year Award in 2015, 2002 and 2001
  - Best Infrastructure Project for Major Project in 2016
- **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 (Gold) in 2020
  - 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
- **EdgeProp Malaysia's Best Managed & Sustainable Property Awards**
  - Below 10 years Specialised Category (Bronze) for The ARC, Bandar Rimbayu
- **The Edge Malaysia Property Excellence Awards**
  - Top 10 Property Developers Awards in 2020, 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)**
  - 2020, 2018, 2016, 2015 and 2014
- **Construction Industry Development Board (CIDB) Quality Excellence Awards**
  - High QLASSIC Achievement for Bandar Rimbayu Livia Phase 10B in 2020
  - Highest QLASSIC Achievement for Saujana Duta Phase 2L in 2019
  - High QLASSIC Achievement and Best QLASSIC Achievement for Residential, Category B (Project Value RM20 mil – RM100 mil) for Seri Riana Residence Phase 2B in 2018
  - High QLASSIC Achievement 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 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

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**
  – Industry Excellence Award (Construction) in 2019
  – Excellence Award for Corporate Governance Disclosure; Industry Excellence Award (Construction); and Industry Excellence Award (Plantation) for IJM Plantations Berhad in 2018
- **2019 ASEAN Corporate Governance Scorecard Award – ASEAN Asset Class**
- **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

WORKPLACE AND DIVERSITY

- **Malaysia's 100 (M100)**
  – Leading Graduate Employers Awards in 2020 and 2019
- **CIMB-Principal Corporate PRS Conference 2018**
  – Highest AUM for Large Corporation
- **Graduates' Choice Award**
  – Top 10 Best Employer Brands in the Real Estate/Property category in 2018 and 2020
- **GRADUAN Brand Awards**
  – Top 50 Companies
- **TalentCorp Life @ Work Awards 2016**
  – Honouree

Awards and accolades are a strong testament to our continuous pursuit of all-round excellence across the IJM Group.

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 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
- ■ Direct subsidiary of IJM Investments (M) Limited, 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
  - IJM Investments J. A. Limited
    - IJM Construction (Pakistan) (Private) Limited
    - IM Technologies Pakistan (Private) Limited

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
    - Suria Bistari Development Sdn Bhd
    - Worldwide Ventures Sdn Bhd
      - Island Golf View Sdn Bhd
    - Preferred Accomplishment Sdn Bhd
    - Radiant Pillar Sdn Bhd
      - Bandar Rimbayu Sdn Bhd
    - Valencia Terrace Sdn Bhd

Industry

- Industrial Concrete Products Sdn Bhd
  - Durabon Sdn Bhd
  - ICPB (Mauritius) Limited
    - IJM Concrete Products Private Limited
  - IJM IBS Sdn Bhd

Plantation

- IJM Plantations Berhad
  - Berakan Maju Sdn Bhd
  - Dynasive Enterprise Sdn Bhd
    - PT Prima Alumga
  - Excellent Challenger (M) Sdn Bhd

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

- 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
- Team Universal Infratech Private Limited

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

Kemena Industries Sdn Bhd

Cofreth (M) Sdn Bhd

- Gunaria Sdn Bhd
  - PT Sinergi Agro Industri
  - PT Karya Bakti Sejahtera Agrotama
- 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) Limited

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 and Highlights

2020

APRIL

3 APRIL 2020

Water tank donation to fisherman's market
Kuantan Port donated a 1,000-litre IBC water tank to the Pasar Nelayan Balok market to encourage and maintain visitor hand hygiene during the COVID-19 pandemic.

MAY

5 MAY 2020

Semarak Ramadan Kampung Selamat
Kuantan Port staff visited underprivileged families in Kampung Selamat, a village located next to the port. Each family received two 'kindness bags' that contained essential food items.

21 MAY 2020

Deputy Minister of Finance visits Kuantan Port
Deputy Minister of Finance II, YB Tuan Mohd Shahar Abdullah was at Kuantan Port for a site visit to get an update of the port and its surrounding developments.

JUNE

1 JUNE 2020

Tree planting at Prima Mill, North Kalimantan Indonesia
Our Plantation Division's tree-planting initiative at the Prima Mill is one of the Division's greening projects across its operations in Malaysia and Indonesia.

7 JUNE 2020

Bandar Rimbayu's first-ever digital balloting
IJM Land conducted its first digital balloting at Bandar Rimbayu's sold-out Starling double-storey linked homes (Phase 1) via Facebook. The unit selection phase and signing of Sales and Purchase Agreements were also completed successfully through video conferencing without the need for purchasers to be physically present at the sales gallery.

11 JUNE 2020

Essential food contribution in Alumga Estate
Contribution of essential food items from Plantation Division's Alumga Estate to a neighbouring village located in the Lampung Province of Palembang in Sumatra, Indonesia.

19 JUNE 2020

Deputy Minister in the Prime Minister's Department (Economy) visits Kuantan Port
YB Arthur Joseph Kurup, Deputy Minister in the Prime Minister's Department (Economy), paid an inaugural visit to Kuantan Port and the Malaysia China Kuantan Industrial Park (MCKIP).

JULY

3 JULY 2020

Rumah Anak Yatim Baitul Husna Charity Drive
Kuantan Port launched a charity drive for Baitul Husna, a shelter home for girls. Named #thescarvesproject, used head scarves in good condition were collected and gifted to the home's residents.

8 JULY 2020

The UBS Asia Industrials Day
IJM presented to institutional investors in a virtual group meeting.

9 JULY 2020

'Lighten the Burden of Others' Donation Drive
Kelab Sukan IJM (KSIJM) organised a donation drive for employees at Wisma IJM, Petaling Jaya to donate clothes, toys, books and groceries (canned and dry goods) to be distributed to shelter homes located in the Petaling Jaya vicinity.

Corporate Diary and Highlights

10 JULY 2020

First residential project in Phase 2 of The Light Waterfront completed
Launched in 2017, the Waterside Residence, a 256-unit residential tower in The Light Waterfront, Penang was completed five months ahead of schedule.

10 JULY 2020

Secretary-General of the Ministry of Transport visits Kuantan Port
Kuantan Port received a courtesy call from Datuk Isham Bin Ishak, the Secretary-General of the Ministry of Transport, who received a briefing on the port's development from its management team.

14 JULY 2020

SITC Container Lines' first call to Kuantan Port
Kuantan Port welcomed a new liner on board, SITC Container Lines, the fifth liner to join Kuantan Port in 2020.

25 JULY 2020

#JelajahBelanjawan2021 at Kuantan Port
Kuantan Port hosted YB Senator Tengku Dato' Sri Zafrul Tengku Abdul Aziz, Minister of Finance, who made a call to the port as part of his Ministry's #JelajahBelanjawan2021 Pahang itinerary.

28 JULY 2020

Minat Teguh Estate's blood donation campaign
Plantation Division's Minat Teguh Estate kicked off its four blood donation activities in FY2021. A total of 52 pints of blood was donated to the local blood bank at the Hospital Duchess of Kent in Sandakan, Sabah.

30 JULY 2020

KSIJM's Hari Raya Haji staff gift distribution
In conjunction with Hari Raya Haji celebrations, staff at Wisma IJM received a surprise gift in the form of a box of Turkish delights.

AUGUST

7 AUGUST 2020

Kuantan Port's field trip to Westports Malaysia
A visit to Malaysia's leading and busiest port was an eye-opening experience for the Kuantan Port team to learn from the industry's best.

8 AUGUST 2020

Trade Representative of the Russian Federation to Malaysia visits Kuantan Port
Mr. Nikita Ponomarenko, the Trade Representative of the Russian Federation to Malaysia visited Kuantan Port as part of a foreign trade visit to Pahang.

21 AUGUST 2020

Kuantan Port townhall on Section 17A MACC Act 2009
A townhall on Section 17A of the MACC Act 2009 (Amendment 2018) was conducted for 100 staff and stakeholder representatives as part of an adequate procedure measure.

Corporate Diary and Highlights

SEPTEMBER

MB Pahang ucap tahniah atas kejayaan bandar Kuantan, Pelabuhan Kuantan

KUANTAN - Menteri Besar Pahang, Datuk Seri Wan Rosdy Wan Ismail mengucapkan tahniah di atas kejayaan bandar Kuantan dan Pelabuhan Kuantan yang masing-masing menduduki tangga kedua cemerlang dalam urusan peraturan perniagaan ditetapkan daripada lima bandar raya lain yang tersenarai.

WAN ROSDY

Wan Rosdy berkata, antara faktor kejayaan bandar Kuantan ialah apabila pula menduduki tangga kedua dengan skor 78.5 peratus di belakang Pelabuhan Klang (skor, 88.5 peratus) dalam aspek memudah-cara urus-niaga (trading) merentasi sempadan.

Menurutnya, dengan kedudukan itu Pelabuhan Kuantan mengatasi dua pelabuhan lain iaitu Pelabuhan Johor (skor, 76.5 peratus), dan Pelabuhan Pulau Pinang (skor, 75.2 peratus).

8 SEPTEMBER 2020

Doing Business in Malaysia 2020 Report
Kuantan Port was placed second behind Port Klang in the Trading Across Border category in the Doing Business in Malaysia 2020 report, outperforming other ports in Malaysia.

9 SEPTEMBER 2020

Safety campaign at all palm oil processing plants in Sabah
Plantation Division conducted role-play training and emergency simulation exercises across its processing plants in Sabah.

14 SEPTEMBER 2020

IJM Scholarship Award Programme 2020
Ten deserving students were awarded IJM scholarships with a total value of RM431,500 to pursue their tertiary education. In light of COVID-19, the entire proceedings were conducted virtually for the first time.

19 SEPTEMBER 2020

Seremban's Rimbun Jasmine sold out within hours
IJM Land's Rimbun Jasmine, a 129-unit freehold residential development in the Seremban 2 township, was fully sold-out within three hours of launching. With homes priced affordably, Rimbun Jasmine offers an easy and comfortable entry into country-style living amidst nature and modernity.

22 SEPTEMBER 2020

36th Annual General Meeting at Wisma IJM
IJM held its 36th Annual General Meeting, which was conducted virtually for the first time in adherence with COVID-19 SOPs and in embracing new norms. The virtual proceedings enabled shareholders to pose questions on the Group's financial performance, obtain immediate responses from the Board of Directors and vote online on the resolutions in real time.

25 SEPTEMBER 2020

Toll Division's recognition event
An event was held to celebrate the Toll Division's ISO 14001: 2015 certification as well as to acknowledge various staff achievements for the year, and to hand out Long Service Awards.

28 SEPTEMBER 2020

Construction Division's HSE Campaign for FY2021
A safety pledge-signing ceremony was held to commemorate IJM's Construction Division's annual HSE campaign. The campaign theme was 'ZERO FATALITY – Protect Lives, Protect the Environment' which aims to instill the right HSE culture and behaviour in the organisation.

29 SEPTEMBER 2020

UBS One ASEAN Conference
IJM met with institutional investors in a virtual group meeting.

OCTOBER

1 OCTOBER 2020

The Light City ground-breaking ceremony
A ground-breaking ceremony was held to mark the commencement of construction works for the Penang Waterfront Convention Centre and a retail mall at The Light City, Penang.

1 OCTOBER 2020

New container cranes arrive at Kuantan Port
In line with its expansion plans, two units of ship-to-shore cranes were delivered to Kuantan Port by one of the largest crane manufacturers in the world, Zhenhua Heavy Industries Co.

3 OCTOBER 2020

Handover ceremony of the IJM-COBRA Sports Complex
On behalf of IJM, Mr Liew Hau Seng, CEO & Managing Director, handed over the IJM COBRA Sports complex to the COBRA Rugby Club. Built by IJM, the event also commemorates the 30-year partnership between IJM and the rugby club.

19 OCTOBER 2020

Gate automation signing ceremony with Privasia
Kuantan Port officially kicked off one of its digital transformation initiatives, the gate automation project, which aims to create a faster turnaround time and efficiency.

Corporate Diary and Highlights

NOVEMBER

4 NOVEMBER 2020

New RTG crane arrival
The expansion in Kuantan Port continues with the arrival of four new hybrid rubber-tyred gantry (RTG) cranes manufactured by Mitsui E&S in Japan.

4 NOVEMBER 2020

Kuchai Link 2 direct overpass media tour
A media tour was organised for members of the media to get a first-hand experience of the Kuchai Link 2 direct two-lane overpass from Jalan Kuchai Lama to Besraya Highway.

12 NOVEMBER 2020

Kuchai Link 2 direct overpass opens to public
Built to relieve peak hour traffic at the Kuchai Interchange and Jalan Kuchai Lama – Jalan Kuchai Maju intersection, the Kuchai Link 2 was opened to the public. The direct overpass reduces commuting time by 10 to 15 minutes.

18 NOVEMBER 2020

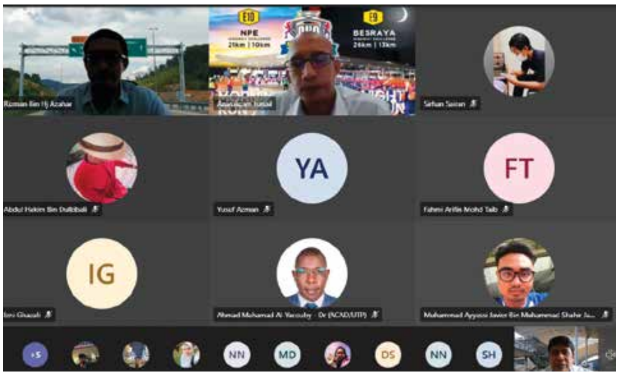
Pusat Kuarantin & Rawatan COVID-19 blanket donation
Kuantan Port donated 50 blankets to both frontliners and patients at the Pusat Kuarantin & Rawatan COVID-19 (PKRC), in Indera Mahkota, Kuantan.

23-25 NOVEMBER 2020

SIRIM Audit 2020
Completion of a successful audit by SIRIM at one of our projects in Penang.

25 NOVEMBER 2020

Second Quarter of FY2021 Financial Briefing
IJM conducted a virtual presentation to research analysts and institutional investors.



26 NOVEMBER 2020

Universiti Teknologi Petronas online academic site visit
Toll Division hosted an online academic site visit participated by lecturers and students of the Civil & Environmental Engineering Department of Universiti Teknologi Petronas, Bandar Seri Iskandar, Perak to learn about toll highway operations and maintenance.

DECEMBER

4 DECEMBER 2020

Plantation Division Long Service Awards
27 employees from Plantation Division received their Long Service Awards in appreciation of their loyalty and dedication in serving the company for 20 years.

5 DECEMBER 2020

Face masks donation to Pahang state government
Kuantan Port partnered with the Gebeng Industrial Support Group to donate 10,000 face masks to the Pahang state government for front liners who urgently needed the masks during a flood disaster.

7 DECEMBER 2020

IJM Land recognised as one of the industry's best
IJM Land was recognised as a Top Developer for the sixth consecutive year at The Edge Malaysia Property Excellence Awards 2020.

15 DECEMBER 2020

RFID payment system available at all LEKAS Highway toll plazas
The RFID Lane is now operating at all LEKAS Highway Toll Plazas, offering commuters an alternative payment system.

16 DECEMBER 2020

Flood relief efforts
Kuantan Port together with the Association of Malaysian Hauliers (AMH) and KPJ Pahang Specialist Hospital delivered flood relief essentials to 200 families affected by floods in Kampung Ganchong, Pekan. Food, toiletries, towels, blankets, and medical supplies were among items that were donated.

29 DECEMBER 2020

IJM Land clinched three awards at StarProperty Awards 2020
At the prestigious StarProperty Awards 2020, IJM Land was awarded Best Overall Champion, while its Bandar Rimbayu township and Secoya Residences at Pantai Sentral Park won individual property awards.

Corporate Diary and Highlights

2021

JANUARY

8 JANUARY 2021

DBS Pulse of Asia Conference Jan 2021 – Digital Edition
IJM presented to institutional investors in a virtual group setting

25 JANUARY 2021

COVID-19 swab tests for Plantation Division employees
Swab tests were conducted for employees across Plantation Division's operations, including dependents, to ensure the resident community is safe from the disease.

FEBRUARY

FEBRUARY 2021

Chinese New Year Celebration 2021
KSIJM decorated the foyer area and distributed festive gifts to staff based at Wisma IJM. A cash donation and goodies were also delivered to Rumah Ozanam, a children's home in Petaling Jaya.

4 FEBRUARY 2021

Distribution of essential food items to Sabah workers
Plantation Division distributed essential food items to workers to ease their financial burden during the estates' voluntary COVID-19 lockdown.

5 FEBRUARY 2021

IJM Land wins Gold at the Putra Brand Awards 2020
IJM Land won the Gold Award at the Putra Brand Awards 2020 in the Property Development category – its sixth accolade at the awards.

5 FEBRUARY 2021

Distribution of essential food items to villagers in Sugut region, Sabah
The activity was conducted during a flood crisis when the accessibility to the nearest town was disconnected.

MARCH

1 MARCH 2021

IJM India set new record for road construction
IJM India set a new record by laying a 25.54 lane-kilometre road stretch in a short span of 17 hours and 45 minutes on its Solapur-Bijapur highway project in India. This is the first time in the history of National Highway Authorities of India (NHAI) that such an undertaking has been attempted and achieved.

5 MARCH 2021

Suria Pantai completed ahead of schedule
Launched in November 2018, the sold-out 896-unit affordable Suria Pantai apartments developed by IJM Land in Pantai Sentral Park under the Rumah Mampu Milik Wilayah Persekutuan (RUMAWIP) programme, was completed 18 months ahead of schedule – bringing smiles and joy to many homebuyers.

13 MARCH 2021

Visit by the Ministry of Foreign Affairs
Kuantan Port, MCKIP, East Coast Economic Region Development Council and Alliance Steel hosted a group of future ambassadors from the Ministry of Foreign Affairs who were undergoing orientation.

18 MARCH 2021

Annual Stakeholder Meeting
Plantation Division organised its annual stakeholder meeting with *Kemitraan* owners in the Bulungan region of Kalimantan, Indonesia.

23 MARCH 2021

Blood donation campaign
Organised by Kuantan Port in collaboration with Lembaga Pelabuhan Kuantan and Hospital Tengku Ampuan Afzan, a total of 62 pints of blood was collected and donated.

27 MARCH 2021

Earth Hour 2021
Wisma IJM, and Menara Prudential as well as the HSBC project site at Tun Razak Exchange joined the Earth Hour 2021 lights-off movement as a symbolic gesture to raise awareness and inspire people to take concrete action on environmental issues.

29 MARCH 2021

24th Credit Suisse Asian Conference
IJM presented to institutional investors in one-on-one and small group virtual settings.

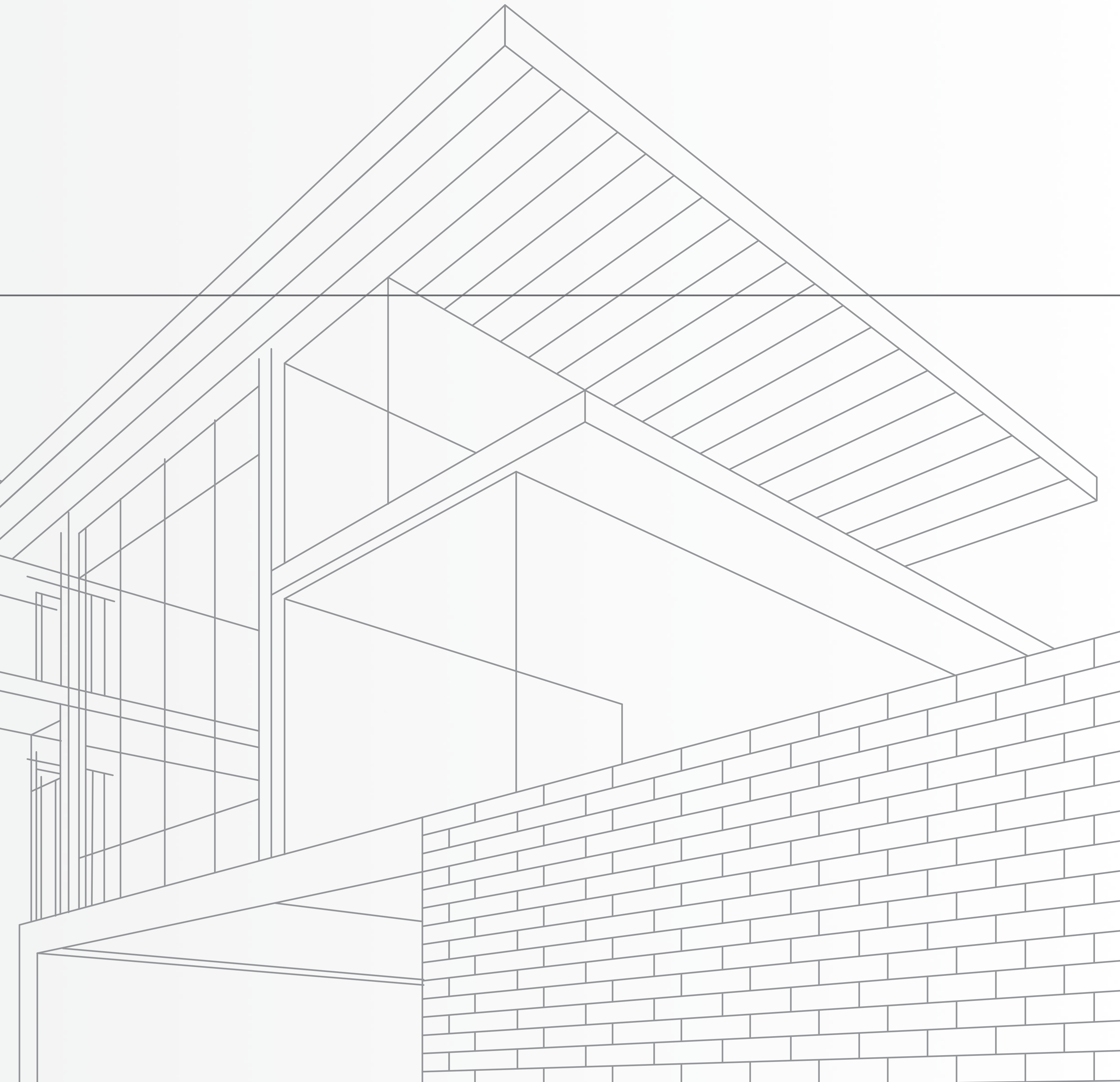
Mitigating the impact of COVID-19

IJM activated its Group Business Continuity Plan to mitigate and manage the adverse impact of the COVID-19 pandemic. The unprecedented health hazard derailed the global economy and caused disruptions to our business operations, supply chain and consumer demand for our products and services.

While maintaining strict adherence to the regulatory Standard Operating Procedures, we adjusted to the new norm by implementing alternative ways of sustaining our business. To meet our financial obligations, we closely monitored our liquidity and cost management practices. We also ramped up digital communication and online work practices and there was a marked increase in stakeholder engagement as a result. To serve customers better during these uncertain times, we modified our products and services.

The pandemic held several lessons. And they helped shape the execution of the IJM Group Strategic Blueprint 2021-2023 that is currently driving the Group forward.

02



Profile of Directors and Secretary

Tan Sri Dato' Tan Boon Seng @ Krishnan *PSM, DSPN, SMS*

Non-Executive Chairman

Age: 68 **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)
- Member of the Malaysian Institute of Accountants (MIA)

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:-

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

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

- Group Financial Controller (last position), Kumpulan Perangsang Selangor Berhad (1976 - 1983)
- Director, Industrial Concrete Products Sdn Bhd (1984 - 2014)
- Chairman, IJM Land Berhad (2007 - 2015)
- Director, IJM Plantations Berhad (1993 - 2021)
- President, Malaysia India Business Council ("MIBC") (2008 - 2015)
- Co-Chairman, Malaysia India CEO Forum (2011 - 2019)

Present Directorship(s)

Listed Companies

- Grupo Concesionario del Oeste S.A. (Argentina)

Other Public Companies

- 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: 55 **Gender:** Male **Nationality:** Malaysian

Academic/Professional Qualification

- Bachelor of Engineering (1st Class Honours) in Civil Engineering, Universiti 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)

Listed Companies

- IJM Plantations Berhad

Other Public Companies

- IJM Land Berhad
- Road Builder (M) Holdings Bhd
- ERMS Berhad
- Perdana Leadership Foundation (Trustee)

Other Current Position(s) Held

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

Lee Chun Fai

Deputy Chief Executive Officer & Deputy Managing Director

Age: 50 **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)

Listed Companies

Nil

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)

Profile of Directors and Secretary

Datuk Ir. Hamzah Bin Hasan *PJN, DPMT, DNS*

Independent Non-Executive Director

Age: 70 **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)

Listed Companies

- WCE Holdings Berhad (Chairman)

Other Public Companies

- 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

Pushpanathan A/L S A Kanagarayar

Independent Non-Executive Director

Age: 69 **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)
- Chairman, Listing Committee of Bursa Malaysia Berhad (2016 - 2020)

Present Directorship(s)

Listed Companies

- IJM Plantations Berhad
- Bursa Malaysia Berhad

Other Public Companies

- 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, 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

Goh Tian Sui
Independent Non-Executive Director

Age: 66 **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

Dato' David Frederick Wilson *DIMP*
Independent Non-Executive Director

Age: 76 **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

Profile of Directors and Secretary

Tunku Alina Binti Raja Muhd Alias
Independent Non-Executive Director

Age: 57 **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 and as council member of Climate Governance Malaysia.

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
- Nestle (Malaysia) Berhad

Other Public Companies
- Chemical Company of Malaysia Bhd (subsidiary of Batu Kawan Berhad)
- Harps Holdings Bhd
- Raja Alias Foundation (Trustee)
- Yayasan CCM (subsidiary of Chemical Company of Malaysia Bhd)

Other Current Position(s) Held
- Council Member, Malaysian Oil Scientists' & Technologists' Association

Tan Ting Min
Independent Non-Executive Director

Age: 52 **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

Azhar Bin Ahmad
Non-Executive Director

Age: 51 **Gender:** Male **Nationality:** Malaysian

Academic/Professional Qualification
- Member of the Malaysian Institute of Accountants (MIA)
- Bachelor in Accountancy, Mara University of Technology Malaysia
- Diploma in Accountancy, Mara Institute of Technology Malaysia

Board Committee Membership(s)
Nil

Date Appointed/Working Experience
Encik Azhar was appointed as a Non-Executive Director of IJM Corporation Berhad on 25 November 2020.

He started his career with the Employees Provident Fund (EPF) in 1995 and held several positions in various fields such as investment & economic research, debt capital market, fixed income investment, corporate finance, fund management and private debt fund. Prior to his current post, he was the Head of External Fund Manager Department, Investment Division, EPF. He is currently the Head of Capital Market Department, Investment Division, EPF (since 1 December 2019), responsible for the fixed income investment (loan and bonds) as well as Private Debt Fund (PDF) across domestic and global market.

Present Directorship(s)
Nil

Other Current Position(s) Held
Nil

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 relationships between the Directors and/or major shareholders of the Company.
2. None of the Directors has any conflict of interest with the Company.
3. All Directors maintain a clean record with regard to convictions for offences.

Group Organisation Chart

BOARD OF DIRECTORS

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

Divisions

Construction
Ong Teng Cheng

Property
Dato' Edward Chong Sin Kiat

Industry
Tan Boon Leng

Plantation
Joseph Tek Choon Yee

Port
Mazlim Bin Husin

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

CEO & Managing Director
Liew Hau Seng

Deputy CEO & Deputy Managing Director
Lee Chun Fai

Group Support Services

Accounts & Finance
Dato' Edward Chong Sin Kiat

Corporate Strategy & Investment
Lee Chun Fai

Legal & Contract Management
Michelle Chong Ann Ching

Human Resource & Administration
Tham Tsu San

Corporate Services
Ng Yoke Kian

Information Systems
Chee Yih 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

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
- 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

Dato' Edward Chong Sin Kiat *DBNS*

- Chief Financial Officer
- Managing Director, IJM Land Berhad

Age: 49 **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

Dato' 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, Dato' 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
- Road Builder (M) Holdings Bhd

Other Current Position(s) Held

- Exco and Council Member, Rehda Malaysia (2020 - 2022)
- Treasurer, Rehda Selangor (2020 - 2022)

Joseph Tek Choon Yee
Chief Executive Officer & Managing Director, IJM Plantations Berhad

Age: 55 **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: 60 **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: 54 **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: 54 **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: 59 **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)
Nil

Other Current Position(s) Held
Nil

Purushothaman A/L Kumaran
- Chief Financial Officer & Executive Director, IJM Plantations Berhad
- Chief Executive Officer, Indonesian Operations

Age: 59 **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

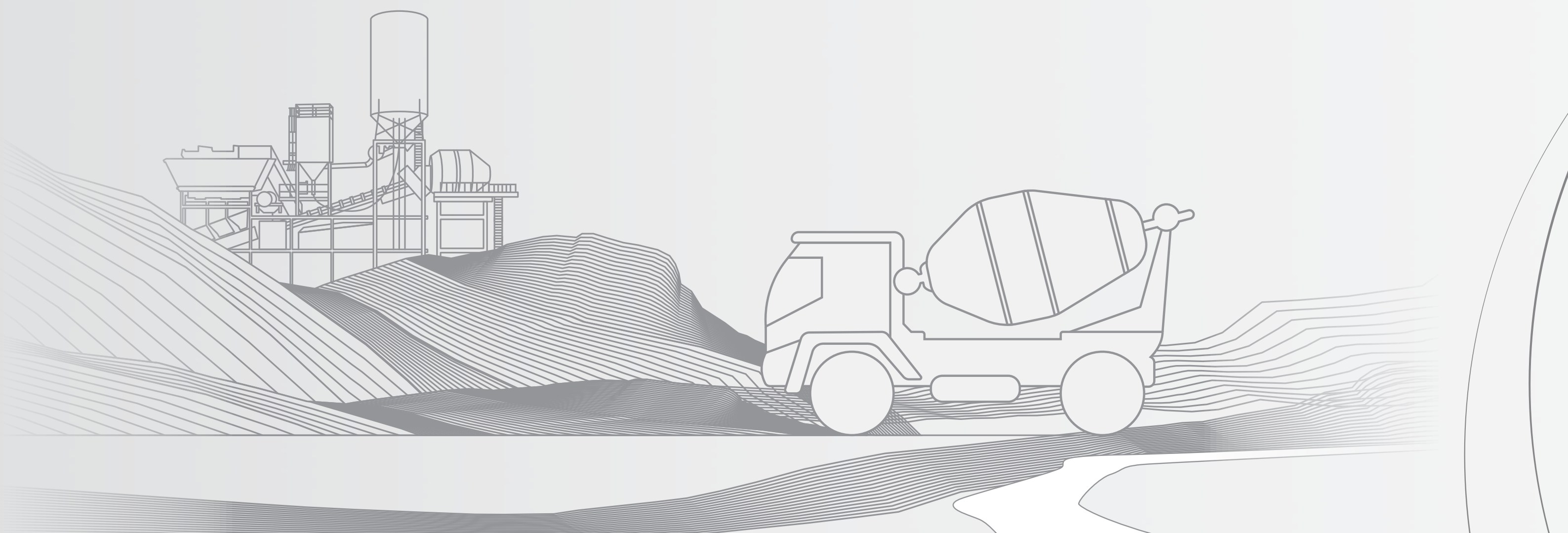
Other Public Companies
Nil

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 Wan Salwani Binti Wan Yusoff who has 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.

Build Resilience

Resilience is the hallmark of a sustainable company. At IJM, our focus is to ensure the company and staff are in a state of readiness to adapt to new and uncertain operating environments. This calls for proactive actions arising from decisive leadership, financial fitness, and strategic and tactical management of the six capitals – financial, manufactured, intellectual, human, social and natural. We believe we have a comprehensive game plan to prepare us for the unexpected.



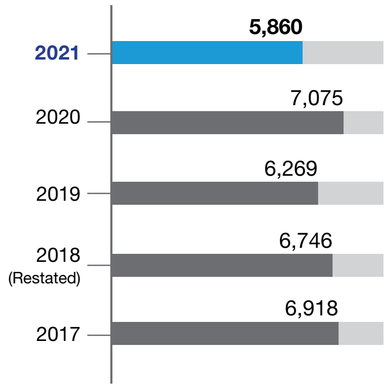
03

Group Financial Highlights

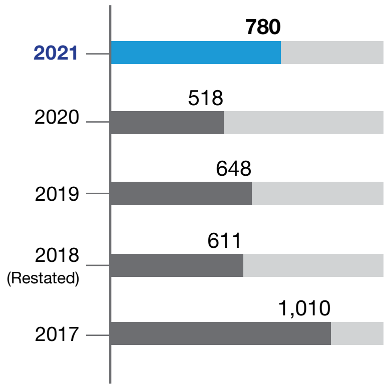
		31.3.2021	31.3.2020	31.3.2019	31.3.2018 (Restated)[N2]	31.3.2017
OPERATING REVENUE [N1]	RM'000					
Construction		**2,050,303**	2,292,830	2,325,361	2,676,074	2,532,146
Property development		**1,380,371**	2,305,120	1,482,011	1,260,461	1,516,225
Manufacturing & quarrying		**694,592**	833,071	886,424	1,057,097	1,136,614
Plantation		**935,693**	739,133	630,900	747,217	753,711
Infrastructure		**798,635**	904,058	943,391	1,001,873	975,515
Investment & others		**563**	860	752	2,830	3,528
		5,860,157	7,075,072	6,268,839	6,745,552	6,917,739
PROFIT/(LOSS) BEFORE TAXATION	RM'000					
Construction		**137,655**	173,199	174,392	221,219	216,715
Property development		**176,542**	203,261	202,043	120,687	303,277
Manufacturing & quarrying		**68,215**	44,895	58,993	82,479	142,417
Plantation		**272,129**	(50,472)	(43,306)	50,771	168,514
Infrastructure		**117,070**	153,246	268,251	122,817	62,313
Investment & others		**7,944**	(6,364)	(12,385)	13,088	116,774
		779,555	517,765	647,988	611,061	1,010,010
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)	RM'000	**1,398,182**	1,203,068	1,212,458	1,158,406	1,457,723
NET PROFIT FOR THE FINANCIAL YEAR	RM'000	**645,103**	328,186	440,709	378,262	766,804
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	RM'000	**431,678**	250,590	418,916	346,651	653,773
EARNINGS PER SHARE (Basic)	Sen	**11.91**	6.91	11.56	9.56	18.16
EARNINGS PER SHARE (Fully Diluted)	Sen	**11.90**	6.91	11.55	9.53	17.94
GROSS DIVIDEND PER SHARE	Sen	**6.00**	3.00	4.00	6.00	7.50
FINANCIAL POSITION						
ISSUED SHARE CAPITAL	RM'000	**6,117,056**	6,112,042	6,099,350	6,074,349	6,022,651[N3]
SHAREHOLDERS' FUNDS	RM'000	**9,978,535**	9,602,366	9,538,652	9,346,495	9,497,274
TOTAL ASSETS	RM'000	**23,494,181**	23,453,267	23,005,974	21,233,287	20,892,700
TOTAL BORROWINGS	RM'000	**6,791,981**	6,917,096	6,662,139	5,913,975	6,003,770
NET ASSETS PER SHARE	RM	**2.76**	2.65	2.63	2.58	2.63
RETURN ON TOTAL ASSETS	%	**1.84**	1.07	1.82	1.63	3.13
RETURN ON EQUITY	%	**4.33**	2.61	4.39	3.71	6.88
GEARING (Net Debt/Equity)	%	**43.95**	48.89	53.51	47.57	40.60
MARKET CAPITALISATION	RM'000	**6,113,384**	5,770,829	8,049,389	9,722,719	12,285,516
SHARE PRICE						
High	RM	**2.02**	2.51	2.98	3.60	3.64
Low	RM	**1.20**	1.15	1.39	2.55	3.07
Close	RM	**1.69**	1.59	2.22	2.68	3.40

[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")
[N3] 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.

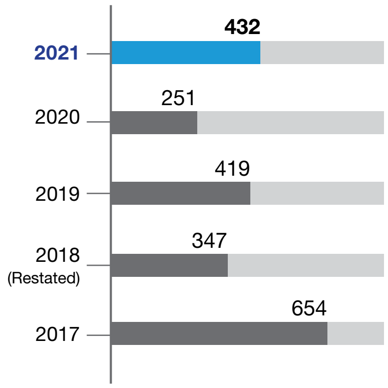
OPERATING REVENUE
(RM million)



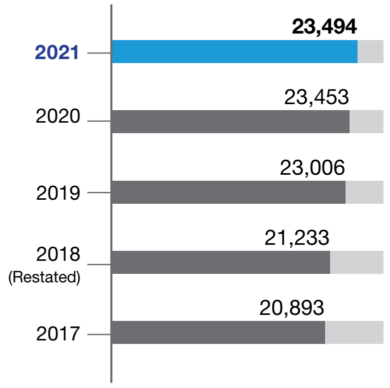
PROFIT/(LOSS) BEFORE TAXATION
(RM million)



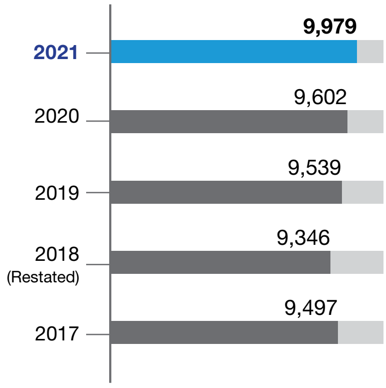
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
(RM million)



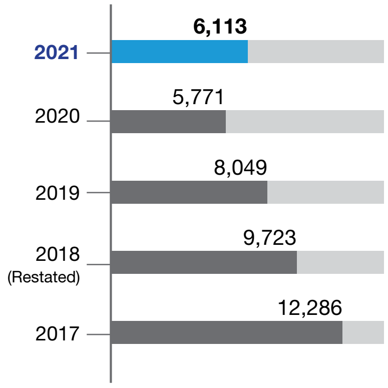
TOTAL ASSETS
(RM million)



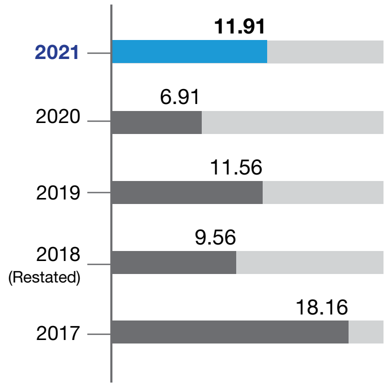
SHAREHOLDERS' FUNDS
(RM million)



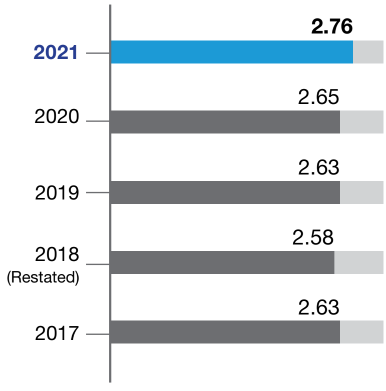
MARKET CAPITALISATION
(RM million)



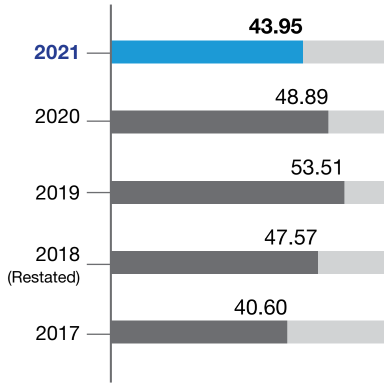
EARNINGS PER SHARE
(Basic)
(Sen)



NET ASSETS PER SHARE
(RM)



GEARING
(Net Debt/Equity)
(%)

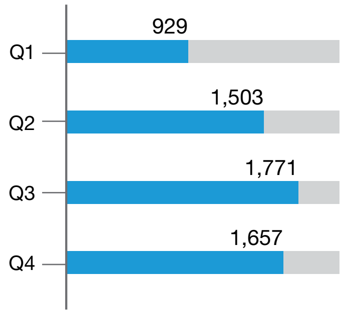


Group Quarterly Performance

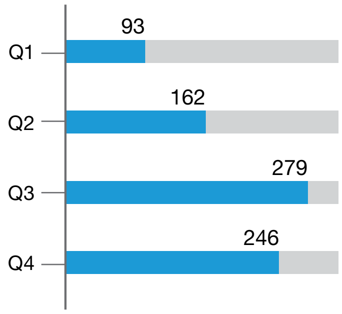
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
OPERATING REVENUE [N1]	RM'000				
Construction		320,846	606,197	532,692	590,568
Property development		151,191	281,866	561,429	385,885
Manufacturing & quarrying		86,354	163,333	199,003	245,902
Plantation		205,985	211,370	271,957	246,381
Infrastructure		164,848	240,084	205,457	188,246
Investment & others		81	329	116	37
		929,305	1,503,179	1,770,654	1,657,019
PROFIT/(LOSS) BEFORE TAXATION	RM'000				
Construction		16,394	50,883	40,520	29,858
Property development		(10,409)	32,962	71,742	82,247
Manufacturing & quarrying		(14,934)	6,137	18,953	58,059
Plantation		115,298	(2,431)	98,851	60,411
Infrastructure		(11,022)	68,405	44,655	15,032
Investment & others		(2,175)	5,723	3,811	585
		93,152	161,679	278,532	246,192
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)	RM'000	259,177	313,865	430,811	394,329
NET PROFIT FOR THE FINANCIAL PERIOD	RM'000	49,753	122,914	206,096	266,340
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	RM'000	1,271	99,515	144,499	186,393
EARNINGS PER SHARE (Basic)	Sen	0.04	2.74	3.98	5.14
EARNINGS PER SHARE (Fully Diluted)	Sen	0.04	2.74	3.98	5.14
GROSS DIVIDEND PER SHARE	Sen	-	2.00	-	4.00
FINANCIAL POSITION					
ISSUED SHARE CAPITAL	RM'000	6,112,042	6,117,056	6,117,056	6,117,056
SHAREHOLDERS' FUNDS	RM'000	9,629,263	9,682,438	9,775,763	9,978,535
TOTAL ASSETS	RM'000	23,294,064	23,741,160	23,863,666	23,494,181
TOTAL BORROWINGS	RM'000	6,785,697	7,188,569	7,100,024	6,791,981
NET ASSETS PER SHARE	RM	2.65	2.67	2.70	2.76
RETURN ON TOTAL ASSETS (Annualised)	%	0.02	0.85	1.37	1.84
RETURN ON EQUITY (Annualised)	%	0.05	2.06	3.32	4.33
GEARING (Net Debt/Equity)	%	48.2	49.5	44.6	44.0
MARKET CAPITALISATION	RM'000	6,569,309	5,214,647	6,264,818	6,113,384
SHARE PRICE					
High	RM	2.02	1.83	1.89	1.80
Low	RM	1.55	1.20	1.33	1.49
Close	RM	1.81	1.44	1.73	1.69

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

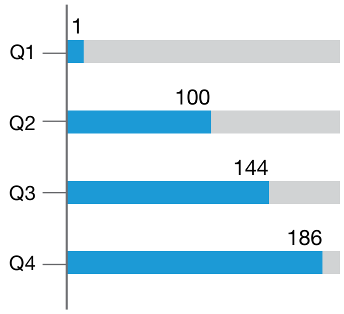
OPERATING REVENUE
(RM million)



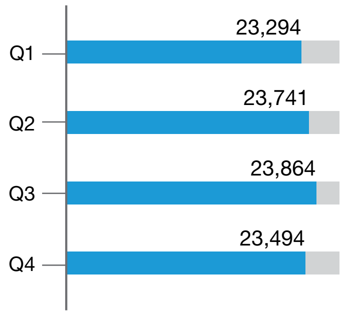
PROFIT/(LOSS) BEFORE TAXATION
(RM million)



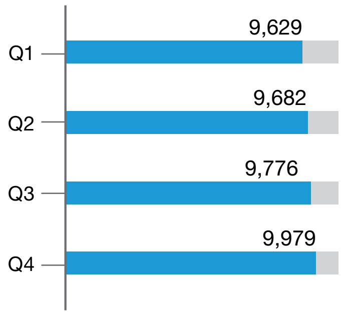
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
(RM million)



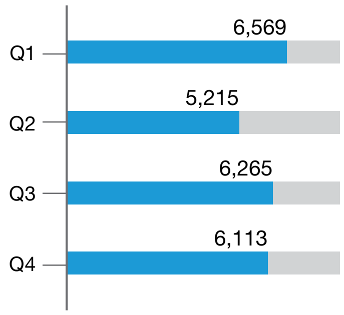
TOTAL ASSETS
(RM million)



SHAREHOLDERS' FUNDS
(RM million)

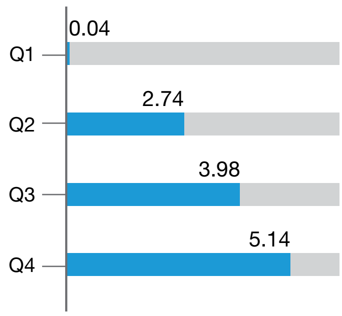


MARKET CAPITALISATION
(RM million)

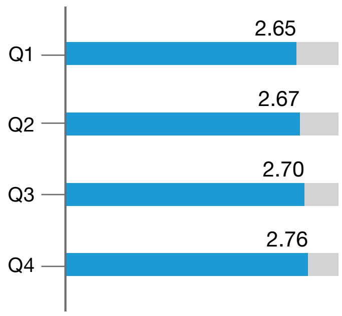


EARNINGS PER SHARE
(Basic)

(Sen)

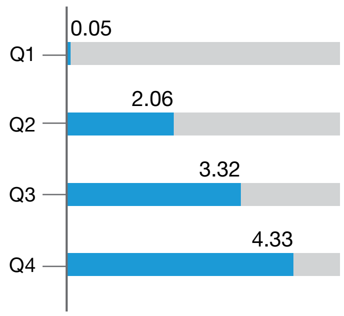


NET ASSETS PER SHARE
(RM)



RETURN ON EQUITY
(Annualised)

(%)



Statement of Value Added & Distribution

	2021 RM'000	2020 RM'000
VALUE ADDED:		
Operating revenue	5,622,870	6,605,101
Purchases of goods & services	(3,823,123)	(4,966,334)
Value added by the Group	1,799,747	1,638,767
Share of losses of associates	(84,034)	(92,408)
Share of profits of joint ventures	12,996	30,272
Total value added	1,728,709	1,576,631
DISTRIBUTION:		
To employees		
- Salaries & other staff costs	377,061	416,949
To Governments		
- Taxation	134,452	189,579
To providers of capital		
- Dividends	108,738	145,178
- Finance cost	205,889	290,423
- Non-controlling interests	166,891	34,210
Retained for future reinvestment & growth		
- Depreciation and amortisation	412,738	394,880
- Retained profits	322,940	105,412
Total Distributed	1,728,709	1,576,631

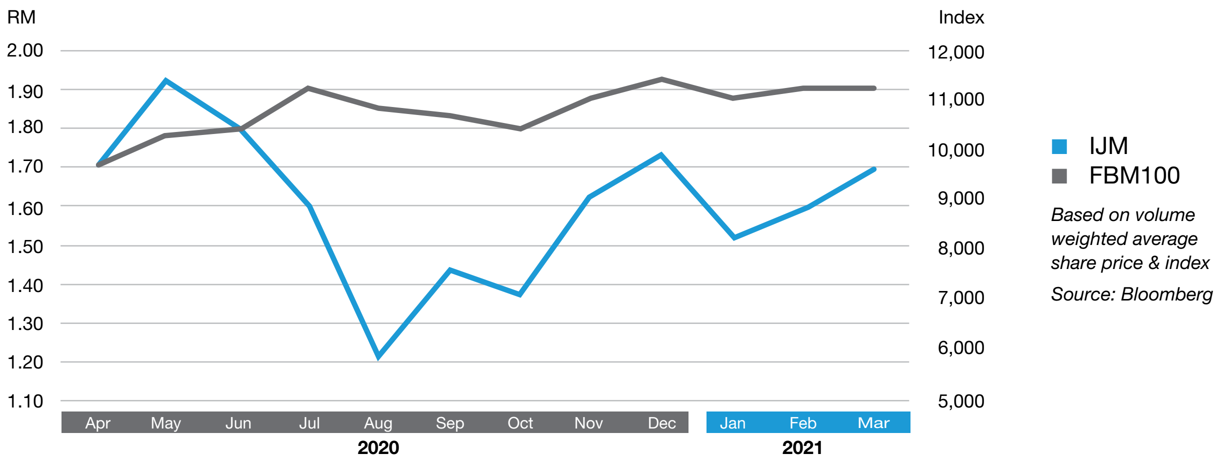
Value added is a measure of wealth created. The above statement shows the Group's value added for 2021 and 2020 and its distribution by way of payments to employees, governments and capital providers, with the balance retained in the Group for future reinvestment and growth.

Reconciliation

	2021 RM'000	2020 RM'000
Profit for the year	431,678	250,590
Add: Depreciation and amortisation	412,738	394,880
Finance cost	205,889	290,423
Staff costs	377,061	416,949
Taxation	134,452	189,579
Non-controlling interests	166,891	34,210
Total value added	1,728,709	1,576,631

Information for Investors

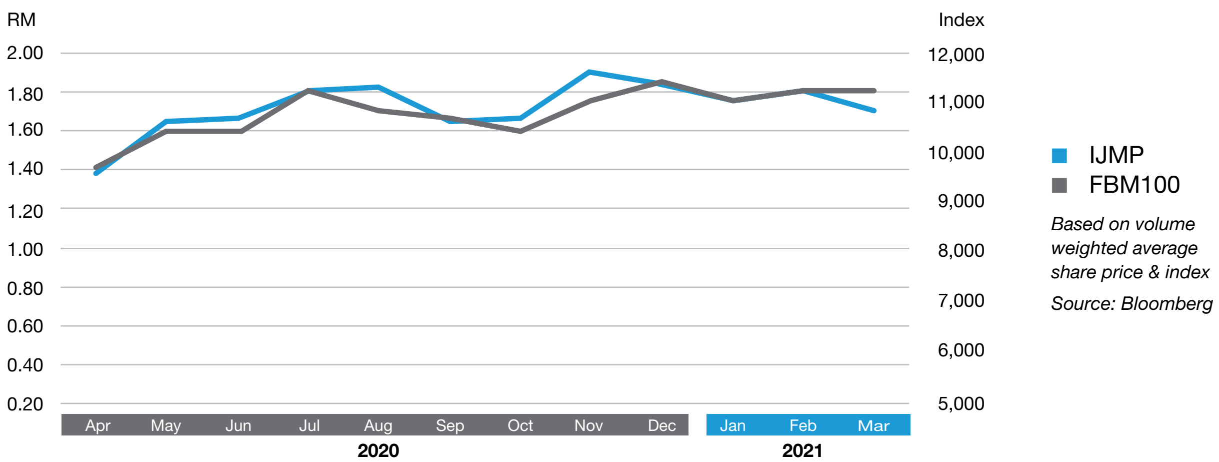
A. IJM Corporation Berhad ("IJM") Share Price vs FBM100



IJM's share price (stock code: 3336) rose at the beginning of the financial year to RM1.92 in May. In the following months, the share price declined due to high levels of uncertainty and reduced investor sentiment due to the Movement Control Order imposed by the Malaysian Government, affecting business operations and the Group's financial performance. The stock met with acute selling pressure in August due to the Company's exclusion from the MSCI Emerging Market Index at the end of that month before seeing a gradual recovery for the remainder of the financial year.

IJM saw its share price decline by 1% compared to FBM100 which increased 17% in the same period of IJM's financial year of 2021.

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



IJMP's share price (stock code: 2216) was RM1.37 in April 2020 and saw an upward trend in the share price up to August that was supported by a positive outlook on CPO prices on the back of tightness in supply and the low local inventory levels. The CPO price expectations were, however, limited by the widening disparity against petroleum prices as well as an expected strong rebound in supply in 2021, which resulted in a decline in IJMP's share price for the month of September and October 2020.

The share price ended the year at RM1.68 representing an increase of 23% for the year and was supported by tight inventory levels and rising prices of competing edible oils. This compares to a 17% increase in the FBM100 index over the same period.

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 December 2020.

Details of the programme are disclosed in Note 17 to the Financial Statements.

FINANCIAL CALENDAR

Financial Year End		31 March 2021
Announcement of Results	First Quarter	26 August 2020
	Second Quarter	25 November 2020
	Third Quarter	25 February 2021
	Fourth Quarter	27 May 2021
Notice of Annual General Meeting		28 July 2021
Annual General Meeting		26 August 2021

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:

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Company Secretary
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Fax : +603 79521200
E-mail: csa@ijm.com

For financial performance or company development matters, please contact:

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

Analysis of Shareholdings
as at 30 June 2021

Number of Issued Share : 3,645,280,320*
Class of Shares : Ordinary Shares
Voting Rights
On show of hands : 1 vote
On a poll : 1 vote for each share held

* inclusive of 35,701,700 shares bought-back by the Company and retained as treasury shares as at 30 June 2021

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	Number of Shares	Percentage of Issued Shares
Less than 100	283	9,116	0.00%
100 – 1,000	3,180	2,457,431	0.07%
1,001 - 10,000	9,216	40,556,205	1.12%
10,001 – 100,000	3,144	100,406,174	2.78%
100,001 to less than 5% of issued shares [(1)]	834	2,273,054,216	62.97%
5% and above of issued shares	4	1,193,095,478	33.06%
	16,661	3,609,578,620	100.00%

[(1)] excluding 35,701,700 treasury shares

REGISTER OF SUBSTANTIAL SHAREHOLDERS

		Number of Shares		Percentage of Issued Shares
		Direct	Deemed	
1.	Employees Provident Fund Board	599,631,318	-	16.61%
2.	AmanahRaya Trustees Berhad – Amanah Saham Bumiputera	243,290,700	-	6.74%
3.	Urusharta Jamaah Sdn Bhd	222,158,500	-	6.15%
4.	Kumpulan Wang Persaraan (Diperbadankan)	333,886,500	-	9.25%

THIRTY LARGEST SHAREHOLDERS

		Number of Shares	Percentage of Issued Shares
1.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	451,610,878	12.51%
2.	Kumpulan Wang Persaraan (Diperbadankan)	292,943,900	8.12%
3.	AmanahRaya Trustees Berhad Amanah Saham Bumiputera	243,290,700	6.74%
4.	Citigroup Nominees (Tempatan) Sdn Bhd Urusharta Jamaah Sdn. Bhd. (1)	205,250,000	5.69%
5.	Fortuna Gembira Enterpris Sdn. Bhd.	180,248,000	4.99%
6.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd.	141,390,840	3.92%
7.	AmanahRaya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	119,469,000	3.31%
8.	AmanahRaya Trustees Berhad Amanah Saham Malaysia	117,040,100	3.24%
9.	AmanahRaya Trustees Berhad Amanah Saham Malaysia 3	71,951,100	1.99%

Analysis of Shareholdings

as at 30 June 2021

THIRTY LARGEST SHAREHOLDERS (cont'd)

	Number of Shares	Percentage of Issued Shares
10. Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)	55,000,000	1.52%
11. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	54,651,580	1.51%
12. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	53,910,700	1.49%
13. Permodalan Nasional Berhad	51,924,480	1.44%
14. Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Fund	48,053,600	1.33%
15. HSBC Nominees (Asing) Sdn Bhd JPMCB NA For Vanguard Emerging Markets Stock Index Fund	46,200,634	1.28%
16. Lembaga Tabung Haji	44,803,000	1.24%
17. AmanahRaya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	39,578,000	1.10%
18. HSBC Nominees (Asing) Sdn Bhd JPMCB NA For Vanguard Total International Stock Index Fund	37,626,121	1.04%
19. AmanahRaya Trustees Berhad Public Ittikal Sequel Fund	37,101,400	1.03%
20. Amanahraya Trustees Berhad Public Islamic Dividend Fund	35,967,608	1.00%
21. AmanahRaya Trustees Berhad Amanah Saham Bumiputera 2	29,100,000	0.81%
22. Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (WEST CLT OD67)	28,733,700	0.80%
23. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AFFIN-HWG)	27,931,940	0.77%
24. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LSF)	26,746,000	0.74%
25. Maybank Nominees (Tempatan) Sdn Bhd MTrustee Berhad for Principal Dali Equity Growth Fund (UT-CIMB-DALI) (419455)	26,666,300	0.74%
26. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB Prin)	24,978,900	0.69%
27. Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	23,638,100	0.65%
28. HSBC Nominees (Asing) Sdn Bhd HSBC BK PLC for Kuwait Investment Office (KIO)	23,500,000	0.65%
29. Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	21,849,718	0.61%
30. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Par 3)	19,611,660	0.54%
	2,580,767,959	**71.50%**

DIRECTORS' SHAREHOLDINGS IN IJM CORPORATION BERHAD

as at 30 June 2021

Name of Directors	Number of Shares		Percentage of Issued Shares
	Direct	Deemed	
Tan Sri Dato' Tan Boon Seng @ Krishnan	7,493,066	421,972[1]	0.219%
Liew Hau Seng	1,243,500	-	0.034%
Lee Chun Fai	899,800	250,000[1]	0.032%
Datuk Lee Teck Yuen	11,764,692	-	0.326%
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	-	-	-
Azhar Bin Ahmad	-	-	-

Note:-

[1] Through a family member

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

as at 30 June 2021

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*	-	235,500*	235,500	-
	Lee Chun Fai	250,250*	-	376,400*	-	376,400
Second Award on 24.12.2013	Liew Hau Seng	308,000*	-	289,700*	181,100	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	-	431,500	-	431,500
	Lee Chun Fai	660,000	-	623,500	-	623,500
Seventh Award on 30.03.2019	Liew Hau Seng	233,800	70,100	149,600	-	149,600
	Lee Chun Fai	330,000	99,000	210,400	-	210,400

Notes:-

+ 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 30 June 2021

DIRECTORS' INTERESTS UNDER THE EMPLOYEE SHARE GRANT PLAN OF IJM CORPORATION BERHAD
as at 30 June 2021

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	38,800	-	-
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	58,200	14,000	-	-
	Lee Chun Fai	189,600	75,800	94,800	45,500	-	-
Seventh Award on 15.04.2019	Liew Hau Seng	116,400	46,600	29,100	18,700	58,200	23,300
	Lee Chun Fai	189,600	75,800	47,400	30,300	94,800	37,900

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 30 June 2021

Name of Directors	Number of Shares		Percentage of Issued Shares
	Direct	Deemed	
Tan Sri Dato' Tan Boon Seng @ Krishnan	892,060	873,033[1]	0.200%
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	-	-	-
Azhar Bin Ahmad	-	-	-

Note:-

[1] Through a family member

KEY SENIOR MANAGEMENT'S SHAREHOLDINGS IN IJM CORPORATION BERHAD

as at 30 June 2021

Name of Key Senior Management	Number of Shares		Percentage of Issued Shares
	Direct	Deemed	
Ong Teng Cheng	1,696,392	-	0.047%
Joseph Tek Choon Yee	578,500	-	0.016%
Dato' Edward Chong Sin Kiat	650,000	-	0.018%
Tan Boon Leng	382,100	-	0.011%
Wan Salwani Binti Wan Yusoff	338,200	-	0.009%
Cyrus Eruch Daruwalla	1,069,000	-	0.030%
Purushothaman A/L Kumaran	932,500	-	0.026%
Mazlim Bin Husin	18,900	-	0.001%

Analysis of Shareholdings
as at 30 June 2021

KEY SENIOR MANAGEMENT'S INTERESTS UNDER THE EMPLOYEE SHARE OPTION SCHEME OF IJM CORPORATION BERHAD
as at 30 June 2021

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
	Dato' Edward Chong Sin Kiat	-	333,400
Second Award on 24.12.2013	Joseph Tek Choon Yee	-	200,500
	Dato' 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
	Dato' 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	Dato' 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	-	352,900
	Joseph Tek Choon Yee	-	397,200
	Dato' Edward Chong Sin Kiat	-	420,900
	Tan Boon Leng	-	343,400
	Wan Salwani Binti Wan Yusoff	-	257,000
	Cyrus Eruch Daruwalla	-	395,100
	Purushothaman A/L Kumaran	-	433,700
Seventh Award on 30.03.2019	Ong Teng Cheng	57,700	122,800
	Joseph Tek Choon Yee	76,500	163,100
	Dato' Edward Chong Sin Kiat	70,100	149,000
	Tan Boon Leng	82,500	173,400
	Wan Salwani Binti Wan Yusoff	41,300	89,100
	Cyrus Eruch Daruwalla	63,700	134,800
	Purushothaman A/L Kumaran	70,100	147,500

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 30 June 2021

Award	Name of Key Senior Management	+ Balance Provisional Number of Shares under Employee Share Grant Plan	
		PSP ++	RSP +++
Seventh Award on 15.04.2019	Ong Teng Cheng	48,500	19,400
	Joseph Tek Choon Yee	58,200	23,300
	Dato' Edward Chong Sin Kiat	58,200	23,300
	Tan Boon Leng	58,200	23,300
	Wan Salwani Binti Wan Yusoff	21,500	16,000
	Cyrus Eruch Daruwalla	58,200	23,300
	Purushothaman A/L Kumaran	58,200	23,300
	Mazlim Bin Husin	17,200	12,800

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 30 June 2021

Name of Key Senior Management	Number of Shares		Percentage of Issued Shares
	Direct	Deemed	
Ong Teng Cheng	92,500	-	0.011%
Joseph Tek Choon Yee	-	-	-
Dato' 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	-	-	-

Drive Growth

Growth is at the front, centre and flanks of dynamic companies. At IJM, we leverage on our time-tested growth trajectories that resonate with the spear-and-shield approach. With our existing assets as our shield focused on delivering robust returns, the Group spearheads new ventures that strengthen the performance of our businesses. We believe this will help us unlock the existing potential of our Group, while realising new earnings from strategic investments and divestments, geographical expansion, digitalisation and talent management.

04

Chairman's Statement

Dear Stakeholders,

The COVID-19 health crisis has had far reaching consequences on the global economy. Remedies to ensure public health have often entailed a profound collateral cost to businesses and livelihoods.

Through every crisis in the past 38 years, IJM has managed to adapt and emerge stronger. Amid the unprecedented pandemic, we continued to draw lessons and took the opportunity to refocus our strategic priorities. I am pleased to report that our businesses were able to demonstrate resilience, both in profit performance and financial strength.

The Group's fundamentals are as strong as they have ever been and we are well-positioned to participate in a recovering economy.

Operating and Financial Results

The market disruptions and operational constraints that arose from the movement control order restrictions had adversely affected the Group's businesses during the year, leading to the Group recording revenue of RM5,622.87 million in FY2021, a decrease of 14.9% from RM6,605.10 million in the preceding year. Despite the lower revenue, the Group's pre-tax profit for FY2021 was higher at RM779.56 million, representing an increase of 50.6% compared to RM517.77 million in the preceding year. This was largely due to the higher average CPO price achieved by the Group's Plantation Division as well as gains recognised from forex translations of USD denominated borrowings and the disposal of low-yielding assets.

The impact of the pandemic was, for the most part, well absorbed. The cash generative aspects of our businesses remained relatively healthy with cash flows from operating activities recorded at RM1,338.55 million for FY2021 compared to RM1,681.42 in the previous year.

Following the increase in bank balances and lower debt levels, the Group's net gearing strengthened to 0.44 times at the end of FY2021 compared to 0.49 times in the prior year, further underlining the Group's disciplined approach to managing its balance sheet.

Business Outlook and Operational Strategies for FY2022

The main factors determining the rate of global recovery in the near term remain pandemic-related, particularly the pace of vaccinations, the containment of variants of concern, the degree of successfully addressing economic scarring, and the mending of societal foundations that may have been deeply altered.

At the time of writing, the official 2021 GDP growth of Malaysia is being revised to around 4%, from 6%-7.5% previously. The subdued growth outlook follows a dramatic resurgence of the COVID-19 virus in the country beginning mid-April 2021 that led to another stringent lockdown. Despite the challenges posed by the pandemic, emerging green shoots in the global economy and the accelerated pace of vaccinations are expected to help facilitate Malaysia's economic recovery.

Notwithstanding the resilience demonstrated by our businesses, the financial performance of the Group in the first half of FY2022 may likely be affected if the current movement restrictions are prolonged. Although the Construction and Property Divisions are supported by healthy levels of outstanding order book and unbilled sales, revenues are recognised based on construction progress, the lack of which during these unproductive months cannot be easily recouped when the economy reopens. The performance of the Group's Toll and Port Divisions, despite being categorised as essential services, have also been adversely affected by the current lockdown.

Following a muted first half of the year, the Group's financial performance is expected to recover in the second half of FY2022 when operational activities are expected to recommence. The experiences we gained over the last year have shown that we are able to safely resume operations upon the gradual reopening of the economy, although more stringent measures will be continually assessed to mitigate the more virulent COVID-19 strains. The outlook for the Construction Division is supported by an outstanding order book of RM4.0 billion. With a strong balance sheet, the Group is well-positioned to participate in upcoming government infrastructure projects that are expected to help revitalise the economy. Robust property sales of RM1.7 billion in FY2021 and a successful reduction in our completed local inventory amounting to RM605.95 million last year has put the Property Division on a strong footing to continue engaging the market with its wide array of products. With the uptick in activities seen in the second half of FY2021, especially in the export market, coupled with healthy balance orders of over six months, the Industry Division is hopeful for a satisfactory performance while it continues to contain its operating cost domestically. The prospects for cargo throughput growth at Kuantan Port are promising, in line with the developments at the adjacent industrial parks while the Group's Toll operations are expected to see a rebound in traffic volumes to pre-Covid levels once the economy gradually reopens.

Notably, the Group will cease to consolidate the future earnings of IJM Plantations upon the conclusion of its proposed disposal in the second quarter of FY2022, although a one-off gain on disposal of RM699.89 million is expected in FY2022.

More details of the Group's financial performance and business outlook are explained in the *Management Discussion and Analysis* section of this Annual Report.

Proposed Disposal of IJM Plantations

The proposed disposal of IJM Plantations, announced on 11 June 2021, marks a significant juncture in the chapter of the IJM Group. This is the first time the Group is disposing of an entire business division, one that we have shared much kindred history with and has been synonymous with the IJM name in East Malaysia. Having been personally involved in building IJM Plantations as a greenfield business, this decision did not come lightly, but the merits of the deal are compelling - for the shareholders of IJM and IJM Plantations as well as for the various stakeholders of the Group, namely our staff and workforce, customers and supply chain.

Facilitated by the strong CPO price environment, our decision to accept the disposal was supported by the attractive offer price of RM3.10 per share, plus the 10 sen dividend entitlement, for the entire 56.2% of IJM's equity stake in IJM Plantations; as well as the continued employment of our dedicated people by a well-regarded company. The proposed disposal is also in the best interest of the Group, given the maturity of the plantation business, which we have no plans to expand further.

For the IJM Group, the proposed transaction fits with our overarching plan to streamline our strategic imperatives to focus on the Group's construction-property-infrastructure related businesses, alongside a more efficient asset and capital structure. The Group has allocated a significant portion of the proceeds towards reinvestment into future growth engines as well as to provide capital for the Kuantan Port expansion, The Light City project and West Coast Expressway.

In the immediate term, the proceeds of RM1.53 billion from the proposed disposal would also strengthen IJM's balance sheet and see the Group's net gearing decrease from 0.44 times to 0.22 times.

Commitment to Corporate Governance and Sustainability

Apart from the allocation that will be reinvested, RM800 million has also been earmarked for capital management purposes, primarily rewarding our shareholders through a special dividend and share buybacks that will reduce our capital base to commensurate with the near term loss of earnings from IJM Plantations. Despite an unarticulated dividend payout policy, we continue to uphold our commitment to shareholders with a special dividend upon sizeable monetisation exercises, just as we did in FY2014 and FY2016.

Our track record of upholding the highest standards of governance and ethical business conduct reflects our conviction that good corporate governance supports long term value creation for all our stakeholders.

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

The Group too believes that commercial success must be accompanied by positive impacts on society while protecting the environment. This philosophy is guided by our sustainability framework and policy statements, and is embraced throughout our operations. We have stepped up our Community Investment efforts considerably, especially during this trying time when financial hardship and distress have fallen on so many in the community.

While efforts are ongoing, our sustainability progress in FY2021 is outlined in the *Sustainability Statement* on pages 130 to 182.

Appreciation

Datuk Ir. Hamzah bin Hasan, who has served for more than 8 years as an Independent Director, will retire from the Board at the conclusion of the Annual General Meeting on 26 August 2021. The Board and I wish to record our sincere appreciation for the years of service and invaluable contributions rendered by Datuk Hamzah to the Group.

Our strength and achievements would not have been possible without the trust and support of all our stakeholders. On behalf of the Board, I would like to thank our shareholders, associates, customers, bankers, subcontractors and suppliers for your continued support.

To the management and employees, I especially thank you for your dedication and for your swift and coordinated response to address the COVID-19 pandemic in the past year. As the Group undertakes new challenges and opportunities ahead, we must adopt a learning mindset and embrace fresh perspectives to meet the demands of the new economy. I am confident that we will see successful outcomes just as we have consistently delivered in the past.

Tan Sri Dato' Tan Boon Seng @ Krishnan
Chairman

Management Discussion and Analysis

Dear Stakeholders,

Our underlying strategy to hone our businesses into a more focused organisation is being spearheaded by our three strategic drivers: “Build Resilience. Drive Growth. Nurture Capabilities”. Despite the uncertainties arising from the COVID-19 pandemic, and challenges posed by the increasingly demanding business environment, we remain steadfast in our commitment to offer a distinct value proposition to our stakeholders. Our efforts are bearing fruit and I am pleased to report that the Group has delivered a commendable financial performance in FY2021.

FY2021 has been a year like no other. It has been defined by periodic resurgences of COVID-19 outbreaks across the world. Its impact has been wide-ranging, causing socio-economic uncertainties on many fronts. At IJM, we have worked hard throughout the year to minimise operational and supply-chain disruptions as well as to quickly resume productivity levels upon the lifting of lockdowns. In doing so, we kept the health and safety of our workforce a priority at all times.

We have also been busy realigning our business priorities, and this has led us to monetise a few assets, most significantly, the proposed disposal of IJM Plantations that was announced after the financial year. In addition, we have accelerated our capital management activities, particularly through more aggressive share buy-backs. We expect these efforts to improve returns on our capital and reflect better on IJM’s intrinsic value in the market over time.

Under the hood, we have been revamping key areas of people management, digitalisation, sustainability and our risk framework. I am excited for you to read more about these in the ensuing pages and in future publications.

As I approach my second anniversary as your CEO and Managing Director in September, I am delighted to present to you IJM Corporation Bhd’s Annual Report 2021, aptly themed ***Delivering Today, Building Tomorrow*** to resonate our new strategic direction.

Liew Hau Seng
Chief Executive Officer & Managing Director

Business Environment

The year 2020 began with signs of moderate global growth amid easing trade tensions between the US and China. However, the declaration of a global pandemic by the World Health Organisation on 11 March 2020 saw many countries adopt stringent containment measures such as full or partial lockdowns, travel and border restrictions, temporary business closures and restricted social conducts. The resulting downturn in global economic activity was quickly followed by an unprecedented level of global economic policy response. In the second half of the year, signs of recovery appeared as containment measures were gradually lifted, albeit at an uneven and gradual pace. Nonetheless, 2020 saw the global economy experience one of its deepest recessions, contracting by 3.5%, compared to a growth of 2.9% the previous year.

As with many countries globally, the unprecedented economic shocks from the pandemic adversely affected the Malaysian economy, resulting in a contraction of 5.6% in 2020 compared to a growth of 4.3% in 2019. Hampered global trade and stringent movement restrictions imposed domestically contributed to an overall weakness in the local economy, which in turn, led to a deterioration in labour market conditions, income losses and reduced consumer spending. While private investment activities were affected by adverse business confidence, public investment was also lower as capital spending by the government remained subdued throughout the year. Coupled with slower project progress, the construction sector contracted by 19.4% in 2020 compared to a 0.1% growth the year before.

Revenue
RM5,622.87 million

EBITDA
RM1,398.18 million

Profit Before Tax
RM779.56 million

Return on Equity
4.33 %

Return on Total Assets
1.84 %

Financial Performance

		FY2021	FY2020	Increase/ (Decrease)	Increase/ (Decrease)
Revenue	RM'million	5,622.87	6,605.10	(982.23)	(14.9%)
Gross Profit	RM'million	1,183.56	1,235.00	(51.44)	(4.2%)
EBITDA	RM'million	1,398.18	1,203.07	195.11	16.2%
PBT	RM'million	779.56	517.77	261.79	50.6%
Net Profit	RM'million	645.10	328.19	316.91	96.6%
PATMI	RM'million	431.68	250.59	181.09	72.3%
Gross Profit Margin	%	21.0	18.7		
PBT Margin	%	13.9	7.8		
Net Profit Margin	%	11.5	5.0		
Return on Total Assets	%	1.84	1.07		
Return on Equity	%	4.33	2.61		

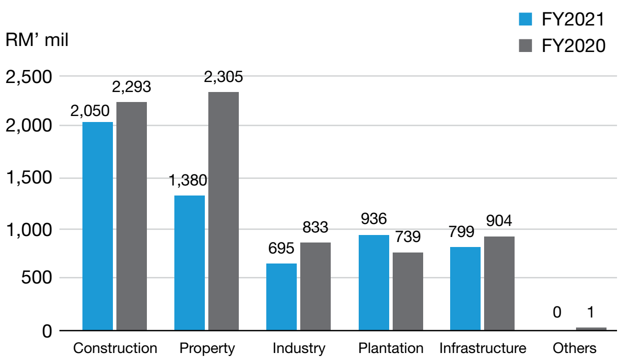
Management Discussion and Analysis

During FY2021, the Group reported a lower consolidated revenue of 14.9% to RM5,622.87 million from RM6,605.10 million a year ago. The lower revenue was mainly due to the implementation of the Movement Control Order ("MCO") that had adversely affected the Group's businesses. In general, the Group's gross profit margin was still fairly healthy at 21% (FY2020: 19%).

Despite the lower revenue, the Group's reported earnings before interest, tax, depreciation and amortisation ("EBITDA") increased by 16.2% to RM1,398.18 million from RM1,203.07 the previous year. Correspondingly, the Group's profit before tax ("PBT") in FY2021 increased by 50.6% to RM779.56 million from RM517.77 million in the preceding year. This was mainly due to higher profit contribution from the Group's Plantation Division as well as non-recurring gains recognised in the year. The non-recurring items recognised in the financial statements comprised unrealised foreign exchange gains of RM115.48 million as well as gains from the disposal of ICP Jiangmen and some property, plant and equipment amounting to RM78.58 million.

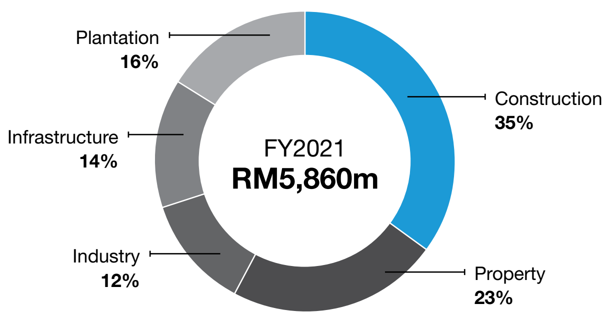
Following this, the Group's PBT margins as well as the return on total assets and equity improved over the previous year. Details of individual divisional performances are elaborated on in the following pages.

Group Revenue by Division* (RM'million)

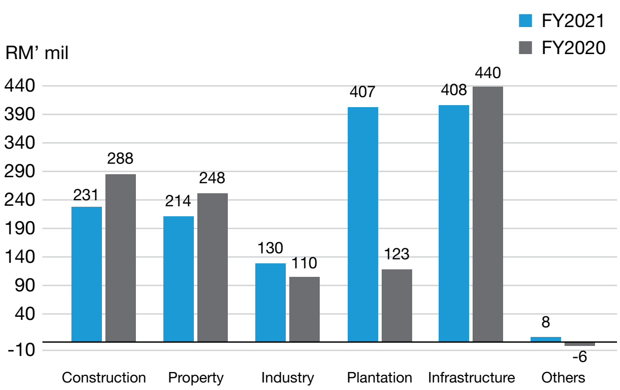


* includes share of associate and joint venture's revenue

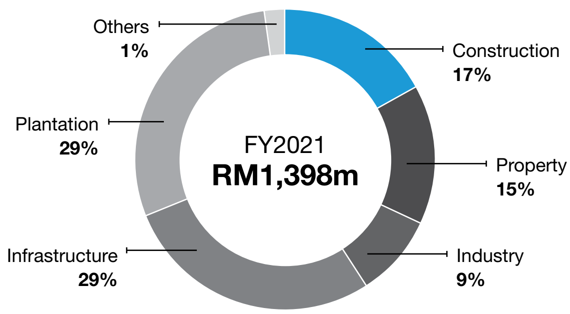
Group Revenue by Division* (Proportion %)



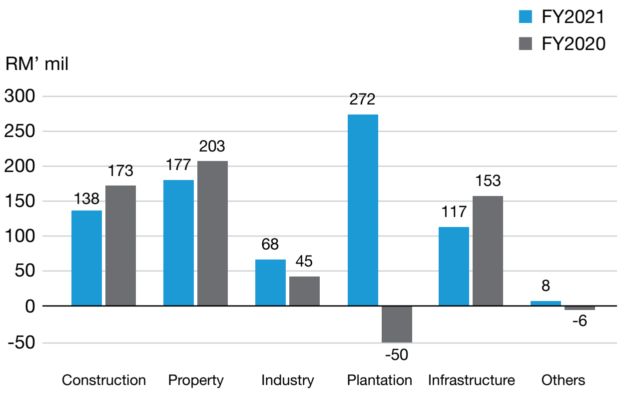
Group EBITDA by Division (RM'million)



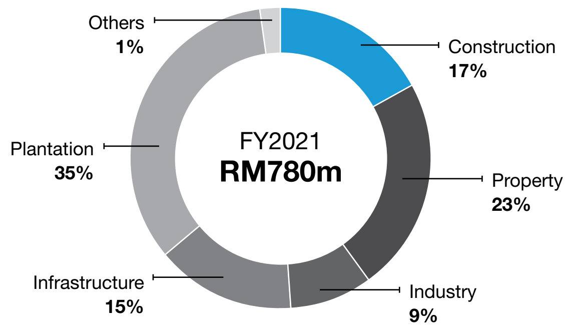
Group EBITDA by Division (Proportion %)



Group PBT by Division (RM'million)



Group PBT by Division (Proportion %)



Financial Position

		FY2021	FY2020	Increase/ (Decrease)	Increase/ (Decrease)
Total Assets	RM'million	23,494.18	23,453.27	40.91	0.2%
Total Liabilities	RM'million	11,298.04	11,809.66	(511.62)	(4.3%)
Shareholders' Funds	RM'million	9,978.54	9,602.37	376.17	3.9%
Total Equity	RM'million	12,196.14	11,643.61	552.53	4.7%
Total Borrowings	RM'million	6,791.98	6,917.10	(125.12)	(1.8%)
Total Bank Balances	RM'million	2,406.18	2,222.65	183.53	8.3%
Net Assets per share	RM	2.76	2.65		
Net Gearing	%	43.95	48.89		

The Group demonstrated its financial resilience during the pandemic year with the continued sound management of its balance sheet. Its total assets increased slightly by RM40.91 million, or 0.2%, to RM23,494.18 million in FY2021 while total liabilities decreased by RM511.62 million, or 4.3%, to RM11,298.04 million. As at 31 March 2021, total borrowings of the Group reduced by RM125.12 million, or 1.8%, to RM6,791.98 million mainly due to repayments of term loans, revolving credits and government support loans.

Of the total borrowings, approximately 27% 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 37% 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. These measures keep our foreign currency denominated borrowings at an acceptable level.

In December 2020, RAM Ratings reaffirmed the Company's RM3.0 billion Sukuk Murabahah Programme as 'AA3' with a stable outlook.

Management Discussion and Analysis

At the end of the financial year, the Group's net assets per share increased to RM2.76 from RM2.65 a year ago. Meanwhile, the Group's net gearing decreased to 43.95% as of 31 March 2021 compared to 48.89% the preceding year. This was in line with the increase in bank balances and reduction in borrowings. Moving forward, the Group will continue to monitor and assess its debt position to maintain a healthy gearing level.

Total capital commitments of the Group as of 31 March 2021 amounted to RM620.15 million. Concession assets represent 50% of total capital commitments which are mainly related to the balance construction works for the Vijayapura-Solapur tollway concession. Other major capital commitments of the Group, categorised under property, plant and equipment, include expenditure to be undertaken by the Industry Division for the construction of its IBS plant; as well as the Plantation Division for the maintenance of its immature acreage and replanting in Malaysia, and infrastructure development at its Indonesian estates as more acreage attains prime maturity.

Cash Flows

Net inflows/(outflows)		FY2021	FY2020	Increase/ (Decrease)	Increase/ (Decrease)
Operating Activities	RM'million	1,338.55	1,681.42	(342.87)	(20.4%)
Investing Activities	RM'million	(572.34)	(821.96)	(249.62)	(30.4%)
Financing Activities	RM'million	(459.91)	(236.94)	222.97	94.1%
Closing Cash and Cash Equivalents	RM'million	2,381.04	2,071.21	309.83	15.0%

Despite the operational disruptions and lockdowns due to the pandemic, cash flow generation from operating activities remained relatively healthy at RM1,338.55 million for FY2021 compared to RM1,681.42 million the year before. Investing activities decreased by 30.4% to RM572.34 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 the previous year. Both subscriptions were utilised to fund the construction of the WCE highway project. The increase in financing activities was mainly due to the higher net borrowing repayments during the year as well as the absence of major fund raising activities in FY2021, compared to FY2020, when there was the additional perpetual *sukuk* via IJM Land of approximately RM200 million.

To ensure adequate liquidity and cash flows for working capital management as well as to meet our financial obligations, the Group has a policy of being stringent in its credit terms and debt collection risk management, in addition to performing continuous financial and debt assessments.

Dividends

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

For the financial year ended 31 March 2021, IJM declared a single tier second interim dividend of 4 sen per share, paid on 23 July 2021. Combined with a single tier first interim dividend of 2 sen per share paid earlier on 30 December 2020, the total dividends declared for this financial year amounted to 6 sen per share.

In comparison, total dividends paid for the financial year ended 31 March 2020 was 3 sen per share, made up of a single tier first interim dividend of 2 sen per share paid on 27 December 2019 and a single tier second interim dividend of 1 sen per share paid on 21 August 2020.

Business Strategy

In early 2020, the Group launched its three-year strategic focus for the financial years 2021 to 2023 to build resilience, drive growth and nurture capabilities. In FY2021, our primary thrust was to build resilience amidst the COVID-19 pandemic.

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

Build Resilience

Since the outbreak of the pandemic, a Business Continuity Plan with strict Standard Operating Procedures (SOPs) has been put in place. Through our concerted effort, the Group achieved a commendable financial performance despite uncertainties in our operating environment. As mentioned earlier, we ensured that there was sufficient liquidity and cash flow at all times to meet our financial obligations. At the same time, we re-prioritised capital expenditure and working capital efficiencies to enhance our balance sheet strength. This can be observed from the relatively strong cash flow from operating activities generated during the year as well as higher cash in the bank balance and lower net gearing at the end of FY2021 compared to a year ago.

Throughout the year, we continued to drive cost efficiencies with more robust supply-chain management. With the implementation of our digital sourcing platform, we managed to achieve 3.7% in additional savings from RM696.20 million of procurement value utilising the system.

The Group also continued its aggressive paring down of property inventory and disposal of low-yielding assets during the year. Among others, the disposal of assets such as the ICP Jiangmen factory and some property, plant and equipment netted proceeds of RM114.20 million. We also successfully pared down our Malaysian property inventory in the financial year amounting to RM605.95 million.

The Group was able to complement its financial resilience by adopting a more proactive stance in capital management. The strong financial performance and cash flow position allowed the Group to declare a higher dividend payout to our shareholders. In addition, we stepped up the share buyback programme due to the undervaluation of the IJM share price by the market.

Management Discussion and Analysis

Drive Growth

With a strong financial position, the Group can drive growth by continuing to develop its existing portfolio of sizeable recurring income projects as well as pursue long term Private Finance Initiative (PFI) concession models.

Current road concession projects are the development of the West Coast Expressway which is expected to be completed by 2024; and the construction of the Vijayapura-Solapur Tollway that is scheduled for completion by end of 2021. The Kuantan Port is also well-positioned for further brownfield expansion following the successful implementation of Phase 1A of its New Deep Water Terminal. The prospects for cargo throughput growth are promising, in line with the development of nearby industrial parks, in particular, the Malaysia-China Kuantan Industrial Park (“MCKIP”).

In FY2021, we commenced the construction of the highly-acclaimed integrated waterfront development, The Light City, in Penang. This project is one of the Group’s major investment properties and is being undertaken via a joint venture with Singapore developer Perennial Holdings. It consists of a 270,000 sq ft convention centre, a 1.5 million sq ft retail mall, 34-storey hotel and office towers, as well as two residential towers.

Nurture Capabilities

IJM’s digital transformation journey involves the integration of technologies and information systems across the Group to establish a digital backbone. We are currently at the fine-tuning stage of this initiative. Separately, a digital roadmap has also been formulated to prepare Kuantan Port to transform itself into a digital-ready entity.

Building on our previous sustainability roadmap 2016-2020, the Group is presently working to enhance best practices in sustainability through the development of a Group Sustainability Roadmap for 2022-2024. We will be able to share more details on this in the next annual report.

In 2020, we strengthened the framework for compliance and risk management, including the implementation of an anti-bribery and corruption system. A dedicated Chief Risk Management and Integrity Officer has been appointed to drive robust risk management across the Group.

Our efforts to continuously build the capabilities of our people involve driving a performance culture base on the Group’s performance management framework and business strategic focus that aligns performance to rewards. At the same time, robust assessments are undertaken to ensure our leadership pipelines are identified and talents duy groomed as part of our succession planning.


Aeriel view of S2 Heights Township in Seremban

Strategic Focus FY2021-FY2023 1st Year Traction

Construction

- Order book secured in FY2021 amounted to RM1.5 billion
- Post MCO 1.0, implemented stringent COVID-19 SOPs at all project sites to progressively increase productivity to 75%
- Embarked on a digitalisation initiative to enhance project site management

Property

- Managed to reduce completed inventory in Malaysia amounting to RM605.95 million
- Embarked on digitalisation journey to enhance customer relationship management
- Continued to leverage on the procurement sourcing platform and supply-chain management to enhance cost saving and minimise disruption amidst the pandemic

Industry

- Increased the export of piles in FY2021 from that of FY2020
- Monetised various low yielding assets including ICP Jiangmen and other assets, amounted to RM114.20 million
- IBS factory testing and commissioning completed; production commence in July 2021

Plantation

- USD loan restructuring
- Maintaining FFB yields amid sector labour shortage

Port

- Developed a refreshed vision, mission and strategy
- Launched the High Performance Transformation in FY2021, focusing on cargo growth, service delivery, capacity expansion, people effectiveness, sustainability and digitalisation

Toll

- Launched workplace digitalisation initiatives and implemented 8 projects to enhance digital processes
- Improved level of service following the opening of the Kuchai Link 2 that connects NPE and Besraya

Major Corporate Developments Post Financial Year End

On 11 June 2021, the Group announced that it had agreed to divest its entire stake in IJM Plantations, representing 56.2% of its shares in IJM Plantations, to Kuala Lumpur Kepong Bhd for a cash consideration of RM1.53 billion, while retaining its entitlement to the dividend of 10 sen per share on 14 July 2021 that was declared by IJM Plantations.

We believe that the proposed disposal is in the best interest of the Group, given the attractive offer price and the maturity of the plantation business. Notably, the proposed disposal will enable the Group to align its businesses to focus on its Construction, Property, Industry and Infrastructure Divisions, all of which derive synergistic benefits from one another, thereby reducing the conglomerate discount currently ascribed to IJM's market valuation.

The proposed disposal allows IJM to realise its value in IJM Plantations that has been underappreciated by the market, partly due to the illiquidity of the stock. At the offer price of RM3.10, the market capitalisation of IJM Plantations is RM2.73 billion. With the proposed disposal, the Group will realise a one-off gain of RM699.89 million in FY2022.

Going forward, the absence of the plantation business is also expected to reduce the Group's earnings volatility from fluctuating crude palm oil prices and foreign exchange rates arising from the foreign currency denominated borrowings of IJM Plantations.

The net proceeds from the proposed disposal would strengthen IJM's balance sheet and see our net gearing decrease from 0.44 times to 0.22 times. This would enable the Group to pursue new opportunities that may arise, fund existing working capital or capital expenditure requirements, pare down debt and reward shareholders by way of a special dividend and pursue share buyback activities.

For more details on the proposal, please refer to the Circular to Shareholders.

IJM's Value Creation Journey

The Group endeavours to create value for shareholders and stakeholders through 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 sustainable development. We deploy valuable resources and input capital, to enable our business model to achieve our vision, mission and business strategies.

IJM has always upheld, and will continue to uphold, its mission to create long-term purpose and value for its stakeholders and the community. The following diagram demonstrates our value creation journey.

Management Discussion and Analysis

Value Creation Journey as at FY2021

INPUT CAPITAL

Financial Capital Funds raised from the financial markets, banks and internally generated cash flows enable our business growth and productivity.	Capital employed **RM18.3 billion ("bn")**
Intellectual Capital Significant know-how and expertise in the areas of construction, property, industry, plantation and infrastructure.	**38 years** in business
Human Capital Our people's competencies and capabilities are the backbone that drives the Group to achieve its business objectives.	**3,796 employees** **RM215,806** invested in employees who clocked over 24,800 training hours **294** 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.	**9** PSC Pile Factories **9** Ready Mixed Concrete Plants **9** Quarries **1** IBS Plant **1** UBON Bars Factory **1** Sand Mining Plant **7** Palm Oil Mills **8** Tollways (6 operational and 2 under-construction) **1** Port
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 focused 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.	Net attributable remaining land bank of **3,457 acres** for property development Total planted land bank of **61,277 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 61,277 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 FY2021

A leader in **construction and civil engineering**, we built to date:
- 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 to date:
- Commercial and cultural project **RM10.3 bn** (office towers, shopping malls, museum and convention centres and educational institutions)
- Hospital and medical centres **RM1.8 bn**

Construction order book **RM4.0 bn** in FY2021

- Resorts and hotels **RM3.9 bn**
- High Rise Residential **RM3.2 bn** (serviced apartments and condominiums)
- Industrial buildings and railway depot **RM1.3 bn**
- Utility – water and power **RM872 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 **RM5.6 bn**

EBITDA **RM1.4 bn**

PBT **RM780 m**

Return to Shareholders: Dividends per share **6 sen**

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

Market Capitalisation **RM6.1 bn**, *increased 93 times with compounded annual growth rate of 13%*

Total Assets **RM24 bn**, *grew 137 times*

Total PBT **RM780 m**, *increased 64 times*

Maximising our portfolio of net attributable remaining land bank of **3,457 acres** with a **Gross Development Value (GDV)** of **RM40 bn**

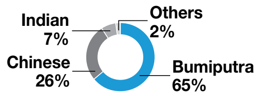
Property sales of **RM1.7 bn**

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

Enhanced corporate identity to aptly reflect our company beliefs and values

Awards page 10
- MSWG-ASEAN Corporate Governance Awards
- 2019 ASEAN Corporate Governance Scorecard Award – ASEAN Asset Class
- EdgeProp Malaysia's Best Managed & Sustainable Property Awards 2020
- The Edge Malaysia Property Excellence Awards 2020
- 12th Annual Vishwakarma Awards 2020

Malaysian workforce: page 166



Women make up about **one-third** of the total workforce page 169

88% return to work post maternity page 169

About **76%** of the workforce have been with the Group for >5 years page 167

104 employees awarded with the 20-years Long Service Award page 167

Voted **Malaysia's 100 most desired graduate employers for 2020** page 168

Received four **High QLASSIC Achievement Awards** at the **CIDB QLASSIC Awards 2020** for our residential projects Austin Duta and Bandar Rimbayu page 144

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**

Total FFB produced **1,064,678 MT** Page 90

Total FFB processed **1,317,058 MT**

Change management to ensure smooth transition of the group-wide **digital transformation and innovation** initiatives page 147

Rolled-out of **digital backbone** with **SAP** for Enterprise Resource Planning, Human Capital Management, and e-Procurement page 147

Building Information Modelling (BIM) was implemented in **two new projects**; **STC Hotel** and **The Light City Development** page 148

Completed **Industrialised Building System (IBS)** plant with an annual output capacity of 500,000 square metres page 149

Customer engagement and satisfaction page 145
- Average **84%** for all Construction projects
- Average **75%** satisfaction level for Property's projects
- Average **95%** satisfaction level for Industry's products and services
- **92%** satisfaction level for Port services
- Average **87%** users satisfaction level for all highways

Completed green buildings to date page 155
- 14 GBI projects • 1 GreenRE project
- 1 LEED project

The **Anti-Bribery and Corruption System (ABCS)** was formalised for the Group pursuant to Section 17A of the MACC Act Page 126

Construction, Property, Industry, Port and Toll Divisions certified with the **ISO 9001:2015 Quality Management System** page 144

Construction, Industry and Port Divisions retained the **ISO 45001:2018** certification where the safety and health data is audited and verified by **Standard and Industrial Research Institute of Malaysia** (SIRIM) page 161

Contribution to community **RM2.9 m** page 173

91% of our community investments were charitable gifts, and **9%** strategic page 173

Handed over **around 900-units** of **affordable Suria Pantai apartment** to homeowners 18 months ahead of schedule page 176

10 scholarships were awarded totalling **RM431,500** page 177

Donated the **IJM-COBRA Sports Complex** to the COBRA Rugby Club to empower and enable their full use of the facilities page 177

Construction, Property, Industry and Toll Divisions certified with the **ISO 14001:2015 Environmental Management System** page 153

Zero burning policy at all Plantation's operations page 159

No deforestation of High Conservation Value and High Carbon Stock areas by IJM Plantations for any new plantings. A total of **6,000 ha** set aside for conservation, biodiversity protection and rehabilitation page 159

About **13%** of our waste footprint was reused and recycled page 158

No significant spills reported page 157

46% of energy is generated from **renewable sources** page 153

Solar power used in **6 Industrial Concrete Products (ICP) factories** page 154

Reduced **33,189 tCO_2e** at the pretensioned spun concrete pile factories in FY2021 page 154

LED lights at our highways **reduced 8,655 tCO_2e** since FY2016 page 154

Invested in **water treatment system** at projects with high water discharge to manage our water footprint and meet environmental standards page 156

Rainwater harvesting systems installed to reduce water consumption page 156

Treated **993,917 m³** of **Palm Oil Mill Effluent (POME)** to meet permissible quality limits before being channelled for reuse to irrigate the fields page 156

☐ see respective pages for more details

Construction

Bustling construction activity at Tun Razak Exchange (TRX), Kuala Lumpur

Key Financial Indicators

Revenue*

RM**2,050.30**m

FY2020: RM2,292.83m

Decrease: (10.6%)

EBITDA

RM**230.88**m

FY2020: RM288.28m

Decrease: (19.9%)

PBT

RM**137.66**m

FY2020: RM173.20m

Decrease: (20.5%)

PBT Margin

6.7%

FY2020: 7.6%

* includes share of associate and joint venture's revenue

Management Discussion and Analysis

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

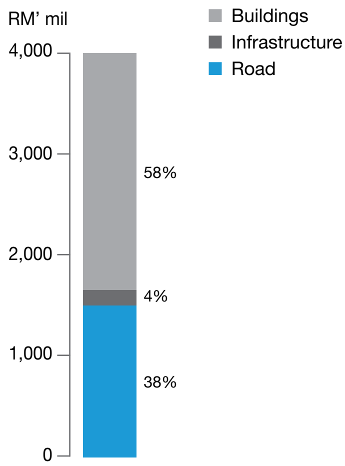

Tan Ling Jin


Lee Foh Ching

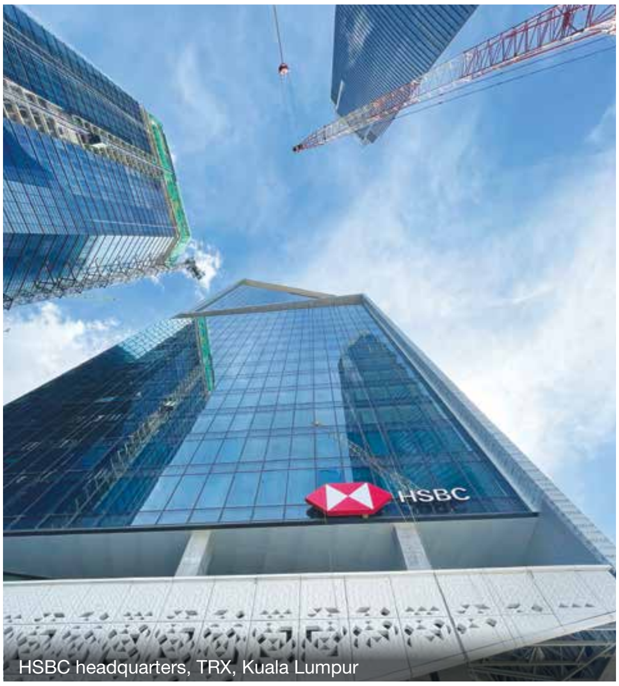

Fang Hoong Meng

Order Book as at 31 March 2021

RM**4.0** bn



The Malaysian construction industry has not been spared from the adverse impacts of the unprecedented COVID-19 pandemic, primarily from risks of infection to the workforce, operational disruptions and higher compliance costs. In addition, a key challenge faced by the Division is the uncertainty of new order book replenishment arising from a bruised economy and potential reduced capital spending by the private sector that was also affected by the pandemic.



HSBC headquarters, TRX, Kuala Lumpur

During the financial year, IJM was awarded a few projects, notably the construction and development of the Retail Mall and Convention Centre as well as the Hotel and Office in The Light City, Penang valued at RM864.71 million and RM314.78 million respectively. Other significant projects are the construction of a 24-storey hotel with a 10-storey podium for commercial lots and car parks in Butterworth, Penang valued at RM140.29 million, and the construction of a government building in Penang for RM174.10 million. In addition, the Division secured in-house construction packages from IJM Land's well-established townships in Seremban 2 and Bandar Rimbayu.

Projects completed during the financial year included the 3 Residence Condominium at Karpal Singh Drive and The Light Master Infrastructure Phase 2A project in Penang. In the Klang Valley, we completed the Kuchai Link 2 that connects Besraya Highway and Jalan Kuchai Lama. In addition, we completed multiple new phases of houses in Seremban 2 and Bandar Rimbayu. The HSBC headquarters building at TRX was completed just after the end of the financial year.

In FY2021, the Division recorded a revenue of RM2,050.30 million (FY2020: RM2,292.83 million) and profit before tax of RM137.66 million (FY2020: RM173.20 million).

Both revenue and profit before tax were lower than the preceding financial year mainly because of the prolonged adverse impact from the COVID-19 pandemic and various movement control orders (MCOs) implemented by the Government. The implementation of COVID-19 control measures and SOPs for the construction industry, including compulsory COVID-19 tests at construction work sites, physical distancing, quarantine requirements and working capacity limitations had an adverse impact on productivity and financial performance during the financial year.

Kuchai Link 2 Direct Overpass

Imazium Damansara Uptown, Petaling Jaya

3 Residence, Penang

Management Discussion and Analysis

Construction Support Services


Gabriel Chia Kee Loy


Soh Wan Heng


Yap Chee Keong


Cho Foong Khuan


Pang Sek Loh


Harjeet Singh


Casslyn Chong Siew Chen


Michelle Chong Ann Ching


Cheong Kong Wah

The lower profit before tax can also be attributed to our share of losses amounting to RM11.71 million incurred by an associate company in Singapore, Hexacon Construction Private Limited, due to a provision for liquidated ascertained damages and lower levels of construction activities due to the COVID-19 pandemic.

In India, work progress on the Vijayapura-Solapur Tollway was disrupted by the COVID-19 pandemic lockdown imposed and has since resumed with a revised construction completion timeline of end-2021. Currently, we are executing an order book of RM317 million as of FY2021 comprising the highway project. 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 September, the Division completed the acquisition of an 80% equity interest in Team Universal Infratech Pte. Ltd. (TUI) for RM13.45 million. TUI is engaged in the construction of buildings and infrastructure.

Apart from the financial metrics, the Division's Balance Score Card also prioritised aspects such as quality, occupational health and safety, customer satisfaction as well as compliance to our anti-bribery and corruption system. We observe strict adherence to legislation and regulations covering these areas.


Vijayapura-Solapur Tollway, Maharashtra and Karnataka, India

In FY2020, the Division successfully retained the ISO 45001 and ISO 14001 certifications, which are the internationally and locally recognised management system standards for occupational health and safety and environmental management systems, respectively.

Kampung Batu MRT Station, Taman Batu Permai, Kuala Lumpur

The Division also implemented various measures to ensure the safety and wellbeing of our workforce and other interested parties involved in our operations to ensure they are well-protected from the contagious COVID-19 virus. Comprehensive procedures and specifications were established after an extensive risk assessment process, which addressed all necessary measures and practices based on the hierarchy of control to prevent any potential spread of the virus from within the workforce. All pandemic containment requirements were implemented in accordance with Government SOPs and guidelines.

Further details of the Division's efforts and non-financial performance are addressed in the Sustainability Statement on pages 130 to 182.

To address the short term and long term business challenges, the Division has aligned its business strategy with the Group's 3-year Strategic Vision. In FY2021, the Division focused its strategy on driving business growth through cost control and optimisation, monetisation of low yielding assets and driving higher digitisation processes in the work environment.

In view of the uncertain business environment which includes geopolitical uncertainties, the upward trend of construction material prices, stiff competition, prolonged adverse impact of the COVID-19 pandemic and an uncertain property market, the outlook for the Construction Division hinges on economic recovery arising from the revival of infrastructure projects spending as per the Malaysian Government's expansionary budget for 2021 and the rollout of the COVID-19 vaccine immunisation programme.

Bridge works for Shah Alam Expressway Interchange at WCE Section 3

Property

The Club @ Rimbayu, Bandar Rimbayu

Key Financial Indicators

Revenue*

RM**1,380.37**m
FY2020: RM2,305.12m
Decrease: (40.1%)

EBITDA

RM**214.25**m
FY2020: RM248.24m
Decrease: (13.7%)

PBT

RM**176.54**m
FY2020: RM203.26m
Decrease: (13.2%)

PBT Margin

12.8%
FY2020: 8.8%

* includes share of associate and joint venture's revenue

Management Discussion and Analysis

Property Management Team


Dato' Edward Chong Sin Kiat


Dato' Toh Chin Leong


Dato' Hoo Kim See


Chai Kian Soon


Tan Khee Leng


Christine Wong Wai Cheng


Roger Lee Wai Hin


Chai King Sing


Steven Goh Kiat Lee


Pee Poh Hun


Yeo Yee Khim

For FY2021, our primary focus was to mitigate the impact of the COVID-19 pandemic while remaining committed to our vision, mission and values. The National Property Information Centre's (NAPIC) 2020 Property Market Status Report disclosed the difficult environment faced by the property sector in 2020 when total transaction volume and value decreased by 10% to 295,968 transactions and 15% to RM119.1 billion in value, compared to the preceding year.

Due to the challenging operating environment, the Division reported a revenue and pre-tax profit of RM1,380.37 million and RM176.54 million, respectively, in FY2021 (2020: RM2,305.12 million and RM203.26 million, respectively). The decrease was mainly due to the slower work progress during the MCO period and the inclusion of the Royal Mint Gardens, London project in the previous year.

There was a high degree of uncertainty in the first few months of FY2021, when the MCO resulted in an immediate halt in all of our business operations, from our development sites to sales galleries. Despite the pandemic, the Property Division achieved sales of RM1.7 billion for the current year as a result of our quick shift to digital marketing, adjustments made to our product launches and aggressive focus on reducing inventories.


Utama Park Residence, Bandar Utama, Sandakan

We took immediate steps to focus on digital innovation and online capabilities so that we could continue engaging with our customers and bring our product offerings to them. We conducted virtual site tours and viewings, marketed and communicated using multiple online platforms as well as provided e-brochures, 360-degree virtual walkthroughs of our developments and show units, and enhanced our website for customers to book and secure their desired units. We also curated engaging content in the social media.

For our new project launches, we implemented digital balloting for unit selection to ensure transparency, accountability and fairness during the balloting process. For example, a live-streamed balloting and selection of units for Starling double storey linked homes in Bandar Rimbayu was held in June 2020 via the Bandar Rimbayu Facebook page.

We also took advantage of the Government stimulus packages. To support businesses and strengthen the Malaysian economy, the Government introduced the Short Term Economic Recovery Plan (PENJANA) on 5 June 2020. This included the Home Ownership Campaign 2020/2021 (HOC) that provided home buyers with stamp duty waivers for loan documentations and property transfers.

Suria Pantai Residency, Pantai Sentral Park, Kuala Lumpur


Rimbun Alam, S2 Heights, Seremban

Management Discussion and Analysis

Riana South @ Bukit Manda'rina, Cheras

In tandem with the HOC, the Division introduced various promotions for homebuyers. Our "Now You Can" campaign, which was launched in August 2020, offered various home ownership options to suit different buyer needs. It consisted of packages based on the low interest rate, saving schemes, discounts and other incentives.

As at end FY2021, the Division has six township developments. They are, Bandar Rimbayu and Shah Alam 2 in Selangor; Seremban 2 in Seremban; Permatang Sanctuary in Penang; and Bandar Utama and Rimbayu Indah in Sandakan, Sabah. All of them continued to register strong take up rates. Strategically located and easily accessible developments such as The Light Waterfront in Penang and Savvy@Riana Dutamas and Pantai Sentral Park in Kuala Lumpur also garnered a lot of interest. As a result of the pandemic, people's need for flexible spaces and good value proposition continued to draw buyers to our projects.

Ara Impian, Seremban 2, Seremban

Our mission includes providing quality housing that is affordable to enable Malaysians from all walks of life to realise their aspiration for dream homes at strategic locations that have good connectivity. In this context, we handed over around 900 units of affordable housing at the Suria Pantai apartments in Pantai Sentral Park. The speedy completion and early delivery, 18 months ahead of schedule, brought smiles and joy to many proud homeowners and their families.

In India, the Division has developed the Raintree Park Dwaraka Krishna Township in a lush landscape of 108 acres in Vijayawada, Andra Pradesh. The township comes with hassle-free land titles, a 6-acre pond and fully developed amenities, among others. Phase 1 of the development, comprising 964 apartments and 115 villas, has been fully sold and handed over to buyers.

The Phase 2 of the development, which is called Willows, consists of 632 residential apartments. It is one of the few developments in the region to obtain the mandatory Occupancy Certificate from the authorities, and enables and exempts buyers from the payment of GST. Although sales picked-up favourably after the issuance of the Occupancy certificate in September 2019, the COVID-19 pandemic has adversely affected the real estate market here. Discussions with buyers that reached an advanced stage have been delayed due to the lockdown imposed by the State Government.

However, with all approvals in place, the Division will focus its efforts to improve sales in the catchment zones of Vijayawada, Guntur, Tenali, Mangalagiri and surrounding areas. We plan to resume this when restrictions imposed to contain the current second wave of COVID-19 are lifted.

In Maharashtra, the Division's First City Project ("FCP") in Nagpur is being developed on 42.6 acres of land. Presently, the first phase of the project, called Symphony, is being developed on 31 acres. It consists of – Symphony 1, 2 and 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 while Symphony 3 is nearing completion. We expect the sales of these units to improve after the lockdown is lifted by the State Government.

Despite the pandemic related setbacks, the long term outlook for FCP is promising. Nagpur is one of the fastest growing cities in India, with good infrastructure development, central geographical location and high availability of skilled labour. Nagpur is the third largest city in Maharashtra and it is the 13th largest city in India by population. It has been proposed as one of the Smart Cities in Maharashtra and is one of the ten cities in India earmarked for the Smart City project roll out. Nagpur was also identified as one of the best cities in India based on livability, greenery, public transport, and health care indices in 2013 and is also one of the safest cities for women in India. In 2019, it was declared the best city to live in India.

Apart from the financial metrics, the Division's Balance Score Card prioritised aspects such as quality, product differentiation, enhancing customer satisfaction as well as compliance to anti-bribery and corruption system enactments, all of which are addressed in the Sustainability Statement on pages 130 to 182.

Raintree Park Dwaraka Krishna Township, Vijayawada, India

Industry

ICP piles

Key Financial Indicators

Revenue*

RM**694.59**m
FY2020: RM833.07m
Decrease: (16.6%)

EBITDA

RM**130.20**m
FY2020: RM110.30m
Increase: 18.0%

PBT

RM**68.22**m
FY2020: RM44.90m
Increase: 51.9%

PBT Margin

9.8%
FY2020: 5.4%

* includes share of associate and joint venture's revenue

Management Discussion and Analysis

Industry Management Team


Tan Boon Leng


Lee Chee Heong


Faizal Amir B Mohd Zain


Tan Khuan Beng


Choy Teik San


Chan Kok Keong


Tan Chuan Choon


Loh Zhi Ming


Lau Liang See


Yap Swee Kee


Ng Chew Woei


Chan Huan Ong

At the onset of the COVID-19 pandemic in March 2020, the MCO only allowed businesses that were catogorised as essential services to operate. Our piles and quarry operations had to close and we resumed operations at 50% capacity at the end of April 2020. We started operating at full capacity from June 2020 onwards. However, demand for our products was adversely impacted, especially in the first half of FY2021 when the pandemic caused a stuttering resumption of economic activities. During this period of uncertainty, the Division disposed of various low-yielding assets while operations were streamlined to be leaner and more efficient.

For FY2021, the Division's revenue registered a decrease of RM138.48 million or 16.6% to RM694.59 million. PBT, however, increased by RM23.32 million or 51.9% to RM68.22 million, mainly contributed by one-off gains from the disposal of assets. EBITDA improved by 18.0% to RM130.20 million from RM110.30 million recorded the previous year.

The pretensioned spun concrete piles business achieved revenue of RM412.2 million, a decrease of 15.8% from FY2020. This was mainly due to lower delivery tonnage that declined 8.9% to 1.19 million tons compared to the previous year. However, gains from the disposal of low yielding assets and the 96.0% equity in ICP Jiangmen Co. Ltd (ICPJM) contributed to an improvement in PBT by 146.6% to RM80.56 million.

While sales volume was significantly affected by the first MCO, sales in the second half of FY2021 improved significantly. Major projects contributing to the Division's sales were the West Coast Expressway and the Jin Xing Paper Mill in Banting, Selangor; a hotel extension project in Subang, Selangor; a private hospital at Saujana Putra, Selangor; The Light City (Phase 2A) in Penang; Dexcom Factory in Batu Kawan, Penang; Hospital Pasir Gudang, Johor; Saujana Height project (Parkwood) in Johor Bahru, Johor; Bangunan Gunasama in Kota Bahru, Kelantan; a steel mill in Kemaman, Terengganu; and coastal highway projects in Sarawak.


ICP piles used at Offshore Marine Centre, Singapore

ICP piles used at Greenfield Residence, Selangor

Compared to the previous year, export sales decreased by 23.3% to 167,200 tons. Deliveries for the first half of FY2021 were affected by the slowdown of the Singapore market but improved in the second half due to better demand from Indonesia and Bangladesh. Major projects that contributed to export sales were a port development (AIPT2) in Ahlone, Yangon, Myanmar; an industrial plant in Beza, Mirasarai, Chittagong, Bangladesh; the construction of polders in Pulau Tekong, Singapore; the Pfizer pharmaceutical plant in Tuas, Singapore; a pulp and paper mill in Riau, Indonesia; and an offshore marine centre in Tuas, Singapore.

The Division is confident that the sales momentum gained in the second half of FY2021 would continue into FY2022. Domestically, the Division has secured a sizeable order for the Nine Dragon paper mill project in Banting, Selangor. Other projects targeted for FY2022 include the East Coast Rail Link (ECRL) project; Deepwater Terminal (Phase 3b & 3c) in Pengerang, Johor; coastal highways in Sarawak; the Pan Borneo Highway, Sabah; logistics warehouses in Klang, Shah Alam and Johor Port; electronic plants in Batu Kawan, Penang; and industrial plants at MCKIP, Kuantan, Pahang; and a methanol plant jetty in Bintulu, Sarawak.

We expect the export market to be challenging in FY2022 because international borders remain closed due to the pandemic. Nonetheless, the Division is confident of obtaining sales orders once overseas projects resume operations. Our regular export markets are Singapore, Bangladesh, Indonesia, Myanmar and Brunei.

Presently, the Division has a strong order book exceeding one million tons that is expected to keep production at an optimum capacity to achieve economies of scale.

During the year, the Division ceased operations at its Ipoh factory and disposed of the land and building in October 2021, realising a gain on disposal of RM9.3 million. The consolidation of production capacity among the other factories enabled the Division to achieve higher capacity utilisation and better absorption of fixed costs. Furthermore, our efforts at cost optimisation and strategic procurement led to a reduction in the overall unit production cost. Despite recording a lower production tonnage, unit cost declined by 1.96% compared to FY2020.

The Division's research and development department was able to obtain greater cost efficiencies through the usage of new cement products during the year. A new grade 80 concrete mix using low carbon materials for durability and strength as well as an improved formula for high strength concrete mix using newly modified additives resulted in consistent workability and higher concrete strength performance.

The Division's Health, Safety and Environment (HSE) Department carried out various initiatives during the year. Its primary focus was the training of workers for forklift handling, firefighting, road safety awareness, ergonomic awareness, safety methods on welding as well as working in confined spaces and heights. To prevent the spread of COVID-19, preventive actions taken such as workplace sanitisation, body temperature screenings, provision of face masks and hand sanitisers for employees, ensuring social distancing, displaying signages and frequent briefings on COVID-19 prevention to increase awareness among employees. Environmental monitoring such as sewage quality monitoring, industrial effluent monitoring, ambient air quality monitoring, boundary noise monitoring and isokinetic stack monitoring were carried out to ensure compliance with HSE regulations. In the coming financial year, stricter controls and measures will be implemented to further mitigate the risk of COVID-19.

In December 2020, the Division entered into a share sale agreement with a local party in China to dispose of our 96% equity stake in ICP Jiangmen for a total consideration of RMB99.96 million. The disposal recognised a gain of RM34.02 million when the transaction was completed in March 2021. ICP Jiangmen contributed a turnover and PBT of RM41.44 million and RM1.71 million, respectively, before it ceased to be a subsidiary of the Division.

Management Discussion and Analysis

Durabon Sdn. Bhd. ("DSB") recorded a revenue of RM73 million, a decrease of 16.0% from the previous year. This was due to a 15.0% decrease in sales volume. PBT decreased by 62.0% to RM 0.55 million as profit margins were affected by the lower sales volume due to COVID-19 restrictions on operations and lower average selling prices due to competition from imported PC Bars from China. Export sales declined by 22.5% compared to FY2020, mainly due to the lockdowns caused by COVID-19 pandemic in the first quarter of FY2021. To improve overall efficiency, DSB ceased operations at the Senai Factory in September 2020 and operated only from the Klang factory ("DKG"). Consequently, productivity improved by 30.0% while production cost decreased by 3.0% compared to FY2020. DKG is currently upgrading its power supply from 2575kW to 4049kW in order to increase its production capacity by 15-20%. The land and factory building in Senai have been earmarked for sale.

IJM IBS completed the installation of its factory in the fourth quarter of FY2021, with requisite testing and commissioning to be conducted in the first half of FY2022. Commercial production will begin soon after. The Division will begin a series of projects using the IBS system in inhouse IJM Land projects, the first of which is an apartment in the Shah Alam 2 township. The Division is also in advanced discussion with prospective clients for the adoption of our system. Additionally, we are exploring a working relationship with CIDB IBS to assist them with the implementation of IBS projects across various government agencies. The Malaysian construction industry's adoption of IBS methods may have been catalysed by foreign labour shortages.

Sales volume in the Division's quarry business declined by 23.4% compared to the previous financial year. Although operations recommenced after the lockdowns, the sluggish construction and property sectors has resulted in burgeoning stockpiles among quarry operators. This has led to intense competition and margin compression.

Although all our quarries registered an uptrend in sales volumes in the second half of the financial year, the full year performance was affected by the weak first half. In tandem with the overall lower sales volume and selling prices, turnover for FY2021 declined by 20.2% compared to the previous year. Consequently, the quarry operations suffered a pre-tax loss of RM7.25 million, with the write down of stocks to net realisable values and write-offs of quarry development expenditures.

Rock exports from our quarries in Ulu Choh and Segari to Singapore and Bangladesh came to a halt when these countries imposed a lockdown. Our quarry in Segari, Perak, which had secured a sizeable order of quarry materials from Bangladesh for the construction of a submarine base, continued to face obstacles due to the lockdown and delays by the client in obtaining tax exemption approvals. Stringent adherence to SOPs, manpower shortages and inclement weather impaired our efforts to improve sales and productivity at Gebeng and Panching, Kuantan. Given the lack of local construction activities, both our quarries were not profitable in FY2021.

Loading armour rocks at Segari Quarry Jetty

ICP piles used at Swettenham Pier Cruise Terminal, Penang

The sale of washed sand from our pit at Bestari Jaya resumed in November 2020 and contributed positively after a break of seven months following a mutual separation between the Division and our operator in March 2020. With operations now running smoothly, higher contributions can be expected in the coming year. The sale of washed sand from our pit at Bestari Jaya resumed in November 2020 and contributed positively after a break of seven months due to the mutual separation between us and our operator in March 2020. With operations running smoothly, higher contributions can be expected in the coming year.

Turnover of Strong Mixed Concrete Sdn Bhd declined by 28.3% to RM43.9 million compared to RM61.2 million the previous year mainly due to the decline in sales volume by 31.6% to 203,000 m^3 compared to 297,000 m^3 in the previous year. The sales volume was generally affected by disruptions in construction activities that were affected by numerous COVID-19 outbreaks at project sites. Several of them were our customers. As a result, the Division recorded a PBT of RM0.62 million compared to a PBT of RM1.15 million recorded the previous year.

The performance of the Division's ready-mix concrete operations in India was severely affected by the COVID-19 pandemic. Sales volume in Bangalore and Mumbai decreased by 32% and 15%, respectively, as they were severely affected by the lockdown, acute shortage of manpower, restricted operating times and inclement weather. These factors slowed down construction activities and collections. The plant in Bangalore was further affected by the acute shortage of raw materials from a fatal accident resulting in the temporary closure of several quarries around the vicinity by the State Government. Volume at our Dewas plant decreased by 93%; this plant was a supplier to the in-house highway project of IJM Infrastructure India that was completed in September 2020. Sales volume in Hyderabad, however, improved marginally by 4% over the previous year because the State Government targeted to complete all ongoing infrastructure projects by December 2020. Overall, the turnover of the Division's ready-mix concrete operations in India decreased by 27.4% to RM73.32 million, compared to the previous year. It also recorded a higher pre-tax loss of RM3.07 million.

The quarry business in India was also not spared, and registered a lower turnover of RM18.37 million compared to RM26.97 million the previous year. The decline in exports arising due to the closure of international borders and the soft local market resulted in the overall sales volume declining by 40% compared to the previous year, while a higher pre-tax loss of RM1.30 million was recorded.

Turnover of Scaffold Master Sdn Bhd decreased by 23% to RM10.01 million and it registered a loss of RM0.56 million. This was mainly due to the rental waiver of RM1.80 million issued during the MCO. Losses were further exacerbated by the lack of local construction activities, slower pace of existing projects and higher depreciation from heavy-duty shoring – MS standards compliant frame scaffolding.

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 and PBT in FY2021 decreased by 17% and 54% compared to the previous year, to RM15.62 million and RM0.71 million, respectively. In March 2021. IJM signed a sale and purchase agreement to dispose of our 55% stake for a consideration of RM18.0 million. The transaction is expected to be completed in FY2022.

Apart from the financial metrics, the Industry Division's Balance Score Card prioritised aspects such as product quality, enhancing customer satisfaction, improving HSE metrics as well as compliance to anti-bribery and corruption system enactments, all of which are addressed in the Sustainability Statement on pages 130 to 182.

Plantation

Oil palm trees

Key Financial Indicators

Revenue*

RM**935.69** m

FY2020: RM739.13 m
Increase: 26.6%

EBITDA

RM**407.32** m

FY2020: RM122.65 m
Increase: 232.1%

PBT/(LBT)

RM**272.13** m

FY2020: (RM50.47 m)
Increase: 639.2%

PBT Margin

29.1 %

* includes share of associate and joint venture's revenue

Management Discussion and Analysis

Plantation Management Team


Joseph Tek Choon Yee


Puru Kumaran


Sandra Segran A/L Kenganathan

FY2021 saw the Division achieve its highest ever revenue of RM935.69 million (FY2020: RM739.13 million), an increase of 26.6% from the previous year. A major contributing factor was the favourable Crude Palm Oil (CPO) price seen during the year. CPO price increased from around RM2,300 per mt in April 2020 to RM3,600 by December 2020 and continued to rise to above RM4,000 by the end of FY2021. Consequently, the average CPO price realised by the Group in FY2021 was RM2,648 per mt (FY2020: RM2,156 per mt). The average CPO price for the Malaysian operations increased to RM2,912 per mt (FY2020: RM2,269 per mt) whereas the Indonesian operations saw an increase of average CPO price to RM2,424 per mt (FY2020: RM2,052 per mt).

The strong CPO price environment was both driven by supply tightness arising from labour shortages and adverse weather as well as strong demand seen in the second half of 2020. The lock downs imposed during the year to contain the COVID-19 outbreak and the decision to freeze the recruitment of guest workers by the Malaysian Government caused a severe labour shortage in the plantation sector. The declining biological production trend experienced across most of Malaysia's palm oil production states, coupled with adverse weather affecting palm oil estates in both Malaysia and Indonesia, led to the drawdown in the global palm oil inventory.

At the same time, the replenishment of palm oil inventories in key consuming countries such as China and India in the second half of 2020, as well as the Indonesian Government's push for the B30 biodiesel programme led to continued resilience in demand.


Sabang Jetty and Bulking Facilities

In addition to the favourable price factors, the Division's record revenue in FY2021 is also attributable to strong production and sales volume achieved. Despite challenging operating conditions, the combined crop production of the Division's Malaysian and Indonesian operations was marginally higher and added up to above one million metric tons for the second consecutive year.

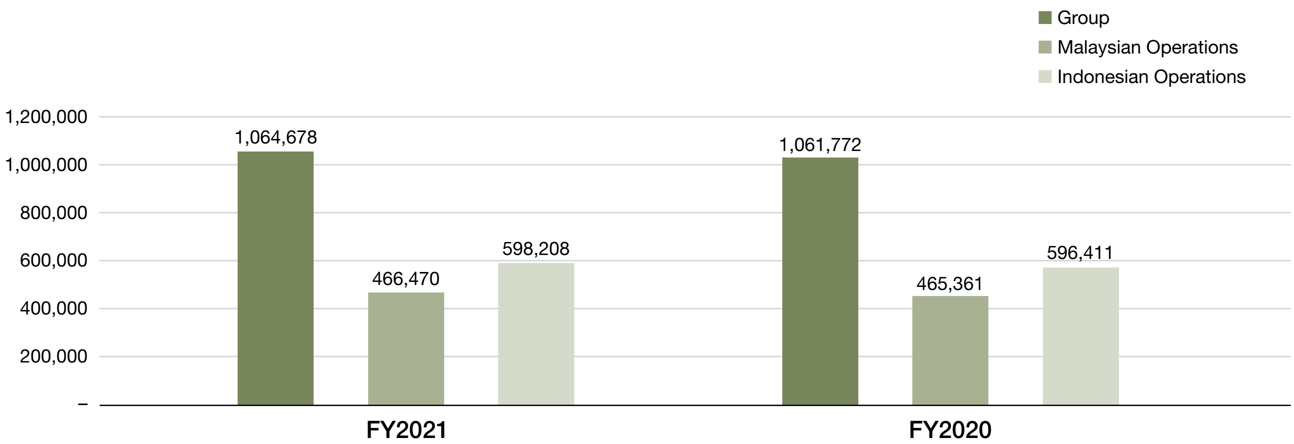
The details of the Division's oil palm age profile are as follows:

		Malaysian Operations		Indonesian Operations		Division Total	
		Hectares	%	Hectares	%	Hectares	%
Mature	(> 20 years)	6,584	26%	-	0%	6,584	11%
Mature - Prime	(8 - 20 years)	12,351	49%	28,333	78%	40,684	66%
Mature - Young	(4 - 7 years)	3,073	13%	4,808	13%	7,881	13%
Immature	(1 - 3 years)	3,006	12%	3,122	9%	6,128	10%
Total		25,014	100%	36,263	100%	61,277	100%
Weighted average age of palms (years)			14.7		9.8		11.8

As at 31 March 2021, the Division's planted area increased to 61,277 hectares (FY2020: 60,966 hectares) of which 55,149 hectares (FY2020: 54,369 hectares) were mature while 6,128 hectares (FY2020: 6,597 hectares) have yet to mature. The weighted average age of the Division's palm trees is 11.8 years.

The prime areas in the Malaysian operations decreased by 21% to 12,351 hectares (FY2020: 15,536 hectares) as more areas became due for replanting. The prime area composition in the Indonesian operations remained at the same level as reported in the previous financial year. Given the relatively young age profile, a rising yield trend is expected in the coming years as more areas come into maturity and prime age.

FFB Production (MT)

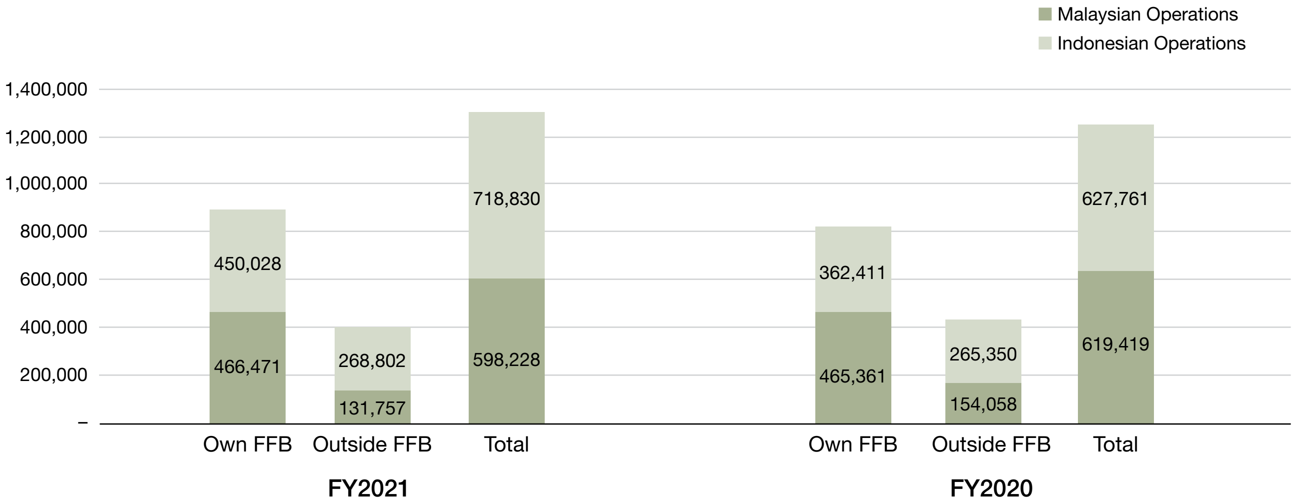


Management Discussion and Analysis

Despite the lagged effect from moisture stress that arose from adverse dry weather conditions and subsequent high rainfall experienced in the Indonesian operations as well as ongoing replanting activities and challenging operating conditions in the Malaysian operations due to the pandemic, the Division's total crop production reached a new high for the second consecutive year to close the year at 1,064,678 mt. FFB production in the Malaysian and Indonesian operations both registered a slight growth to close the year at 466,470 mt of FFB (FY2020: 465,361 mt) and 598,209 mt of FFB (FY2020: 596,411 mt), respectively.

The Division achieved an average yield per hectare of 19.3 mt/ha for the financial year, slightly lower than the average yield of 19.5 mt/ha achieved in the previous year. The Division's Malaysian operations recorded an FFB yield of 21.2 mt/ha (FY2020: 21.6 mt/ha) while its Indonesian operations recorded FFB yield of 18.1 mt/ha (FY2020: 18.2 mt/ha).

FFB Processed (MT)



FFB processed by the Division's Malaysian operations during the year was 598,228 mt (FY2020: 619,419 mt), while its Indonesian operations processed 718,830 mt of FFB (FY2020: 627,761 mt), totaling 1,317,058 mt for the Division, an increase of 5.6% as compared to 1,247,180 mt of FFB processed by the Division the previous year. The Division's third mill in its Indonesian operations that commenced operations in the last quarter of FY2020 contributed to the overall increase in FFB processed by the Division during the year.

Correspondingly, a total of 122,572 mt (FY2020: 123,737 mt) of CPO and 29,670 mt (FY2020: 30,950 mt) of PK were produced by the Malaysian operations. Average oil extraction rate ("OER") and kernel extraction rate ("KER") achieved by the Division were 20.5% (FY2020: 20.0%) and 5.0% (FY2020: 5.0%), respectively. The Division's Indonesian operations produced a total of 152,339 mt (FY2020: 144,126 mt) of CPO and 27,209 mt (FY2020: 24,257 mt) of PK and saw average OER and KER of 21.2% (FY2020: 23.0%) and 3.7% (FY2020: 3.9%), respectively.

The kernel crushing plant in its Malaysian operations processed 21,312 mt (FY2020: 28,358 mt) of palm kernel to produce 9,942 mt (FY2020: 13,164 mt) of crude palm kernel oil ("CPKO") and 10,507 mt (FY2020: 13,874 mt) of palm kernel expellers ("PKE"). The average extraction rate for CPKO was 46.6% (FY2020: 46.4%) and 49.3% (FY2020: 48.9%) for PKE. In the Division's Indonesian operations, the kernel crushing plant processed 21,310 mt (FY2020: 21,006 mt) of palm kernels to produce 8,560 mt (FY2020: 8,561 mt) and 12,528 mt (FY2020: 12,063 mt) of CPKO and PKE, respectively.

Prima Estate, Indonesia

In-field mechanisation for crop evacuation

The cost of sales, which consisted mainly of harvesting costs, plantation maintenance costs, plantation general expenses, depreciation and amortisation, processing costs and outside FFB purchase costs, recorded an increase of 9% to RM614.08 million (FY2020: RM562.62 million). The increase was due to higher outside FFB purchase cost as purchase volume increased in line with the commencement of the Division's third palm oil mill in its Indonesian operations towards the end of the last financial year, in addition to the increase in the purchase price from the higher CPO price. Furthermore, the commencement of the third palm oil mill in the Indonesian operations led to an increase in the Division's depreciation costs.

During the year, the Division recorded a net foreign exchange gain of RM82.39 million compared to a loss in the preceding year of RM87.11 million due to foreign currency denominated borrowings as the Indonesian Rupiah strengthened against both the US Dollar and the Japanese Yen. The higher commodity prices and higher production volume, coupled with the favourable currency movements, contributed to the 639.2% improvement in pre-tax profit for the year of RM272.13 million, compared to a loss before tax of RM50.47 million the year before. The Division's stellar financial performance in FY2021 marks its best ever profit before tax achieved since its inception in 1985. EBITDA achieved in FY2021 was RM407.32 million against RM122.65 million achieved in FY2020.

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 the Malaysian Palm Oil Board increased to RM32.2 million in FY2021 compared to RM23.5 million the previous year. The Division's capital expenditure of RM71.72 million (FY2020: RM99.79 million) consisted mainly of immature plantings expenditure and the tail-end cost of its third palm oil mill at the Indonesian operations, as well as related infrastructure establishment and replanting expenditure in the Malaysian operations.

Apart from the financial metrics, the Plantation Division's Balance Score Card prioritised aspects such as the quality of its palm products sold, compliance to industry certification schemes adopted, enhancements to its digital adoption, maintenance of a skilled workforce, community development and stakeholder engagement programmes as well as compliance to anti-bribery and corruption system enactments, all of which are addressed in the Sustainability Statement on pages 130 to 182.

Going forward, palm oil supply-demand dynamics, price movements of substitute oils and fats, the implementation of biodiesel mandates, the global economic setting and the ongoing pandemic are expected to continue influencing the prices of palm products. Although volatility is expected to remain, the prospects for the coming year appear promising. The Division anticipates overall growth in FFB production in the coming year to be driven mainly by the anticipated recovery from past drought effects and the improving age profile in its Indonesian operations, net of the replanting activities from its Malaysian operations. Premised on these factors and barring any volatility in the foreign exchange rates, the Division is optimistic for a favourable financial performance in the year ahead.

Infrastructure

Berthing activities at Kuantan Port

Key Financial Indicators

Revenue*

RM**798.64**m

FY2020: RM904.06m
Decrease: (11.7%)

EBITDA

RM**407.56**m

FY2020: RM439.93m
Decrease: (7.4%)

PBT

RM**117.07**m

FY2020: RM153.25m
Decrease: (23.6%)

PBT Margin

14.7%

FY2020: 17.0%

* includes share of associate and joint venture's revenue

Management Discussion and Analysis

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

Port Management Team:


Mazlim Bin Husin


Wang Guo Wei


Mohd Zulkhaili Alias

The Infrastructure Division recorded a decrease in revenue of 11.7% to RM798.64 million compared to RM904.06 million in FY2020 mainly due to the decrease in local traffic volume during the MCO periods. However, the decrease was partially mitigated by the higher cargo throughput handled by the port operations.

PBT and PBT margin, however, were substantially lower at RM117.07 million and 14.7% (FY2020: RM153.25 million and 17.0%) respectively mainly due to the lower local traffic volume recorded, despite the higher profit contribution from the port operations.

The Division's total infrastructure assets comprise 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.


Kuchai Link 2 Overpass

Toll Roads

Malaysia

The Group's local toll road concession portfolio is principally engaged in the design, construction, operations and maintenance of two urban tolled highways in the Klang Valley and two interstate tolled highways.

Tolled Highways	Shareholdings	Highway Length (Km)	Concession Period (Years)
Sungai Besi Highway (BESRAYA)	100%	28.9	44
New Pantai Highway (NPE)	100%	19.6	34
Kajang Seremban Highway (LEKAS)	50%	44.3	33
West Coast Expressway (WCE)	41% (effective interest)	233.0	50

During the financial year, the Toll Division's performance was affected by the implementation of the various MCOs. The travel restrictions during the lockdown periods have adversely affected the traffic performance of our highways. Average Daily Traffic decreased by 25% to 36% year-on-year and resulted in a decrease of 24% in revenue for FY2021 to RM284.3 million compared to RM375.3 million in the preceding year. Lower toll revenue and lower other operating income, coupled with higher amortisation expense resulted in a decrease in PBT to RM33.7 million in FY2021 compared to RM107.8 million in the previous year.

BESRAYA recorded revenue of RM116.0 million for FY2021, a 25% decrease from the previous year mainly due to 27% lower traffic achieved. Traffic volume was particularly affected in the first quarter but had quickly recovered following the relaxation of the movement restrictions. As a result, BESRAYA recorded a lower PBT of RM25.4 million, a decline of 62% compared to the previous year. The lower profit was also attributable to higher amortisation expenses, reduction in other income but mitigated by lower operating and finance costs.

As a result of the lockdowns, the tollable traffic at NPE decreased by 36% during the year, resulting in revenue decreasing to RM135.7 million in FY2021 from RM177.8 million the previous year. PBT decreased by 53% to RM48.7 million compared to RM103.7 million the year before. The lower profit was mainly due to lower toll revenue, an increase in amortisation expense of RM8.3 million, and a reduction in other income of RM7.6 million.

In FY2020, the Group had stopped equity accounting for its share of losses from LEKAS, which has been fully accounted for up to the cost of investment. Similar to the Group's other highways, traffic volume at LEKAS was adversely impacted by the numerous MCOs during the year. Furthermore, the performance of LEKAS was also affected by the widening toll rate disparity with its main competing highway, PLUS Expressway, whereby PLUS's toll rates were restructured and discounted by 18% from its prevailing rates on 1 February 2020.

Toll highways, categorised as essential services, were allowed to operate during the MCO periods. To mitigate the risk of business and operations disruption during COVID-19 pandemic and MCO, necessary precautions and safety measures as well as Standard Operating Procedures were implemented to protect our employees, customers and other stakeholders.

Ensuring a smooth flow of traffic, especially during peak hours, is a core focus of the Division in managing customer satisfaction and service quality. The construction of the 1.2 km two-lane ramp, namely Kuchai Link 2 that links NPE and BESRAYA, was completed during the year. This upgrading work at KM 11.3 at BESRAYA's Kuchai Interchange, which was opened to traffic on 12 November 2020, also includes reconfiguration of a signalised traffic junction from an existing four-phase system to a free-flow traffic system. Subsequently, traffic congestion and the level of service at the Kuchai Interchange and Jalan Kuchai Lama-Jalan Kuchai Maju Intersection have been significantly improved during peak hours. Meanwhile, a new 280-meter ramp connecting the highway to Jalan Cheras, namely Ramp 5A, is under construction and is scheduled to be completed in FY2022. The project team will collaborate and monitor closely with the contractors, authorities and utilities service providers to ensure safety and operating procedures are complied with at all times.

Management Discussion and Analysis

During the year, BESRAYA engaged an external auditor to conduct a Road Safety Audit (Stage 5), which was completed in February 2021. BESRAYA is in the midst of finalising improvement works based on the recommendations while NPE and LEKAS will be embarking on a similar road safety assessment in FY2022 to ensure a safer journey for the highway users. In addition, BESRAYA had completed the upgrading of the bridge parapet railing at KM 0.2 together with other enhanced safety installations including anti-skid speed breakers, road safety barriers and flashing blue LED warning lights.

In its efforts to constantly improve road safety and the ride quality of our road users, NPE upgraded the pavement rehabilitation works as a long-term preventive measure to preserve the pavement assets and prevent disruptive road repairs, while reducing road surface treatment frequency and repair costs. As for LEKAS, improvements implemented at accident-prone areas were done by applying the Stone Mastic Asphalt (SMA) pavement, installation of warning signages, flashing blue LED lights and guardrail posts with reflective stickers to reduce the risk of accidents.

The pilot installation of Radio Frequency Identification ("RFID") lanes at BESRAYA and NPE started in August 2017, whereas LEKAS's Ampangan Toll Plaza's RFID lanes have operated since December 2019 while its closed-toll systems since December 2020. In January 2020, the government had officially launched the usage of RFID for Class 1 vehicles for public use. Currently, the penetration rate of RFID transactions at BESRAYA and NPE is almost 10% and LEKAS at 8%. However, the RFID implementation for multi-class vehicles has been rescheduled by the Malaysian Highway Authority ('MHA") due to the MCO.

There are a few major construction works being undertaken by other parties along BESRAYA, including the construction of the Mass Rapid Transit Sungai Buloh-Serdang-Putrajaya Line, which is adjacent to Kuchai Link 2 and is scheduled for completion by 2022, and the construction of Sungai Besi-Ulu Kelang Expressway (SUKE) which will integrate with BESRAYA at KM 8 upon its targeted completion in 2021. Our project team will continue to monitor the respective construction activities to ensure the contractors adhere to the safety and operating parameters at all times to minimise the travelling disruptions to our highway users.

The development of two upcoming highway projects adjacent to LEKAS, namely Sungai Besi-Ulu Kelang Expressway (SUKE) and East Klang Valley Expressway (EKVE), which complement the Kuala Lumpur Outer Ring Road network, are expected to benefit LEKAS's traffic performance upon their completion in 2022.

To subsidise the cost of living expenses of the public, the government continued to defer toll rate hikes for twenty highways and two bridges in Malaysia in 2021, among which were our highways. Per the Concession Agreement, the final scheduled toll rate hike for BESRAYA was on 1 January 2018, whereas for LEKAS, hikes were due on 1 January 2017 and 1 January 2020. The Government had also implemented a toll rate discount for NPE's Class 1 vehicles (PJS 2 Toll Plaza) and Class 5 vehicles (bus) since 2011. Despite some delays in receiving the compensations, all toll hike deferments and discounts have been compensated in accordance with the concession agreements.

In light of the prevailing challenges and uncertainties, the Toll Division has been constantly reviewing its operations, testing cash flow forecasts and optimising its cost structure. Moving forward, it is envisaged that ongoing developments of commercial and residential projects along the corridors of our highways will increase tollable traffic and contribute positively to the Division's revenue streams. We expect the performance of the Division to be underpinned by the matured urban highways.

Apart from the financial metrics, the Toll Division's Balance Score Card prioritised aspects such as reducing lane closure downtime and traffic congestions, enhancing customer satisfaction, improving HSE metrics as well as compliance to anti-bribery and corruption system enactments, all of which are addressed in the Sustainability Statement on pages 130 to 182.

The Group, via its investments in WCE Holdings Bhd and West Coast Expressway Sdn Bhd has a 41% effective interest in the WCE concession connecting Banting to Taiping. Certain sections of the highway have been completed and sectional tolling commenced during FY2020: Section 5 (New North Klang Straits Bypass-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. Most of the other sections are scheduled to be completed and commence tolling in 2022 while Section 7B will be ready in 2024.


Pantai Sentral Park Interchange, Kuala Lumpur

Western Access Tollway, Argentina

New Deep Water Terminal, Kuantan Port

India

In India, the Division's operating toll roads are the 99.9%-owned Chilkaluripet-Vijayawada Tollway (68 km) and the wholly-owned Dewas Bypass Tollway (19.8 km), while its Vijayapura Tollway (109.08 km) is currently under construction. The Dewas Bypass Tollway was completed and commenced tolling in the previous financial year, on 11 January 2020. The Indian tollways have concession periods ranging from 15 to 25 years.

During FY2021, the Indian tollways contributed a higher revenue, which increased by 14.7% to RM87.58 million (FY2020: RM76.36 million) due to the full year contribution of the Dewas Bypass Tollway. However, the Indian tollways recorded a decrease in loss before tax of RM2.49 million (FY2020: RM45.19 million) mainly due to an impairment recognition in relation to the Chilkaluripet-Vijayawada Tollway of RM27.50 million in the previous 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") operates the concession of the 56 km Western Access Tollway in Buenos Aires until 31 December 2030. The tollway represents the most convenient route to the city for its three million inhabitants in the Western zone.

In FY2021, GCO contributed a lower revenue of RM36.05 million to the Group (FY2020: RM54.69 million) due to a 35% decrease in annual traffic to 69.6 million Passenger Car Units ("PCU") in 2020 from 106.6 million PCUs in 2019. In order to protect tollbooth employees, the Government froze toll collection for two months, while for the rest of the year traffic was lower due to various lockdowns as well as lower economic activities. Our share of losses was RM15.03 million (FY2020: Share of losses - RM40.78 million), mainly due to the extension of the collection period and the economic difficulties caused by the COVID-19 pandemic. The outlook for 2021 is slightly better than 2020, as seen in the first few months of 2021, where road traffic increased 8.0% while a lower expected credit loss from a 9.9% toll hike coupled is expected.

Port

Despite the global challenges in 2020, Kuantan Port has managed to record a 7% increase in revenue to RM403.78 million for FY2021 (FY2020: RM376.66 million). In line with the increase in revenue, PBT increased by 24% to RM98.33 million (FY2020: RM79.00 million), also due to a lower SUKUK interest rate and lower maintenance costs. The Port's cargo throughput stood at 26.82 million freight weight tons (FY2020: 25.98 million), an increase of 3% from the previous year, mainly arising from the additional cargo of Alliance Steel (M) Sdn Bhd ("Alliance Steel") during the year.

On 23 March 2018, the Port 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 NDWT with a total drawn amount of RM1,035 million to date.

During the year, the Port's operations team took proactive steps to promptly solve critical issues by conducting monthly brainstorming sessions to anticipate possible scenarios and find solutions with the aim of minimising operational downtime. These proactive actions have proven effective in increasing cargo productivity and have helped sharpen the skills of the staff who manage the daily operations.

The operations of Kuantan Port also rely on contractors and stevedores, among others. In order to maintain an optimal performance level by these contractors, Kuantan Port conducts annual audits to inspect their equipment to ensure they are in good working condition.

Kuantan Port has also adopted smarter technologies in handling mineral ores such as bauxite, iron ore and river sand. A ship loading conveyor system, managed by one of our partners, is used to load the mineral ores directly from the storage yard to the vessels without using trucks at the berth. This system has significantly improved the cargo handling efficiency, and equally as important, it has improved the cleanliness of the Port's operations area.

Management Discussion and Analysis

The container division received several upgrades in FY2021. Besides the new quay cranes and RTG cranes, Kuantan Port also welcomed two new lines namely SITC and Wan Hai to increase its ship calls. To support this latest expansion and to push productivity, Kuantan Port has developed new training modules and timelines to ensure that staff are well-trained.

As part of its ambitious transformation, six key focus areas are planned for the next 12 months to address business growth, service delivery optimisation, capacity expansion, digitalisation and technology, people effectiveness and transformation and last but not least, sustainability. The key focus areas were the result of a long-term planning strategy aligned to the Port's new Vision to be the leading maritime hub to drive the region forward and accelerate the growth of its partners. With this Vision in place, Kuantan Port has developed the Mission to provide efficient, safe and sustainable services by developing the logistical infrastructure and customised solutions for the growth of its partners. As a whole, Kuantan Port aims to enhance the social and economic development of the region and its people.

For business growth, Kuantan Port is actively pursuing foreign and domestic investments with the Ministry of International Trade and Industry, Malaysia-China Kuantan Industrial Park and Beibu, our partner in China. The Port's marketing attention has also diversified to non-cargo revenue streams such as oil rigs and offshore support vessel (OSV) lay-up activities.

In order to achieve service delivery optimisation, we continue to keep a close watch on the efficiency and productivity of services. The productivity of handling Alliance Steel's cargo at their dedicated berth has consistently exceeded the benchmark set in FY2021. The Port has also received two new quay cranes and four new hybrid rubber tyred gantry cranes ("RTG"s) for container operations in the third quarter of FY2021. These hybrid RTGs have shown immediate fuel savings of more than 50% compared to conventional units.

In the area of capacity expansion, Kuantan Port is embarking on the expansion of the existing container yard starting in FY2022. This project is expected to be completed in FY2025, and will double the capacity of the existing yard to cater to future demand. Moving ahead, existing infrastructure will be replaced with new technologies such as LED lighting, shore power for tug boats and solar power to reduce the electricity cost and to minimise the Port's carbon footprint. These initiatives have started and are expected to be completed in the coming year.

Digitalisation and Technology is the most exciting area among the Port's present initiatives. By the end of the second quarter of FY2022, the E-gate system will be fully functioning, and is expected to greatly enhance the gate management process. Paperless shipping documents and man-less weighbridge systems will reduce human errors and improve data management. Security at Kuantan Port has also been enhanced with the use of CCTVs. In FY2021, the Port successfully implemented CCTV coverage at all key cargo handling areas. Apart from enhancing the security monitoring, the system has also aided in the investigation of incidents.

To transform our human resources, we collaborated with University Malaysia Terengganu (UMT) and Netherlands Maritime University College (NMUC) to develop two specialised programmes for Port staff. The training programmes were attended by key personnel and identified successors. A professional Portman Programme by UMT, with the objective of sharing general port management knowledge with the Kuantan Port staff, was attended by 50 people. The programme with NMUC, which covered technical aspects of operations, was attended by 25 people.

Container yard, Kuantan Port

In the area of sustainability, Kuantan Port is taking a keen role in pursuing green and energy saving solutions. Solar energy, shore power and the hybrid RTGs mentioned earlier are the results of this initiative. In terms of enhancing the management systems, Kuantan Port is ISO 9001 certified for the cargo handling processes and its ISO 45001 certification for the liquid cargo operations is being expanded to the entire port area. The ISO 14001 certification is being pursued and is expected to be obtained together with the ISO 45001 expansion in FY2023.

Further details of the Port's sustainability efforts are addressed in the Sustainability Statement on pages 130 to 182.

Others

The Group ceased equity accounting for its share of losses in Gautami Power, which has been accounted for up to its investment cost. The plant, a 469 MW natural gas Combined Cycle Power Plant in Andra Pradesh, is 20% owned by the Group and continues to be short of gas supply.

On 25 June 2020, the Group disposed its entire stake of 21.4% in Scomi Group Bhd. This resulted in a loss on disposal of RM4.19 million that was recognised in FY2021. Scomi is a service provider in the oil and gas industry specialising in high-performance drilling fluids solutions and also provides transport solutions.

Outlook

At the time of writing, the Malaysian Government has indicated a downward revision to its GDP growth for 2021 from 6%-7.5% to around 4%. This reflects the toll on the economy caused by the re-imposition of nation-wide lockdown measures, even though it may be necessary to curb the rise in domestic COVID-19 cases. The degree of impact to the economy is highly dependent on the stringency and duration of the lockdown measures. Going forward, the gradual relaxation of lockdown measures, alongside the rapid progress of the domestic vaccination programme and continued recovery in global demand is expected to provide support for the growth recovery into 2022.

Given that a significant portion of the Group's revenues are dependent on progress recognition, the duration of the present lockdown measures are likely to impact the financial performance in FY2022 the longer they are in effect. The Group's business fundamentals are, nonetheless, able to weather the short term uncertainties.

In the coming financial year, the Group's Construction Division will be focusing on the timely execution and completion of its outstanding order book of RM4.01 billion, having secured RM1.5 billion of new projects during the financial year. By focusing on the execution and timely completion of its outstanding order book, the Division endeavours to perform satisfactorily once operations recommence.

Market sentiment for the property sector has seen a gradual recovery since the first phase of the MCO with the Property Division achieving higher sales in FY2021. Whilst the low interest rate environment and the Government's Home Ownership Campaign are supportive of the mid-market segment demand, the resurgence of COVID-19 cases and reimposition of lockdown measures are expected to reduce customer visits to the sales galleries and dampen buyers' confidence and sentiment. With its wide array of products in strategic locations and its unbilled sales in hand, the Property Division is expected to perform satisfactorily after resuming sales and development activities post-lockdown.

In line with the recovery in construction activities seen in the second half of the year and improved export market, the Industry Division's performance is expected to improve, barring the extent of the current lockdown measures. The Division will continue with its business rationalisation efforts through product quality improvements, cost optimisation and process efficiency enhancements.

If the proposed disposal of IJM Plantations is approved at the upcoming AGMs of both Kuala Lumpur Kepong Bhd and IJM, IJM Plantations will cease to be a subsidiary of IJM in FY2022.

The performance of the Group's Port operations are expected to improve once the current lockdown measures are gradually eased. Likewise, traffic volumes for the Toll operations will be heavily dependent on the extent and duration of the lockdown being imposed

Closing

The pandemic has profoundly changed many aspects globally. It has undoubtedly reshaped the economy and the way we conduct our businesses and daily affairs. While it has accelerated the shift towards the adoption of technology and the sustainability agenda, on the other hand, it has also brought to the forefront prevailing issues in the labour market and social protection system.

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 surmount these challenges.

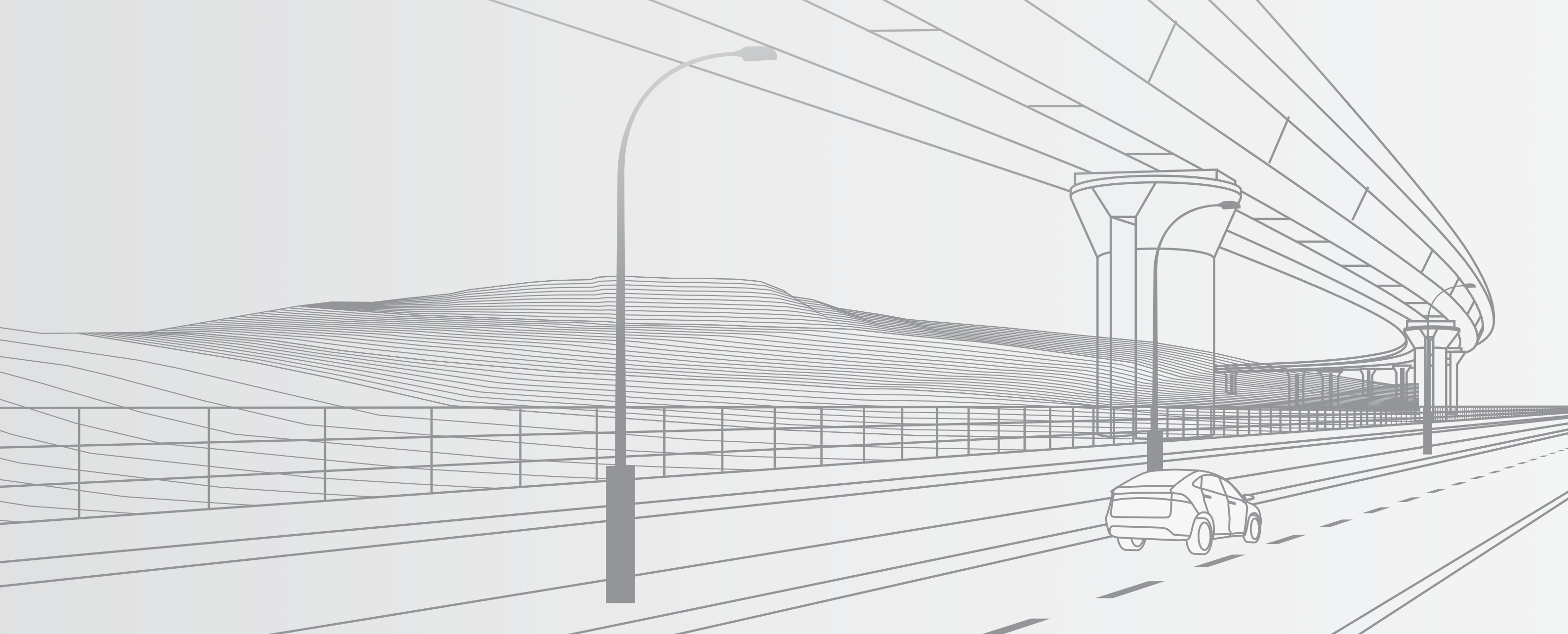
In closing, I would like to thank the Board, management and employees of the Group for their contributions and dedication to performing their jobs, thus ensuring our business continuity. I would also like to express my deepest appreciation to our shareholders, clients, bankers, contractors and suppliers for their continued support to the Group.

Liew Hau Seng
Chief Executive Officer & Managing Director

Nurture Capabilities

As a high performing company, IJM values high calibre leadership, in-house talent and a supply chain that supports our vision, core values and goals. We also recognise the value of continuous learning, re-learning and unlearning to keep abreast and ahead of the demands of today and tomorrow.

The IJM Strategic Focus 2021-2023 is our definitive guide in this regard. It calls upon staff and suppliers to embrace Industry 4.0 in the workplace and adopt the best practices of sustainability in all that they do. Running parallel to this is the thrust to nurture future-ready competencies among staff, while enhancing IJM's corporate governance culture by making risk management and accountability standard operating practices at every level in the Group.



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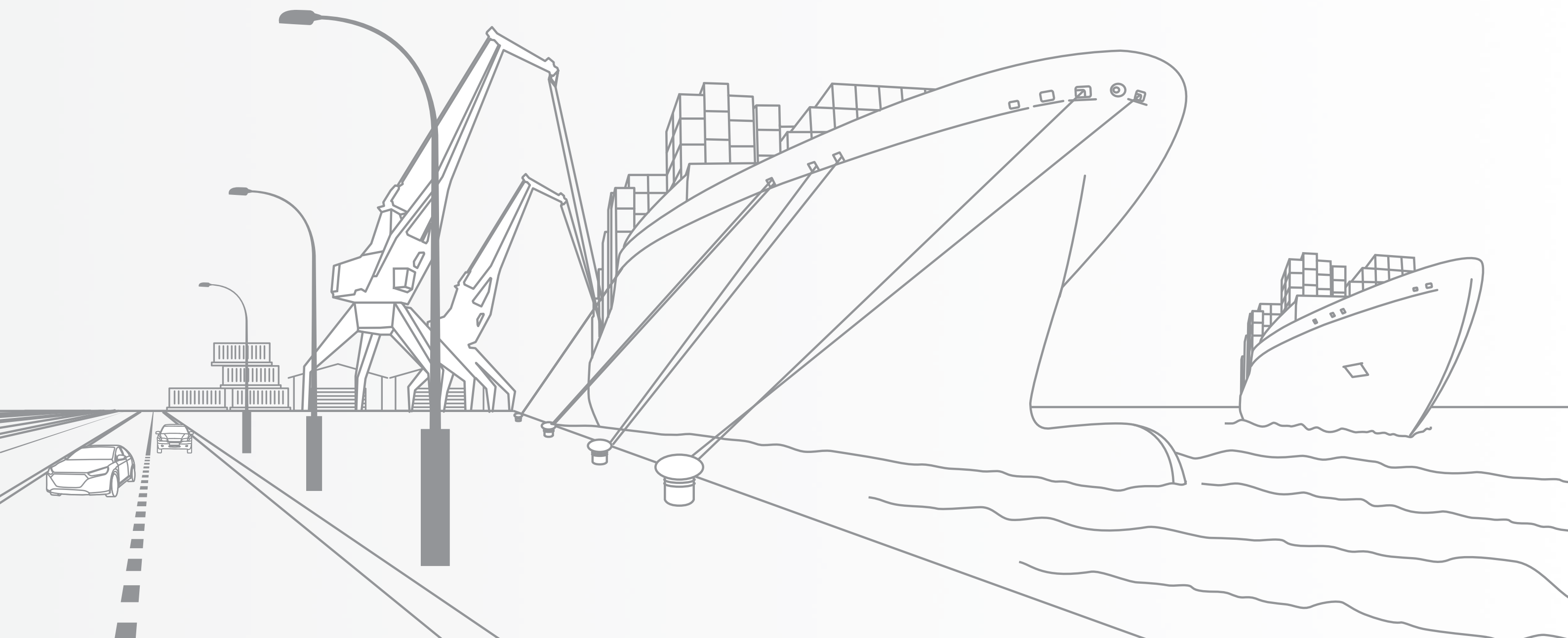


Corporate Governance Overview Statement

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 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 2021 ("FY2021") in accordance with the Malaysian Code on Corporate Governance ("the Code"). This statement is to be read together with the Corporate Governance Report 2021 ("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 responsible for the long-term success of the Group and the delivery of sustainable value to stakeholders. The Board sets the Group's overall strategic plans, reviews business performance, oversees the proper conduct of business, reviews succession planning of key management, ensures proper risk management and internal control, and effective shareholders' communication; whilst the 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.

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 is reviewed by the Board from time to time to ensure that it continues to remain relevant and appropriate. During FY2021, the Board reviewed the Board Charter and had included the duty of the Board on the implementation of an anti-bribery and corruption system for the Group. The details of the Board Charter are available for reference at www.ijm.com.

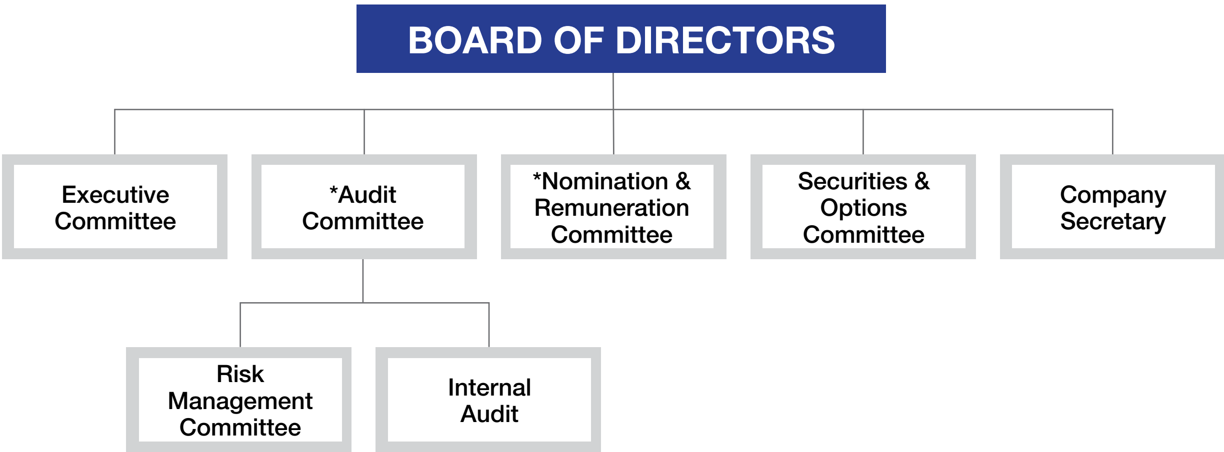
Since the emergence of the COVID-19 pandemic, the Board has been addressing and monitoring the business challenges and the impacts of the pandemic. During the FY2021, the Board reviewed the business response strategy, financial performance of the Group and also staff wellbeing to ensure that the Group remains resilient and is able to deliver sustainable value despite the challenging operating environment arising from the pandemic.

The Management conducted a Strategy Updates Session ("Session") in January 2021 to update the Board on the short-term and long-term business strategy plans of the Group. 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. The sustainability issues that were relevant to the Group's business including climate risk were also discussed. Constructive views and valuable insights were also shared at the Session.

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 roles 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.

The Non-Executive Chairman is not a member of any Board Committee so that the objectivity of the Chairman and the Board is maintained when deliberating on the observations and recommendations put forth by the Board Committees.

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 31. 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 performance and progress reports on a timely basis prior to scheduled Board meetings. Board papers are distributed electronically and generally 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 the recording of proper minutes of all deliberations and decisions of the Board and Board Committees, including any dissenting views and abstentions by any director from voting or deliberating on a particular matter. For cybersecurity purposes, all meeting materials are kept in a secure and collaborative board portal and the Directors are granted access to meeting materials via respective user identities and passwords.

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 Board Committees' meetings, where deemed necessary. During the FY2021, five (5) 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	5/5	100%
Lee Chun Fai	5/5	100%
Independent Non-Executive Directors		
Datuk Lee Teck Yuen	5/5	100%
Pushpanathan A/L S A Kanagarayar	5/5	100%
Datuk Ir Hamzah Bin Hasan	5/5	100%
Goh Tian Sui	5/5	100%
Dato' David Frederick Wilson	5/5	100%
Tunku Alina Binti Raja Muhd Alias	5/5	100%
Tan Ting Min	5/5	100%
Non-Executive Directors		
Tan Sri Dato' Tan Boon Seng @ Krishnan	5/5	100%
Azhar Bin Ahmad *(appointed on 25 November 2020)*	1/1	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 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 FY2021.

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 places emphasis on 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 anti-bribery and corruption system ("ABCS") established by the Company has consolidated various policies and processes in compliance with anti-bribery and corruption laws. The anti-bribery and corruption policy ("ABC Policy") of the Company forms part of the ABCS and aims to set out the parameters including the main principles, policies and guidelines in relation to anti-bribery and corruption. The details of the ABCS of the Company are set out in the Statement on Risk Management and Internal Control.

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.

7. Sustainability

The Board always ensures that sustainability is part and parcel of the business strategy of the Group and believes that meeting the expectations of the stakeholders is not only the right thing to do but also critical for the long-term success of the Group. The Board had adopted a sustainability governance framework that defines and guides the Group towards impact-focused targets. The details of the sustainability initiatives of the Group are set out in the Sustainability Statement on pages 130 to 182.

II. Board Composition

There are eleven (11) Board members, nine (9) 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 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 26 to 31.

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.

To-date, none of the present Independent Non-Executive Directors of the Company have exceeded the nine (9) years tenure as recommended under the Code. The retention of independent directors after serving a cumulative term of nine (9) years is subject to shareholders' approval in line with the recommendation of the Code.

Corporate Governance Overview Statement

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 construction and engineering, finance, accounting, investments, 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.

The Company is among the top 10 companies of the inaugural Malaysia Board Diversity Index ("the Index") which was launched on 7 April 2021. The eight (8) dimensions being assessed under the Index were gender, age, tenure, independence, culture, international expertise, domain expertise, and industry expertise. Based on the analysis, the Company stood out as an exemplary company.

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	Investments	Construction & Engineering	Property	Toll Infrastructure	Legal Practice	50 to 59 years	60 to 69 years	70 to 79 years	Bumiputera	Chinese	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		✓					✓				✓	
Azhar Bin Ahmad		✓					✓			✓		

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. The Terms of Reference of the NRC are available for reference at www.ijm.com.

The activities of the NRC during FY2021 included the following:

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

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

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

(iv) review of promotion and extension of service contracts of senior management of the Group;

(v) review of the re-election of Directors at the Annual General Meeting ("AGM");

(vi) review of the proposed vesting of shares under the sixth award of the Employee Share Grant Plan;

(vii) review of the enhancement of the Board Evaluation process for Board and Board Committees Assessments together with an independent expert;

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

(ix) review of the service contract of the Non-Executive Chairman;

(x) review of the Board and Board Committees composition of a listed subsidiary;

(xi) review of the Board Committees 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);

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

(xiv) assessment and evaluation of the effectiveness of the NRC and Executive Committee;

(xv) propose the appointment of a new Director; and

(xvi) review of the compensation framework for the Group to ensure remuneration is structured in a sustainable manner and aligned to the interest of both the Company and its employees.

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

The NRC meets as required. Four (4) meetings were held during FY2021 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	4/4	100%

4. Board and Board Committee Evaluation

The Board undertook a formal and rigorous annual evaluation of its own performance, comprising the Board as a whole and that of the Individual Directors for FY2021 via an independent expert. 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 and the Board were satisfied with the overall performance and effectiveness of the Board, and an area of concern revealed was the succession planning of the IJM Group and this is currently being addressed by the NRC and Management.

Corporate Governance Overview Statement

The Board also undertook an evaluation of the Audit Committee, NRC and Executive Committee facilitated by an independent expert in order to review their performance and determine whether the Board Committees had carried out their duties in accordance with their Terms of Reference. The Board was satisfied with the performance and effectiveness of all the Board Committees.

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.

The NRC reviewed and assessed the performance of the Directors who are subject to re-election through the Self & Peer Assessments. The NRC was satisfied with their performance and is of the view that their continued service would benefit the Company and its stakeholders.

5. Directors' Training

During the financial year, all Directors had attended various relevant in-house and external training programmes, workshops, seminars, briefings and/or conferences. The training programmes attended by the Directors were related to risk management, cybersecurity, anti-money laundering compliance, economics, climate change, innovation, anti-corruption, sustainability, finance, and industry knowledge. The Board has undertaken an assessment of the training needs of each Director through the Self & Peer Assessment during FY2021.

The details of the training programmes 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.

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 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 each year. 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 Executive Directors and senior management. As for the remuneration of 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.

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	1,824	-	795	416	69	3,104
Non-Executive Directors	-	1,278	510*^	-	23	1,811
Total	1,824	1,278	1,305	416	92	**4,915**

** Includes an allowance of RM1,000 paid to Non-Executive Directors for each of the Board and Board Committee meetings attended.*

^ Includes advisory service fees of RM400,000 paid to Tan Sri Dato' Tan Boon Seng @ Krishnan.

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	-	104	7	-	-	111
Non-Executive Directors	-	314	15	-	-	329
Total	-	418	22	-	-	**440**

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	1,584	111 #
Lee Chun Fai	1,520	-
Non-Executive Directors		
Tan Sri Dato' Tan Boon Seng @ Krishnan	654	92 #
Datuk Lee Teck Yuen	147	-
Datuk Ir Hamzah Bin Hasan	190	-
Pushpanathan A/L S A Kanagarayar	231	237 #
Dato' David Frederick Wilson	118	-
Goh Tian Sui	118	-
Tunku Alina Binti Raja Muhd Alias	143	-
Tan Ting Min	171	-
Azhar Bin Ahmad *(appointed on 25 November 2020)*	39	-
Total	**4,915**	**440**

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

Corporate Governance Overview Statement

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.

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.

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 FY2021 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 financial statements for each financial year in accordance with the requirements of the Act and applicable approved accounting standards to give a true and fair view of the financial position of the Group and of the Company at the end of the financial year and of their financial performance and their cash flows for the financial year then ended. Where there are new accounting standards or policies that become effective during the year, the impact of adoption of these new standards would be stated in the notes to the financial statements, accordingly.

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

i) adopted appropriate accounting policies which were consistently applied;

ii) made judgments and used estimates that are reasonable under the circumstances;

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

iv) assessed the Group and the Company's ability to continue as a going concern and that the going concern basis of accounting is appropriate.

The Directors are responsible for ensuring that the Group and the Company keep accounting and other records in a manner to sufficiently explain transactions and to enable the preparation of financial statements that comply with the provisions of the Act.

The Directors have also taken such steps to have in place a system of internal control that will provide reasonable assurance that the assets of the Group and the Company are safeguarded against loss from unauthorised use or disposition.

II. Risk Management and Internal Control Framework

The Board is responsible for establishing and maintaining a sound risk management framework 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 127 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 2021, IJM was covered by 20 research houses, of which 11, 5 and 4 had "Buy", "Hold" and "Sell" calls respectively.

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 shareholders at least 28 days before the date of the AGM.

All Directors had attended the AGM for the financial year ended 31 March 2020 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 shareholder's rights are available for reference at www.ijm.com.

The Company convened a virtual AGM last year and has adopted online remote voting for the conduct of poll on all resolutions. 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 shareholders and the 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 12 July 2021.

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.

Meetings and Minutes

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

Five (5) meetings were held during the financial year with the attendance of the Chief Executive Officer & Managing Director ("CEO & MD") (by invitation), the Chief Financial Officer ("CFO") (by invitation), the Chief Audit Executive ("CAE"), the Chief Risk Management & Integrity Officer ("CRMIO") (who participated since her appointment on 3 August 2020), 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 CAE 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.

Details of the Audit Committee members' attendance are tabled below:

		No. of meetings attended
1.	Pushpanathan A/L S A Kanagarayar *Independent Non-Executive Director (Chairman)*	5/5
2.	Datuk Ir Hamzah Bin Hasan *Independent Non-Executive Director*	5/5
3.	Tan Ting Min *(Independent Non-Executive Director*	5/5

Authority and Duties

The details of the terms of reference of the Audit Committee are available 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 2021. 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 the appropriate level of knowledge, skills, experience and commitment of its members are 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 2021.

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 have supported the Board in ensuring that the Group upholds appropriate standards of corporate governance.

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR

During the financial 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 policies that were applied and the use of certain critical accounting estimates and the exercise of their judgement in the process of applying the Group's accounting policies that may affect the financial results and statements; and
- Confirmed with Management and the external auditors that the Group's and the Company's annual audited financial statements have been prepared in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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 CAE twice during the year, without the presence of Management, to review key issues within the internal auditors' area of coverage and responsibility. During the private session with the CAE, 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 governance, risk and internal control weaknesses. The Audit Committee then discussed and considered those findings including the Management's responses thereon, before proposing that those noted weaknesses be rectified and recommendations for improvements be implemented where appropriate;
- Reviewed the internal auditors' findings on 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.

3.0 External Audit

- Reviewed and endorsed the external auditors' Audit Plan, including the areas of audit emphasis and their audit approach for this financial year;
- Exercised oversight over the scope of work of the external auditors to ensure that their coverage is sufficient;
- Reviewed the level and scope of assistance given by the internal auditors to the external auditors;

Audit Committee Report

- The Audit Committee reviewed and discussed the following with the external auditors:
  - the detailed terms of responsibilities and their scope of work as set out in the external auditors' engagement letter;
  - the overall work plan, including the audit approach and an overview on the areas of audit emphasis and fee proposal;
  - the significant audit and accounting matters identified during the course of the audit and the manner they were resolved;
  - results of their audit of accounting estimates and areas involving judgements;
  - the corrected and uncorrected misstatements noted during the audit; and
  - internal control recommendations made by the external auditors and the adequacy of Management's responses thereon;
- Reviewed and approved the provision of any non-audit services by the external auditors permissible for the external auditors to undertake, as provided under the By-Laws of the MIA.

  The amounts of the external audit fees and non-audit fees incurred for the financial year ended 31 March 2021 were as follows:

Fees incurred	Audit Fees RM'000	Non-Audit Fees RM'000
The Company	464	105
The Group	4,557	711

  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, on any concerns or issues affecting their areas of work, including the level of cooperation received from the Management and staff throughout the course of their engagement;
- Reviewed with the external auditors the results of their work and their audit report on the financial statements;
- Reviewed and assessed 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 the exercise of independence, objectivity and professional scepticism. The external auditors have confirmed their independence in accordance with the provisions of the By-Laws on Professional Independence of the MIA.

  Pursuant to the Group's Policy on Audit Partner rotation requirements, the Key Audit Partner ("KAP") include the Engagement Partner, Engagement Quality Control Reviewer and other KAPs on significant subsidiaries of the Group. 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 KAPs	7 years	2 years

  In the event of a former audit partner of the Group 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' performance, suitability and independence, the Audit Committee recommended to the Board that Messrs PricewaterhouseCoopers PLT be re-appointed 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 enterprise 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;
- Reviewed the monitoring reports and implementation progress arising from the Anti-Bribery and Corruption System ("ABCS") Policy that was developed to address the risk of fraud, misconducts, bribery and corruption as well as ensure adequate procedures were in place to mitigate against the risk of corporate liabilities arising from Section 17A of the Malaysian Anti-Corruption Commission Act ("MACC Act") 2009; and
- Reviewed and approved the annual enterprise risk management plan as proposed by the CRMIO to ensure the adequacy of the scope, resources and coverage of work.

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 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 (i.e. the CAE). He 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"). The CAE reports directly to the Audit Committee and administratively to the CEO & MD. The Audit Committee is satisfied that the internal auditors' independence have been maintained as adequate safeguards are in place. All internal auditors have signed 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 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 governance, risk and 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 governance, risk and controls which enable business issues to be assessed and managed;
- Assess and report on the effectiveness of management actions to address deficiencies in the framework of governance, risk and 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 and the provision of Level Three assurance.

The Internal Audit Plan for FY2021, which was approved by the Audit Committee in February 2020, reflected the Group's FY2021 Operational Plan that was prioritised following a risk-based assessment of its entire business landscape and a review against the Group's risk policies. The reviews carried out covered an extensive sample of controls over high and significant risk types (including related party transactions), business units and entities. Selective lower risk units were also included on a periodic rotation basis. During the year, the Internal Audit Plan for FY2022 was reviewed and approved by the Audit Committee in February 2021.

The IAD adopts a risk-based auditing approach, guided by the International Professional Practices Framework ("IPPF") issued by the IIA. 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;
- Exposure to committed and contingent liabilities; and
- Compliance with relevant laws, regulations and contractual obligations.

Audit Committee Report

All audit findings, for which root-cause analysis were conducted, are reported to the appropriate levels of Management when identified. Based on the scope of audits performed, IAD will state their overall opinion on the state of the audit unit's governance, risk and control processes. The Audit Committee received quarterly reports from the IAD on audit reviews carried out and Management's responses to the findings and progress in addressing identified issues. Members of Management were made responsible for ensuring that timely corrective actions on reported deficiencies were taken within the required timeframes. IAD conducted follow-up audits on key engagements to ensure that those corrective actions were implemented appropriately and timely. 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 staffing requirements to ensure that the function is adequately resourced.

The total cost incurred in managing the IAD for the financial year under review was RM3.0 million (FY2020: RM2.6 million).

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

Cost Category	% of total cost
Manpower	90%
Training	0%
Travelling (inclusive of accommodation)	1%
Overheads	9%

INTERNAL AUDIT ACTIVITIES FOR THE FINANCIAL YEAR

Notwithstanding the movement limitations and restrictions due to the Movement Control Orders imposed by the Government to address the COVID-19 pandemic during the financial year, the IAD completed and reported on 77 assignments where audit reviews were conducted and thus providing independent assessments covering all business divisions of the Group, as well as its overseas operations 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 the 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 24 audit assignments to the Audit Committee of IJMP which were included in the 77 assignments mentioned above.

IAD comprises 20 staff and their level of expertise and qualifications as at the end of 31 March 2021 was as follows:

Qualification 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 stay updated with current developments to equip themselves with the awareness to address new risks and knowledge to better understand existing ones. A total of 767 hours were spent on training and development, which averages 38 hours per person per annum. This is in addition to the numerous hours spent on self-learning for audit purposes. The above training and development hours were mainly accumulated by taking advantage of numerous free webinars offered by various professional bodies and subject matter experts. The categories of training attended are as follows:

Training & Development Category	Percentage of hours
Technical (e.g. auditing, accounting and tax)	55%
Management, leadership & soft skills	29%
Industry related trainings	16%

IJM is a Corporate Member of The IIA's Malaysia Chapter.

This Audit Committee Report is made in accordance with the resolution of the Board of Directors dated 12 July 2021.

Statement on Risk Management and Internal Control

The Board is committed to nurture and preserve, throughout IJM Corporation Berhad ("IJM" or "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 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 manage effectively 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 identified, mitigated and managed.

For the financial year ended 31 March 2021 ("FY2021"), 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 FY2021, 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 has been presented to the Board.

KEY FEATURES OF THE RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORKS

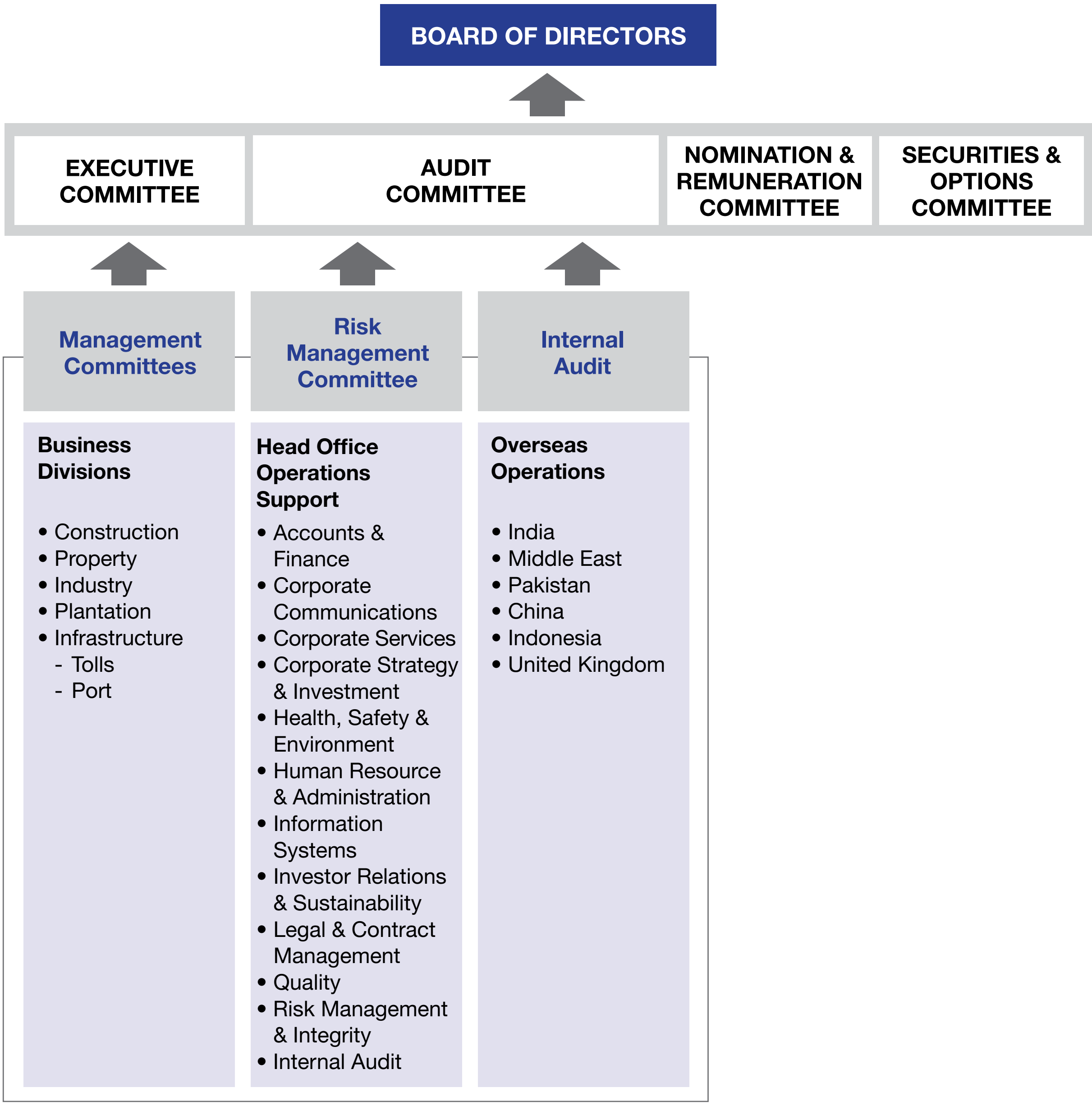
The Group has a well-defined organisational structure with clearly delineated lines of accountability, authority and responsibility to the Board, its committees and operating units. Key processes have been established in reviewing the adequacy and effectiveness of the risk management and internal control 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 by, including in 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, Board Committees and individual Directors 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 is 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 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 shareholders, stakeholders and the general public of the Group's performance whilst promoting transparency and open discussion.
- Annual validation of the Group's sustainability materiality matrix identified in FY2020 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. The reported sustainability data for FY2021 has been verified by the IAD.

3. **Policies, Procedures and Values**

- The Company's culture reflects its core values, behaviours and decisions. These form the basis of an effective risk management system and are reflected in the Company's statements of vision, mission and core values, codes or policies such as code of conduct and ethics, code of business conduct for third parties, human rights policy, 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 the 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.

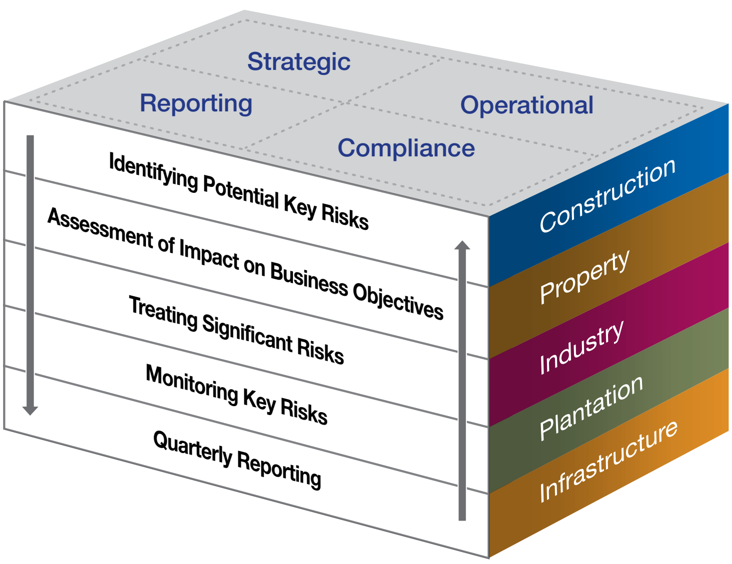
As the business risks profiles change, new areas are introduced for risk assessment and the necessary updates are made to the existing risk register.

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 & Integrity Department ("RMI")

With the Group's ongoing commitment to enhance the robustness of our risk and compliance framework, the RMI was established in FY2021 as a Group function assisting the Board, Audit Committee and Management in discharging their risk management responsibilities. The RMI is headed by the Chief Risk Management & Integrity Officer ("CRMIO") who was appointed with effect from 3 August 2020. The key roles and responsibilities of RMI are to provide support to both the Group and business divisions with regards to risk management implementation and activities, ensuring that risks are prudently identified, analysed and effectively managed. These included development and implementation of risk management and compliance strategies, as well as to spearhead and coordinate governance, risk management and compliance programmes across the Group.

Risk Management Process



Recognising the diverse nature and the challenges faced by the Group, RMI's programmes and activities are tailored to meet the specific needs and requirements of each of the business division. Risk management workshops for the Group were conducted during FY2021 in collaboration with an external consultant. The main objective of the engagement of the external consultant was to review the Group's current risk profiles in relation to business plans and to be in line with the strategic focus of all business divisions and the Group. Corruption risks were assessed concurrently during these workshops. The Audit Committee monitors the strategy and delivery of risk management and compliance programmes through progress reports submitted on a quarterly basis.

The other key role and responsibility of RMI include coordinating compliance programmes and activities to provide awareness, training and communication to employees on the risks of non-compliance, specifically in relation to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 ("MACC Act"). In an effort to provide assurance that the Group's operations and activities are conducted in line with key regulatory requirements, RMI facilitates the process of identification, analysis, evaluation, reporting and monitoring of the Group's state of compliance while continuously promoting the culture of integrity and ethics at IJM. RMI's activities with regards to anti-bribery and corruption are on page 126 of the Annual Report.

Risk assessment reviews

During FY2021, all business divisions performed their risk assessment and mitigation actions including internal control system reviews that 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 time frames. The management of the Group's significant risks identified for the financial year 2021 is outlined below:

Significant Risks			
Strategic	**Financial**	**Operational**	**Business Continuity**
• Economic • Political • Commodity • Currency • Regulatory	• Debt recovery • Working capital management	• Inadequate skilled workforce • Climate change • Physical progress	• Cybersecurity • Disaster recovery • COVID-19 pandemic

a) Strategic risk management

Strategic risks refer to the risks resulting from the inherent cyclical nature of the Group's businesses.

Economic risks

In the current economic climate of geopolitical tensions, the COVID-19 pandemic, volatility in the commodities market, interest rates and foreign exchange, the continuing trade tensions between the USA and China, the slowdown in the local and global economy are affecting the Group's overall economic performance. As a result of the pandemic, supply chain disruptions, increased cost of compliance to standard operating procedures and the frequent "stop-start" disruptions to work progress due to the government-imposed movement control orders have impacted on both the cost of projects and the ability to accrue revenue and profits. Under such extremely restrictive circumstances and challenging conditions, the Construction Division is also faced with derailed strategic business plans, manpower shortages; and stringent requirements and movement restrictions on foreign workers' accommodation. The decline in government infrastructure spending, fewer construction tender opportunities and the weaker demand in the property sector further contribute stress to the Construction Division and its order book enhancement.

The Property Division continued to face challenges of a subdued market as well as a higher number of properties available for sale in the market. The negative wealth effect arising from increasing unemployment and lower affordability caused by uncertainties of the pandemic remained a key deterrent for potential spending by property buyers. Delays in construction progress has a similar adverse impact on progressive revenue and profit recognition for the Property Division. The Division's immediate priority is to enhance liquidity by monetising its inventory of unsold completed stock.

Statement on Risk Management and Internal Control

During the financial year, the Industry Division's performance was affected by the lower demand for its piles and quarry products and lower selling prices mainly due to the slowing down of construction activities brought about by the COVID-19 pandemic restrictions. The government-imposed movement restrictions and directives in dealing with the COVID-19 pandemic have increased the cost to the Group as well as impacted 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 more local projects. During the financial year, the Group secured projects such as the construction and development of a retail mall, convention centre, hotel and office in Penang under The Light City project; construction and completion of the LHDNM Penang office; infrastructure building and public realm works at Tun Razak Exchange; and the design, construction and completion of a ramp on BESRAYA;
- 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 and Senai 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 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 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 increases, new taxes and renegotiation of major contracts. With the state of Emergency declared on 11 January 2021, 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 the COVID-19 pandemic and government-imposed movement restrictions in those countries. The Group will closely monitor and proactively manage the 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.

Commodity risks

The Construction, Property and Industry divisions are directly exposed to volatile material costs that can threaten profit margins and even cause the postponement of certain projects. The surge in building material prices for steel, copper and cement have put additional pressure on these divisions which are already being burdened by unexpected costs triggered by the pandemic. The current spike in prices is mainly due to the shortage of global supplies, difficulty in obtaining raw materials and logistics issues such as delays in the delivery of imported materials. The following measures have been put in place to mitigate this risk:

- Source for alternative suppliers;
- Increase the pool of approved suppliers;
- Close monitoring of costs;
- Purchase in bulk to enjoy discounts and economies of scale; and
- Revise the selling price where possible and to undertake value engineering to improve the efficiency of the design.

The Plantation Division is susceptible to commodity risks as palm products prices are subject to market volatility which affects its profitability. The Plantation Division manages such commodity risks with the following measures:

- constant monitoring of 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;
- entering into crude palm oil pricing swap arrangements with financial institutions as an additional hedge; and
- close monitoring of pricing trends of major oils and fats.

Currency risks

The Group's results are exposed to foreign currency fluctuations with respect to 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.

The Group continuously manages and monitors its regulatory risks through the following measures:

- being updated with the new laws or changes to laws and/or requirements by participating in seminars, conferences and training, 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 bodies and members, accounting, tax and legal experts to ensure compliance at all times.

The Group initially adopted an Anti-Bribery and Corruption ("ABC") Policy in 2019 in view of the introduction of *Section 17A of the MACC Act*. 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 FY2021, the Group, under the lead of the CRMIO, has undertaken risk assessments 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 lowering of toll rates by 18 per cent across all PLUS highways effective 1 February 2020, which is still applicable to date, 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 on the profitability and cash flows of the Group.

The government-imposed movement restrictions are aimed at restricting mass movement and gatherings to contain the COVID-19 pandemic and break the chain of transmission. The Group has complied with the directives 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. We will continue to comply with government directives and respond promptly to changes in a concerted effort towards containing the spread of COVID-19.

Other policies that 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. Together with the slower project approvals by authorities, 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;

Statement on Risk Management and Internal Control

- 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 & Contract Management Department provides legal input on compliance with applicable laws and regulations, including on business, contracts and operational matters.

b) Financial risk management

Debt recovery

This risk arises from the inability to recover debts in a timely manner and lower business activities during the government-imposed movement restriction periods which may affect the Group's profitability, liquidity, cash flows and funding. Such risks are more widespread in the Construction, Property and Industry Divisions' 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; and
- continuous financial planning taking into consideration the contractual obligations, financial impacts and liquidity requirements and optimising assets for healthy cash flows.

Working capital management

The Group closely monitors its operating cash flows by maintaining a sufficient level of cash or cash convertible investments to meet its working capital requirements. Thorough assessment of the Group's cash flows position is conducted through regular cash flows meetings to ensure that a healthy balance is maintained between the continuity of funding and financial flexibility through the availability of ample credit facilities.

c) Operational risk management

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 an inadequate skilled workforce. This risk is more acute in the Plantation Division where skilled workers are needed in 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, crèches, 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; and
- reviewing the remuneration benefits of workers from time to time to stay competitive.

To mitigate the risk of an 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.

Climate change risks are discussed at our Board Strategy rollout sessions surrounding how transition and physical risks affect the strategy of the respective divisions. This includes extreme weather impact on port operations, intense monsoon rains and rainfall impact on infrastructure construction as well as prolonged dry weather effects and severe flooding on the Plantation Division's crop productivity. To mitigate dry weather conditions and in anticipation of its recurrence in the future, the Plantation Division 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 fruits. The Division employs proper estate management to expeditiously evacuate crops for processing.

The Board members have also raised questions pertaining to the carbon footprint of different construction designs and raw materials such as concrete, and often encourage the management to increase its innovation and research into new building and construction ideas to tackle climate change risks. The Board is aware that such risks also affect the cost of borrowing as well as insurance premiums.

Physical progress risks

In any construction project, there may be delays in physical progress due to matters beyond the project management's control such as late handover of site possession. Such instances 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 is in place to seek extension of time, where necessary.

d) Business Continuity

Cybersecurity risk management

As we embrace digitalisation, we become increasingly exposed to security vulnerabilities, data breaches, online frauds and cyber-attacks, similar to other businesses. Digital technology is playing an irreplaceable role in providing the least disruptions to business operations and with necessary capabilities in ensuring the peace of mind of business partners and stakeholders through data security and privacy protection. In addition to the existing Information Security Management System ("ISMS") and ISO/IEC 27001:2013 certification, the Group has put in place the following initiatives:

- fully adopted the cloud technology for critical business systems, leveraging either on Software-as-a-Service ("SaaS"), or Infrastructure-as-a-Service ("IaaS") as a managed outsourced facility;
- continuously carried out risk reviews and introduced new controls in compliance with the recently established Enterprise Risk Management ("ERM") Policy and its methodology on risk assessment from the strategic, operational, reporting and compliance aspects, focusing on cybersecurity threats; and
- consistently explore, assess and propose additional investments in cyber risk assessments, technical controls; and specific awareness training covering members of the Board and all levels of employees, with target roll out in FY2022.

Disaster recovery management

Managing and maintaining business continuity and resilience are of utmost importance to the Group. We have established a Disaster Recovery ("DR") Plan to ensure continuity of key business operations in the event of Information and Communications Technology ("ICT") and natural disasters such as major equipment failures, cyber-attacks, virus outbreaks, fires, floods and earthquakes. The Group plans to upgrade the existing IT Service Management System ("ITSM") and ISO/IEC 20000:2011 certification to ISO/IEC 20000:2018, further demonstrating our commitment towards the enhancement of service levels and initiatives for continuous improvement. The implementation of the SAP Enterprise Resource Planning, Human Capital Management and e-Procurement systems has been successfully rolled out. Core production, supply chain, finance and human resource processes have been web-enabled allowing transactional and reporting activities to be unhindered by location. We have also commissioned a DR site for SAP to ensure a high degree of service availability. The Group has carried out its simulation exercises to prove the new DR facilities and their preparedness and effectiveness in safeguarding our processes from possible threats. We will continue to improve our capabilities in supporting and enhancing business continuity and resilience.

Pandemic risk management

A year since its outbreak in early 2020, the prevailing COVID-19 pandemic continues to overshadow other risks and has created intensely damaging global economic effects and unprecedented threats to lives and livelihood. While travel bans and movement control measures are absolutely essential in impeding the spread of COVID-19, the closure of businesses along with the unparalleled high level of job losses and unemployment have devastating economic costs on private consumption, economic activities and corporate performance.

Statement on Risk Management and Internal Control

The year 2020 saw the emergence of new ways for businesses and individuals to adapt to working and living amid the realities imposed by the pandemic. The Group swiftly responded to the situation by putting in place various safety and health measures to protect its stakeholders at its properties and work sites, including the establishment of crisis management teams, emergency response systems, physical distancing guidelines, work-from-home or split-team arrangements to reduce unnecessary contacts, distribution of face masks and sanitisers, issuing travel advisories for business and non-business travel, regular staff communication on health awareness, monitoring and declaration, temperature screenings, regular sanitisation of common areas, enforcing quarantine rules in accordance with health authorities guidelines and other standard operating procedures aimed at reducing the risk of infection.

The path to economic recovery hinges on the scale and effectiveness of vaccine rollouts, though uncertainties remained in light of the emergence of new virus variants globally. The Group strongly supports the COVID-19 vaccines and has been encouraging its employees to sign up for the vaccination programme through awareness videos and campaigns. The Group is also exploring opportunities with various government channels to purchase vaccines for its employees.

Greater adoption of digital communication was also necessary to overcome the restrictions imposed on physical meetings. The Group's critical business systems are fully accessible remotely to support the changing operating landscape brought about by the pandemic so that there will be minimal disruption to our operations. Our first fully virtual 36th Annual General Meeting was held on 22 September 2020 which further demonstrate our commitment towards continued innovation and progress whilst being responsive and remaining relevant to our stakeholders.

While key economic indicators are pointing towards an improving outlook for the Malaysian economy, the containment and actual impact of the COVID-19 pandemic remain uncertain; and the effectiveness of vaccines rollouts and rising infection rates continue to adversely affect global economic prospects.

6. Anti-Bribery and Corruption System

As part of the commitment in ensuring that all business dealings are conducted in an honest and ethical manner whilst maintaining the highest standard of integrity and corporate governance, various efforts have been undertaken by the Group. During the financial year, the Anti-Bribery and Corruption System ("ABCS") was formalised for the Group pursuant to Section 17A of the MACC Act which came into force on 1 June 2020. As an essential component of the Group's ABCS framework and to complement the existing Code of Conduct, the ABC Policy was adopted by the Company in April 2020, further formalising the Group's commitment to upholding and strengthening our corporate governance and ensuring our commitment to ethical conduct, integrity and accountability in all business activities and operations of the Group. The ABC Policy outlines key guiding principles and mitigating controls in place with regards to anti-bribery and corruption. It is guided by the Guidelines on Adequate Procedures issued in accordance with Section 17A of the MACC Act.

The ABC Policy has been published on both IJM's external website and the i-Portal with the intention to:

- set out the parameters including the main principles, policies and guidelines which the Group adopts in relation to anti-bribery and corruption;
- provide guidance to its Board members and employees whilst discharging their duties; and
- serve as guiding principles for its customers, business partners and stakeholders.

The objective of the ABC Policy is to continuously enforce the Group's Code of Conduct and business ethics in order to ensure that all directors and employees understand their responsibilities in compliance with the Group's zero-tolerance for bribery and corruption within the organisation. All directors and employees of the Group are required to read, understand and acknowledge the ABC Policy and the Code of Conduct & Ethics for Employees; and sign the Integrity Pledge in acknowledgement of their obligations and responsibilities. The Policy will be reviewed at least once every three years to ensure that it continues to remain relevant, appropriate and effective towards the enforcement of the principles highlighted therein and to ensure continued compliance with prevailing laws.

Since the introduction of Section 17A of the MACC Act, an ABCS implementation plan has been established to communicate and disseminate the ABC Policy throughout the Group through a series of awareness and training programmes including mandatory e-learning courses on ABCS that have been launched for our employees and members of the Board to enhance Group-wide awareness and understanding on Section 17A of the MACC Act and ABCS as well as to propagate a strong tone from the top and ethical culture within the Group.

The Group has also formalised the appointment of a Chief Risk Management & Integrity Officer ("CRMIO") and divisional Compliance Officers throughout the Group under the purview of the Audit Committee to support implementation of ABCS to increase the effectiveness and efficiency of the ongoing ABCS implementation efforts. Compliance with the ABC Policy will be monitored closely, both on an ongoing basis and in conjunction with the Group's Corruption Risks Assessment exercise to ensure the appropriateness of the mitigation measures established to minimise the exposure to these risks.

To ensure that business is conducted by conforming to the highest level of integrity and ethics, the ABC Policy and the Code of Business Conduct for Third Parties were also distributed to business partners in an effort to communicate the Group's stance on ABCS, in which they will be aware and acknowledge that reasonable and appropriate measures will be taken to demonstrate their commitment to act professionally and with integrity in all business dealings. A Due Diligence process has been embedded to ensure a viable potential defence to Section 17A of the MACC Act through a series of guidelines, assessments, reporting and monitoring implemented in alignment with MACC's Guidelines on Adequate Procedures. Additionally, clauses relating to ABCS have been incorporated in written agreements to ensure that business partners and suppliers to the Group understand their obligations and abide by the relevant laws and regulations. Continuous reinforcement of communications to our business partners and suppliers on our expectations in relation to ABCS are in progress.

Further to complying with the Adequate Procedures, other ABCS awareness initiatives conducted during the financial year included email blasts and reminders to all employees as an effort to inculcate and promote the culture of ethics and integrity. These communications cover areas pertaining to the Group's gifts policy, whistleblowing channel and the ABCS framework.

7. **Sustainability**

The Company had established a Group-wide governance framework for sustainability that defines and guides the Group towards impact-focused targets. The Board together with Management are responsible for the governance of sustainability and ensure the Group remains resilient and is able to deliver sustainable value to its stakeholders. The Board from time to time through Board meetings or sessions reviews the strategic plans and programmes for the Group; and emphasises that the strategic plan supports long term value creation and covers environmental, social and governance ("ESG") aspects.

The Group has been addressing material sustainability matters in line with the Group's sustainability framework and business strategies emphasising the key focus areas of Marketplace, Environment, Community and Workplace as elaborated separately in the Sustainability Statement found on pages 130 to 182 of the Annual Report.

8. **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 the *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 27 May 2021.

Sustainability Statement

INSIDE
THIS STATEMENT

Commitment to Sustainability

We embed sustainability into our products and services, and recognise the importance of incorporating the environmental, social and governance aspects throughout our business operations. This ensures we operate responsibly and are committed to our mission to deliver sustainable value to our stakeholders and enrich lives with the IJM *Mark of Excellence*.

Our approach to sustainability, elaborated through the **Marketplace**, **Environment**, **Workplace** and **Community** sections of this Statement, is fundamental to how we do business and is integrated across all our business divisions. We are committed to a sustainable business for the long term and aim to create a lasting value for our stakeholders.

STATEMENT OVERVIEW (GRI 102-50)

This statement covers our sustainability-related practices and performance for FY2021 and focuses on the topics that have been prioritised by our businesses as well as those identified by our key stakeholders as material to our businesses.

Frameworks and benchmarks (GRI 102-54)

As part of our sustainability journey, we continue to enhance our reporting framework to capture and communicate our sustainability-related commitments and performance to our stakeholders. This statement has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards – Core option, the world's most widely used standards for sustainability reporting that provides guidance suited for the IJM Group business model and complex operations. We apply the GRI's principles in defining report content and quality, as set out by the GRI Standards. Readers may refer to the full GRI Content Index that can be found on pages 179 to 181.

This statement is also aligned with locally and globally recognised disclosure frameworks and benchmarks such as Bursa Malaysia's Sustainability Reporting Guidelines, FTSE4Good Bursa Malaysia Index, MSCI ESG Indexes, Sustainable Development Goals ("SDGs"), Business for Societal Impact ("B4SI") Framework and Sustainability Accounting Standards Board ("SASB") Engineering & Construction Services sector disclosure. This Statement should be read in conjunction with the Annual Report 2021 and other sustainability-related disclosures on the Company's website.

Reporting period and scope (GRI 102-50, GRI 102-52)

This Statement covers IJM Group's sustainability performance of its business operations in Malaysia and Indonesia for the financial year from 1 April 2020 to 31 March 2021. The operations in Malaysia and Indonesia accounted for 77% and 9% of the Group's total operating revenue in FY2021 respectively.

Performance data (GRI 102-50, GRI 102-56)

This Statement includes data from IJM's subsidiaries but excludes data from associates and joint ventures outside of Management's control. Data presented in this Statement includes the comparative data from the previous two years. The data for FY2021 disclosed in this Statement has been verified by the Group's Internal Audit Department. IJM will explore the option of obtaining an independent third-party verification in the future.

Feedback (GRI 102-53)

We value the feedback of our stakeholders and welcome suggestions on how we can better improve our sustainability disclosure. Please share with us your questions and/or suggestions pertaining to this statement, which can be sent to ijmir@ijm.com.

Engaging with potential customers of Kuantan Port

SUSTAINABILITY GOVERNANCE (GRI 102-18)

Our sustainability commitments are governed by IJM's Group-wide sustainability governance framework, established in FY2017, led by the Board and supported by the Executive Committee and the Group Sustainability Steering Team in integrating sustainability practices across the Group. The committee advises on ESG strategies that shape the organisation's sustainability-related efforts across **Marketplace**, **Environment**, **Workplace** and **Community**.

IJM Group Sustainability Governance Framework

Board of Directors
Oversees the overall sustainability framework and provides strategic direction for sustainability-related initiatives across the Group

Audit Committee
Oversees any periodic and ad-hoc audit or assurance activities with respect to sustainability management and reporting processes

Executive Committee
Oversees the execution progress to ensure best practices are embedded across the Group

Group Sustainability Steering Team
Oversees the delivery of the Group's sustainability strategy and the production of the Group's sustainability statement

Business Division Sustainability Steering Teams
Drive and implement sustainability-related initiatives within respective business divisions in line with the Group's sustainability strategy

Business Division Sustainability Working Teams
Provide support in implementing and monitoring sustainability-related initiatives within respective business divisions

Commitment to Sustainability

ENGAGING WITH STAKEHOLDERS (GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44)

In September 2020, the World Economic Forum released a white paper on stakeholder capitalism metrics, recognising that companies that hold themselves accountable to their stakeholders and increase transparency will be more viable – and valuable – in the long-term. Hence, we are committed to staying involved and connected with our stakeholders to build a stronger and longer-lasting relationship. In line with SDG 17 *Partnership for the Goals*, we engage with our stakeholders through various channels to better understand their needs and concerns, which will guide us in formulating our sustainability strategy and efforts.

The table below outlines key engagement topics with various stakeholder groups in FY2021:

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.	**Why we engage:** Focus on customers' needs to identify opportunities to improve products and services.	**Why we engage:** Encourage our supply chain to adhere to high standards of professionalism and sustainable practices.
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 e.g. phone calls, emails, social media • Events and scheduled site visits	• Annual subcontractors'/ suppliers' HSE performance evaluations • Briefings such as product/ technology briefing sessions • Events and training • Tender sessions
Key Topics Raised	• Business outlook and strategy • COVID-19 impact on business • Financial and operational performance • Impact of government policies and regulations • Environment, social and governance ("ESG") practices and commitments • Risk management	• Product/service quality and support • Customer service and experience • ESG practices and commitments • Health, safety and environment ("HSE") practices and compliance • Responsible planting practices	• HSE practices and compliance • Legal compliance and contractual commitments • New equipment/technology reliability and performance • Product/service quality and delivery • Workers' welfare and well-being • ESG practices and commitments

Apart from stakeholder engagement, we also actively 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 actively partner with, can be found on our Company's website.

Regulators and Government Authorities	Media	Employees	Local Community, Industry Associations, Academia and Non-Governmental Organisations
Why we engage: Ensure that we comply with all laws and regulations that are relevant to our businesses.	**Why we engage:** Increase awareness and understanding of our businesses by providing timely and accurate information about the Group's products, services and financial performance.	**Why we engage:** Provide professional development and career progression opportunities to create a conducive and engaging workplace that values employees' contribution.	**Why we engage:** Foster collaborative partnerships and hold ongoing dialogues 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 training • Periodic site visits and audits • Periodic forums and online meetings	• 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 • Employees' wellness initiatives • Regional Alignment Forums, townhall and committee meetings • Social programmes via Kelab Sukan IJM, IJM Toastmasters Club • Training and workshops • Wellness /COVID-19 survey • Workplace and intranet	• Annual reports and social media • Community outreach and development programmes • Community engagements e.g. partnerships, dialogues, seminars and conferences • Company's website and advertisements • Educational briefings and site visits • Events e.g. Exhibitions, product launches and festive celebrations
• Adherence to COVID-19 preventive measures • Certifications and awards • Compliance with laws and regulations • Corporate governance • HSE practices and compliance • ESG practices and commitment • Industry updates and best practices	• The Group's financial and non-financial performance • The Group's strategy for growth and value creation	• COVID-19 impact on business and work arrangements • Employee engagement and development opportunities • Regular health and safety practices • ESG practices and commitments e.g. human rights and workplace conditions	• COVID-19 preventive measures • Community investment programmes and partnerships • ESG practices and commitment • The Group's branding and reputation • Industry-related developments, research and knowledge sharing • Regular local community engagements in the vicinity of our projects

Commitment to Sustainability

APPROACH TO MATERIALITY: IDENTIFYING OUR FOCUS AREAS (GRI 102-47)

A materiality assessment exercise is conducted annually with colleagues from all business divisions, including Group Services, to determine the environmental, social and governance ("ESG") topics that are key and relevant to our stakeholders and IJM Group.

Materiality Assessment

Phase 1

Identification of relevant ESG topics

Relevant ESG topics are identified through engagement with the business divisions, including Corporate Services to gather the insights of the ESG topics that they feel are important to IJM business operations.

Phase 2

Prioritisation of ESG topics

Relevant ESG topics identified are then consolidated and prioritised based on the significance to IJM business operations and importance to stakeholders.

Phase 3

Validation of ESG topics

ESG topics are validated and approved by the EXCO and the Board to ensure relevance and significance to IJM Group.

Phase 4

Reporting of ESG topics

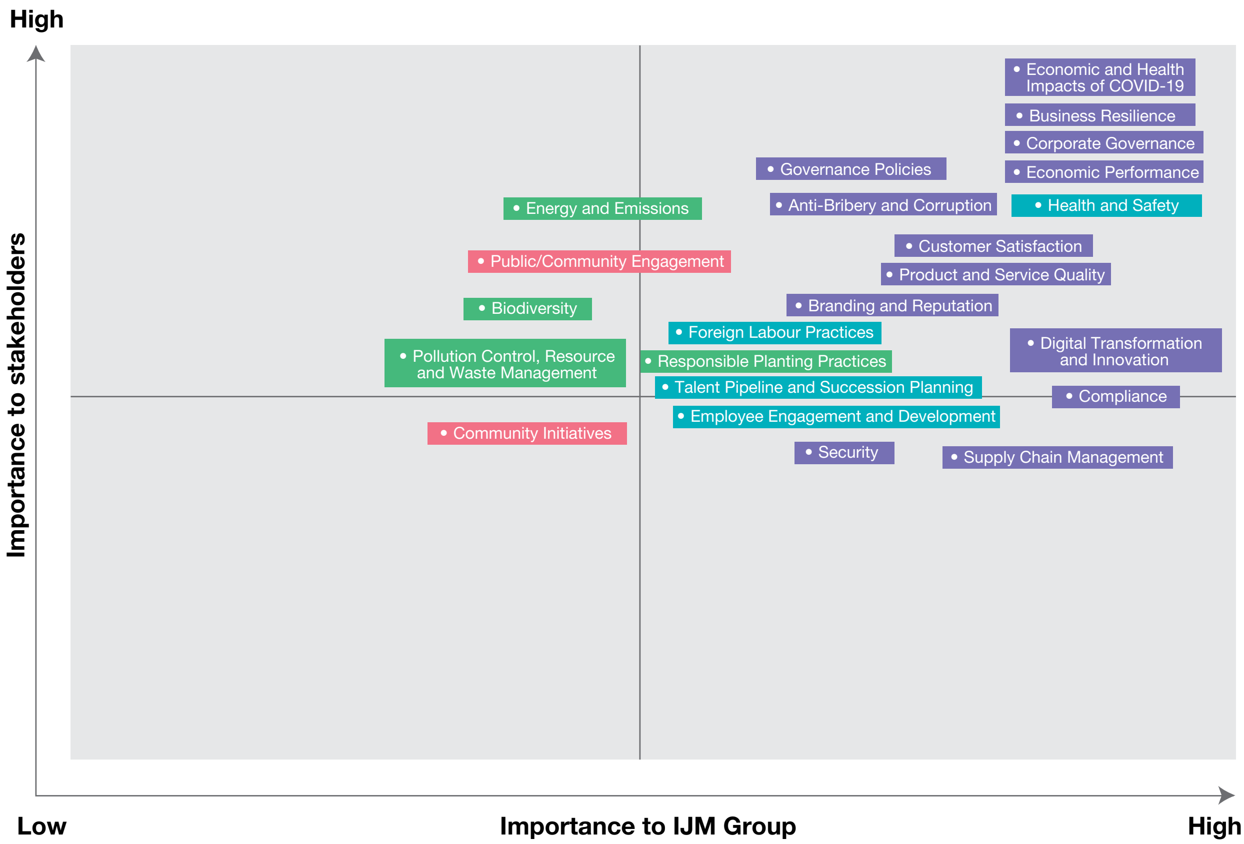
The materiality matrix and ESG topics are presented to our stakeholders through our annual Sustainability Statement.

Group Services and Divisional Sustainability Champions engaged via GoogleMeet for the materiality exercise

FY2021 Materiality Matrix

In FY2021, 23 material topics were plotted on the materiality matrix denoting the importance to stakeholders and the IJM Group, where the top right quadrant of the matrix contains sustainability topics that are most material. In addition, we also consider sustainability matters identified in the *Statement on Risk Management and Internal Control*, assessments by various financial and sustainability-related rating agencies, and research publications.

IJM Group's FY2021 Materiality Matrix



Legend:
Marketplace, Environment, Workplace, Community

Commitment to Sustainability

SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS (GRI 102-12)

SUSTAINABLE DEVELOPMENT GOALS

"The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries – developed and developing – in a global partnership."

United Nations Department of Economic and Social Affairs

In March 2021, the UN Global Compact Council adopted a new three-year strategy (UN Global Compact Strategy 2021-2023) to broaden business ambition. The plan calls for companies to increase their contributions and work towards achieving the Sustainable Development Goals ("SDGs"), the Paris Agreement on Climate Change and the Ten Principles of the UN Global Compact.

We acknowledge the importance of adopting these initiatives and measures. Hence, our sustainability pillars are aligned with the SDGs. The following table outlines the Goals that we believe are most relevant to our businesses.

SDGs	Description	IJM Group's Position
	Goal 3: Good Health and Well-Being Ensure healthy lives and promote well-being for all at all ages.	We place high importance on the health and safety of our stakeholders and proactively promote safety, health and well-being at the workplace and the communities we serve.
	Goal 5: Gender Equality Achieve gender equality and empower all women and girls.	We treat everyone with respect and uphold gender equality in hiring and employment, striving to provide a workplace where equal opportunities are given regardless of gender.
	Goal 7: Affordable and Clean Energy Increase substantially the share of renewable energy in the global energy mix.	We adopt cleaner energy to optimise the use of energy across all business divisions and explore renewable energy wherever possible.
	Goal 8: Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	We uphold fair employment practices, both for our people and across our supply chain, making a decent workplace for our employees.
	Goal 9: Industry, Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	We work with changemakers to incorporate innovative and creative solutions and promote sustainable practices across our business divisions.
	Goal 10: Reduced Inequalities Reduce inequality within and among countries.	We create equal opportunities for both our employees and communities.
	Goal 11: Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable.	We actively consider sustainable practices in our development and investment decisions across our business divisions.
	Goal 16: Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	We uphold integrity and compliance with all applicable laws and regulations across our business operations.
	Goal 17: Partnership for the Goals Strengthen the means of implementation and revitalise the global partnership for sustainable development.	We actively seek long-lasting partnerships and collaborations with our stakeholders, both locally and globally.

COVID-19: IJM GROUP'S RESPONSE

In 2020, the COVID-19 pandemic caused severe health and economic impacts across the world. Many countries are still dealing with an unprecedented challenge that affects people, communities and economies.

The pandemic was the top-most significant topic identified in our materiality matrix this year. We responded to the outbreak by tailoring policies and procedures according to the latest developments and guidelines provided by local and global authorities such as the Ministry of Health (Malaysia) and the World Health Organisation ("WHO"). The objectives were to keep our employees safe, build greater resilience across business operations, and support our local communities wherever possible.

Recognising the challenges and uncertainties, we made swift decisions, took decisive actions and adapted quickly to mitigate the long-term business impact. The diagram below refers:

Summary of our approach:

Step 1

Address business continuity

- Activate the Business Continuity Plan with adherence to the COVID-19 Standard Operating Procedures ("SOPs") for all operations to achieve full productivity
- Manage risks associated with operational disruptions due to the pandemic
- Ensure no disruptions of supply chain to support business
- Strengthen engagement and communications with stakeholders and customers

Step 2

Ensure liquidity and cost management

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

Step 3

Ready for the new norm

- Strengthen IT policies, infrastructure, cybersecurity and digital work processes to enhance workforce agility and productivity
- Prioritise 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

Commitment to Sustainability

COVID-19: IJM Group's Response

We are proud of the way our employees have rallied together in response to the COVID-19 pandemic, especially those who have ensured our business continuity throughout the pandemic and various movement restrictions. Our employees' health and safety continue to be our priority as we navigate the ongoing COVID-19 pandemic. Below outlines the responses from IJM Group across our four sustainability pillars – **Marketplace**, **Environment**, **Workplace** and **Community**.

Strengthening our supply chain across IJM Group

- Our employees in the essential services continued to work on site to ensure the Group's operational continuity
- Our Plantation Division ensured the steady supply of crude palm oil to the refineries
- Our Port and Toll Divisions continued to operate to ensure the smooth delivery of essential goods and services to the public
- Essential support services enabled our workforce to work from home with technology and administrative support

Employees in the essential services ensuring operational continuity

Stepping forward to support our community

- Contributed RM1 million to The Edge COVID-19 Epidemic Fund to support the healthcare workers and frontliners
- Coordinated with our partners and suppliers to respond to calls for personal protective equipment for healthcare workers and frontliners
- Distributed 30,000 face masks and 3,000 latex gloves to Wisma IJM's neighbouring community in Petaling Jaya
- Property Division provided financial aid to four non-profit old folks homes affected by COVID-19 in Seremban
- Port Division distributed more than 10,000 face masks to the Customs Department of Kuantan Port, health clinic frontliners and flood victims
- Toll Division provided packed food, dates and drinks during the Movement Control Order ("MCO") and the Ramadhan month for the Royal Malaysia Police and Malaysian Armed Forces manning roadblocks

Distribution of face masks and essential items to our local communities

"...While IJM is no stranger to surviving economic downturns, we've learned that fast, realistic and decisive adjustments have to be made according to changing circumstances.

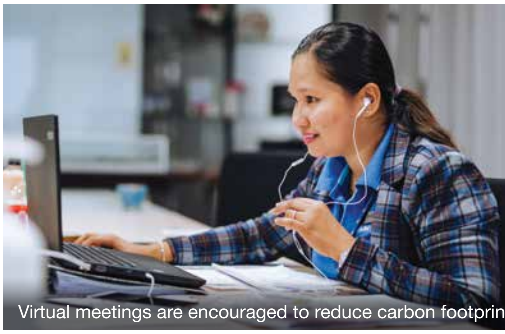
In times of crises, fear and panic seem like they might prevail - but they don't. Unity does. It is during this difficult and challenging time that we build CHARACTER. Together we can, and we will overcome this. Meanwhile, please continue to take every measure you can to stay safe and healthy at home. Last but not least, let's salute our frontliners for their contribution and sacrifices to safeguard our society and country."

Excerpt from CEO&MD's internal message, 6 April 2020

Capitalising on green opportunities

- Adapted our IT infrastructure to facilitate the work from home norm, thereby reducing our carbon footprint
- Continued our renewable energy adoption and energy efficiency initiatives despite weak global business outlook

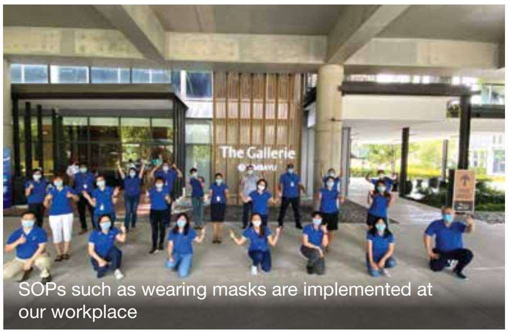

Group Human Resources briefed employees on COVID-19 and work from home arrangements prior to the Movement Control Order


Virtual meetings are encouraged to reduce carbon footprint

Ensuring the health, safety and well-being of our employees

- Developed IJM COVID-19 handbook for employees to minimise and prevent COVID-19 risk at the workplace
- Established a dedicated COVID-19 sectionin IJM's intranet that includes human resources advisory and guidelines, prevention plans, CEO&MD communication and a COVID-19 live map tracker
- Established a Daily Employee Self-Monitoring and Declaration process via Google form link
- Assembled a cross-functional task force to provide support in the areas of human resources, health and safety, IT and communications
- Implemented safety measures and SOPs at the workplace which include temperature screening, physical distancing and frequent sanitisation
- Established an Emergency Response Plan where affected individuals are isolated and vigorous contact tracing process is conducted in line with the quarantine and contact tracing requirements by the Ministry of Health


Safety measures at construction sites



SOPs such as wearing masks are implemented at our workplace

IJM COVID-19 Handbook

MARKETPLACE

Doing Good Business

OBJECTIVE

The ability to command the confidence of our customers, suppliers, business partners, investors, bankers, governments and regulatory bodies is of paramount importance to the Group's continued success.

INITIATIVE HIGHLIGHTS

- In FY2021, IJM won the Industry Excellence Awards in the Construction category at the Minority Shareholders Watch Group (MSWG)-ASEAN Corporate Governance Awards 2019 and the 2019 ASEAN Corporate Governance Scorecard Award - ASEAN Asset Class.
- IJM Land continued to be recognised as a top property developer in Malaysia and received various awards during the year
- IJM achieved customer satisfaction target scores across all our Divisions
- The Property Division received four High QLASSIC Achievement Awards at the CIDB QLASSIC Awards 2020 for our residential projects Austin Duta and Bandar Rimbayu
- Kuantan Port kicked off its Digital Transformation journey
- Industrialised Building System plant was completed in April 2021
- Anti-Bribery and Corruption System ("ABCS") 2.0 Self-Learning Module was launched across the Group
- Anti-Bribery Management System ("ABMS") townhall session was conducted at Kuantan Port
- IJM Group leveraged on technology to enable employees to work safely, securely and effectively from home

GRI STANDARDS SPECIFIC TOPICS

- GRI 201: Economic Performance
- GRI 205: Anti-corruption
- GRI 418: Customer Privacy

SDGs

Over the years, we have worked hard to build our business based on the highest standards of professionalism and ethical conduct. We are committed to high standards of corporate governance, upholding the trust in the IJM brand and ensuring customer satisfaction through our quality products and services.

> The last few months have demonstrated the adaptability and resilience of our business and people. The Group's fundamentals remain solid, anchored by our resilient portfolio of businesses and a strong balance sheet to weather short-term uncertainties.
>
> *Excerpt from The Malay Mail quoting IJM CEO&MD, 22 September 2020*

GOOD GOVERNANCE AND ETHICS (GRI 102-11, GRI 102-16)

Good corporate governance is fundamental in maintaining the trust of our stakeholders and guides our corporate strategy, risk management and business conduct. We are guided by the Malaysia Code on Corporate Governance in ensuring that the principles and best practices of good corporate governance are applied throughout the Group. Our corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement on pages 102 to 111 of the Annual Report. The Board is responsible for ensuring that IJM has the structure, strategy and people to deliver long term value to our shareholders.

In FY2021, IJM received the Industry Excellence Awards in the Construction category at the Minority Shareholders Watch Group (MSWG) ASEAN Corporate Governance Awards 2019 and the 2019 ASEAN Corporate Governance Scorecard Award - ASEAN Asset Class as a recognition of our efforts to elevate our corporate disclosure and practices.

Business ethics and policies

IJM's commitment to fostering a culture of responsibility and ethical behaviour is cascaded to all of our employees. They are required to adhere to IJM's Code of Conduct and Ethics for Employees, which prescribes the principles, rules and guidelines that define ethical behaviour in the Group. In addition, the Code of Business Conduct for Third Parties sets out the principles and standards that the Company expects third parties to conform to in their course of conducting business with the Group. During the financial year, the role of the Risk Management and Integrity Department was enhanced to oversee the implementation of ethics and integrity in the Group.

CEO&MD briefing analysts and fund managers on the Q4FY21 financial performance results online

MARKETPLACE Doing Good Business

In addition to the above-mentioned Codes, below are several other Company policies that govern the rules of conduct in IJM, that are also available on the Company's website:

Corporate Codes and Policies	
Board Diversity Policy	This policy sets out the approach to achieve diversity on the Board of Directors ("Board") of the Company.
Anti-Bribery and Corruption Policy	This policy forms part of the Anti-Bribery and Corruption System ("ABCS"). It aims to set out the parameters, including the main principles, policies and guidelines, which the Company adopts concerning anti-bribery and corruption.
Code of Conduct and Ethics for Employees	This code assists our employees in defining ethical standards and conduct in the course of work.
Code of Business Conduct for Third Parties	This code sets out the principles and standards that the Company expects third parties to conform to in their course of conducting business with the Company.
Corporate Disclosure Policy	This policy ensures shareholders and investors receive comprehensive, accurate and quality corporate information on a timely and even basis.
External Auditors Policy	This policy outlines the guidelines and procedures for the Audit Committee to assess and monitor external auditors.
Privacy Policy	This policy explains how the Company collects and handles personal information in accordance with the Personal Data Protection Act 2010 ("PDPA").
Remuneration Policy	This policy provides clear and guiding principles for determining the remuneration of the Board and Senior Management and aligns their interests with the interests of shareholders and with the Company's business strategies.
Whistleblowing Policy	This policy provides and facilitates a consistent and systematic process for the reporting of any actual or potential improper conduct.
Community Investment Policy	This policy defines areas in which the Company will contribute to the community across three pillars: Community Development, Sports and Education.
Diversity and Inclusion Policy	This policy aims to describe the Company's commitment to diversity and inclusion, and is aligned to one of IJM's core values, *Respect for Diversity*.
Environment Policy	This policy describes the Company's commitment to promoting a sustainable environment and acknowledges that we have a responsibility to protect the environment in all business activities and operations.
Human Rights Policy	This policy provides guiding principles to ensure that the Group adheres to fundamental human and labour rights and values to achieve organisational goals and maintain sustainable growth through a healthy, harmonious and professional workplace.
Responsible Supply Chain Policy	This policy aims to extend the Group's values and principles to suppliers, service providers and contractors to foster trust and long-term benefit to all stakeholders in our supply chain. The policy is underpinned by good ethics, a healthy and safe workplace that minimises the risk of violating human and social rights, sound environmental practices and strict compliance to local laws and regulations.
Occupational Safety and Health Policy	This policy describes the Company's commitment to creating, maintaining, and managing a safe and healthy working environment for our employees and safeguarding others affected by our operations and services.
Quality Policy	This policy aims to describe the Company's commitment to quality that is aligned to IJM's motto, *Excellence through Quality*.

Anti-bribery and corruption system (GRI 205-2, GRI 205-3)

We actively manage the Group's exposure to bribery and corruption risk by embedding robust internal controls across the business divisions. We emphasise good business ethics and transparency as our core approach to combating bribery and corruption risk. We have zero-tolerance for all forms of bribery and corruption and uphold all applicable laws concerning anti-bribery and corruption.

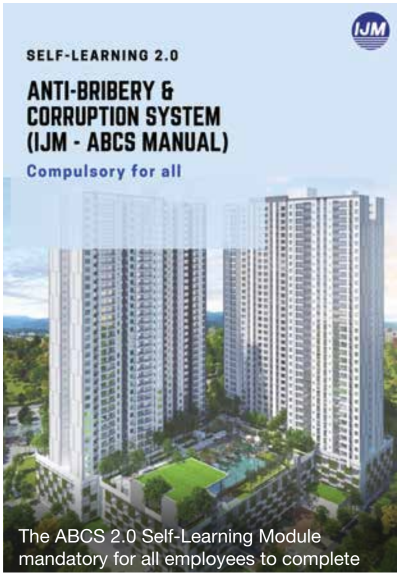
Our Anti-Bribery and Corruption System ("ABCS") is a management system that comprises a manual containing principles and policies that guide our ethical decisions and are implemented across the Group. It iterates our adherence to local laws and regulations, such as the amended Malaysian Anti-Corruption Commission Act 2018, which took effect on 1 June 2020.

All our employees are required to comply with our Anti-Bribery and Corruption Policy at all times. The Policy covers all elements and types of bribery and corruption to ensure our interactions with government authorities, investors, suppliers, contractors and business partners are conducted with high ethical standards. All investments, including mergers, acquisitions, joint ventures and projects, are reviewed for potential anti-bribery and corruption risks with appropriate due diligence conducted on the counterparty and owners of the counterparty, where relevant. In addition, we have implemented robust measures to mitigate corruption risks which are regularly assessed, monitored and audited.

Third parties performing work or services for or on behalf of IJM are also required to acknowledge conformity to the Code of Business Conduct for Third Parties, as well as comply with all applicable laws and our ABCS manual.

The Group continues to take all necessary measures to promote a culture of integrity through awareness campaigns and regular communication. All employees are expected to read, familiarise and strictly comply with the ABCS in carrying out their duties and a compulsory internal ABCS e-learning session is also conducted for all employees. In March 2021, we launched the ABCS 2.0 Self-Learning Module across the Group, which was compulsory for all employees to complete. The module will be periodically reviewed to ensure relevance and is up to date, in line with SDG 16 *Peace, Justice and Strong Institutions*, and our core value of *Integrity*. Dedicated communication channels on anti-bribery and corruption information to promote a culture of integrity and compliance is set up on our intranet. Relevant employees are also sent for external training on corporate liability and corruption risk management. In FY2021, there were zero confirmed incidences of corruption across IJM's business operations and there were zero monetary losses as a result of legal proceedings associated with charges of bribery or corruption.


Anti-Bribery Management System townhall session at Kuantan Port with the Senior Assistant Commissioner Malaysia Anti-Corruption Commission present



The ABCS 2.0 Self-Learning Module mandatory for all employees to complete

COMMITMENT TO QUALITY (GRI 102-16)

We continually improve our products and services to deliver on our motto of *Excellence through Quality*. All our business divisions implement management systems which are certified in accordance with relevant local and international benchmark standards. Guided by our Quality Management System framework and Quality Policy, which are available on the Company's website, we continuously enhance our skills, processes and quality management system.

MARKETPLACE Doing Good Business

The Construction, Property, Industry, Port and Toll Divisions are certified with the ISO 9001:2015 Quality Management System ("QMS"), the international standard that specifies requirements for a quality management system, demonstrating that our products and services are offered to meet customer and regulatory requirements. All our Divisions implement a systematic approach through our management systems and the Plan-Do-Check-Act work process that optimises available opportunities to acquire and retain customers while improving results.

The Construction Division implements a self-regulated assessment system, IJM Quality and Safety Assessment System ("IQSAS"), for civil engineering projects. This quality assessment framework is annually reviewed and continuously improved by our Quality Management Committee.

In addition, our adoption of the Quality Assessment System in Construction ("QLASSIC") also emphasises the importance we place in providing workmanship quality of the highest standards. QLASSIC is a system or method to measure and evaluate the workmanship quality of a building construction work based on Construction Industry Standard (CIS 7:2006).

In FY2021, our NPE Kuchai Link 2 was completed and assessed with an IQSAS score of 87%, well above our target score for civil engineering works of 85%. We received four High QLASSIC Achievement Awards at the CIDB QLASSIC Awards 2020 for our residential projects Bandar Rimbayu and Austin Duta. The QLASSIC score achieved was 84% for Bandar Rimbayu Phase 10B, 83% for Austin Duta Phase 5A & Phase 4, and 84% for Austin Duta Phase 5.

Our Industry Division's products are certified with the following:

- 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
- MS 1462 Metal scaffolding

Furthermore, 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.

The Plantation Division adheres to sustainable agriculture and aims to enhance credibility and build trust with our stakeholders. Our practices and product quality are externally accredited through both international and national certification schemes as well as the quality related management system certification schemes such as:

- The International Sustainability and Carbon Certification ("ISCC")
- Malaysian Sustainable Palm Oil ("MSPO")
- Indonesian Sustainable Palm Oil ("ISPO")
- GMP+ (Good Manufacturing Practices and integration of HACCP-Hazard Analysis and Critical Control Points) and
- Standard of Industrial Research Institute of Malaysia ("SIRIM") quality standards

Austin Duta received the High QLASSIC Achievement Awards at the CIDB QLASSIC Awards 2020

Successful recertification of ISCC and surveillance audits for MSPO and ISPO in all of Plantation's operations

ENSURING CUSTOMER SATISFACTION

As in the preceding years, customer satisfaction continues to be a material topic for all our Divisions. Despite the pandemic, we continue to engage with our customers to ensure we meet their requirements and deliver the best of our services, in line with our core value of *Customer Focus*.

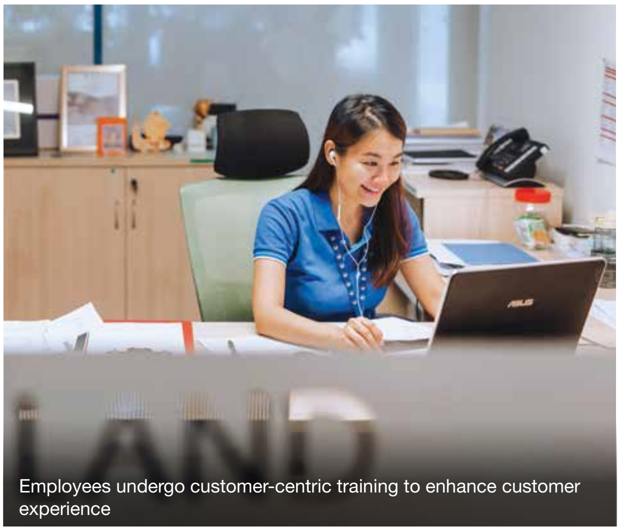
Customer satisfaction surveys help us understand matters and expectations that mean the most to our customers. The table below outlines our targets and outcomes of the surveys in FY2021 across our business divisions:

Business Divisions	Construction	Property	Industry	Port	Toll
	Customer satisfaction survey	Customer satisfaction survey	Customer satisfaction survey	Customer satisfaction survey	Highway users satisfaction survey
Target	80%	75%	80%	80%	85%
Performance	84%	75%	95%	92%	87%
Status	Achieved	Achieved	Achieved	Achieved	Achieved

The Property Division's Customer Satisfaction Score ("CSAT") and Net Promoter Score ("NPS") measurement systems are used to gauge satisfaction levels of IJM Land's products and services. In FY2021, the Property Division achieved a CSAT of 75% and an NPS of 29, indicating the willingness of our customers to provide positive word-of-mouth referrals. In addition, the Division conducts internal customer-centric staff training to ensure good service and improve our relationship with customers.

During the financial year, training consisted of online sessions that focused on knowledge sharing on various topics such as the use of virtual showrooms as well as on tile quality and workmanship. The Division also leveraged technology to drive better customer experience via virtual tours of our show unit and engaged prospective buyers via online sales presentations from the comfort of their homes.

The prevalence of most people working from home in 2020 has highlighted the importance of a well-planned home that is supported by surrounding amenities. Our developments incorporate flexible and open-plan spaces as well as energy-saving elements such as good ventilation and natural lighting. Our homes are built with high-speed broadband connectivity and fitted with 3-phase wiring that supports work from home.



Employees undergo customer-centric training to enhance customer experience

We create vibrant townships and well-designed homes that include security, connectivity and community facilities such as green spaces and commercial areas. For example, our S2 Heights township provides direct access to the Seremban 2 township, surrounding commercial areas such as Uptown Avenue, S2 Centrio, and Mydin Mall, as well as good connectivity to the North South Expressway.

MARKETPLACE Doing Good Business

The Toll Division ensures road user safety through a 24-hour Traffic Control and Surveillance System and regular traffic patrols. In addition to utilising the Malaysian Highway Road Accident Database and Analysis System, the Division also conducts regular road safety audits, accident investigations and plans appropriate actions and control measures to prevent road mishaps. Some of the implemented measures include installing blue flashing lights and anti-skid traverse bars to improve traffic attentiveness and discourage speeding. Our highways are also equipped with facilities such as pedestrian bridges, highway lighting systems and emergency telephones.


NPE highway LED lighting system

BRANDING AND REPUTATION

Delivering Inspired Solutions is our brand promise to all our stakeholders. For customers, we leverage on our decades of experience and know-how to provide solutions that will inspire better benefits for all. The IJM brand and reputation are also important differentiators for new business opportunities and for attracting talent.

IJM Land's brand philosophy focuses on going beyond customer satisfaction to retaining customers' loyalty and advocacy. The primary brand drivers for IJM Land have always been innovation, timeless quality, excellent customer service and responsible sustainable practices.

We put our customers' interests first and place a strong emphasis on ensuring that our developments create value, have good accessibility and are well connected with convenient amenities. We received several awards and accolades in FY2021 which are reported on pages 10 and 11 of the Annual Report.

"Last year gave us the opportunity to pause and reflect on what truly matters to us: our customers, colleagues and our community. With innovation being the lifeblood of IJM Land, we continued to invest our time in understanding our customers better and discovering where the new shifts in homes, lifestyles and experiences are heading. Instead of pushing our brand to our customers, we have focused our efforts on building customer tribes to share brand love."

Excerpt from The Star article quoting IJM Land Managing Director, 5 February 2021

IJM Land recognised in The Edge Top Property Developers Award 2020

FOSTERING DIGITALISATION AND INNOVATION IN PRACTICE

Adapting to new norms

We undertake digital transformation and innovation initiatives to enable and integrate technology across our business operations. Initiatives to support work from home were quickly established at the start of lockdowns and we continue to leverage on technology to enable us to work safely, securely and effectively. As the Group invests in new digital capabilities, corresponding efforts to address information risks are continually being assessed.

Digital transformation: Our change management framework

We completed the rollout of our digital backbone with SAP for Enterprise Resource Planning, Human Capital Management, and e-Procurement in December 2020. While some of our businesses have started using some SAP system components, fine-tuning processes across all businesses are ongoing in 2021.

Digital transformation and adoption has continued to accelerate across the business world. Our Change Management Framework was established to ensure a smooth transition of digital transformation across our business operations. The four pillars outline the key focus areas as shown below:

IJM's Change Management Framework

COMMUNICATION

Disseminate consistent messaging to raise awareness and create understanding about 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

ENGAGEMENT

Engage all employees to promote enthusiasm and foster buy-in

The Engagement Strategy and Plan covers the following:

- Engagement roadshows 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 includes the following 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

MARKETPLACE Doing Good Business

In September 2020, Kuantan Port formulated an actionable plan to transform into a digital-ready entity. After brainstorming sessions, crafting goals, strategies and action plans, a comprehensive Digital Roadmap that focuses on transforming our people, processes and use of technology marked the beginning of an exciting yet challenging journey for Kuantan Port towards meeting its vision - *To be the leading maritime hub, driving the region forward and accelerating the growth of our partners*.


Kuantan Port's Digital Roadmap Workshop

Building information modelling

Since 2016, we have been expanding our adoption of Building Information Modelling ("BIM") for our construction projects. The use of BIM during the pre-construction phase enables early visualisation and planning using 3D model-based simulation, promotes better coordination between trades and eases work for renovation and facilities management upon project completion. In FY2021, BIM was implemented in two new projects, namely, STC Hotel and The Light City Development.

The Common Data Environment ("CDE") was set up to overcome the challenges of working remotely during the COVID-19 pandemic. The CDE stores relevant project progress updates and information that is accessible to the BIM team, construction personnel and subcontractors. The CDE enhances work coordination and collaboration among various parties.

The growing demand for BIM implementation both globally and locally has provided a clear impetus for enhanced BIM knowledge sharing between the industry and higher education institutions. In collaboration with IEM and University of Nottingham Malaysia, we shared the application and utilisation of BIM in the construction process with more than 100 students from the Engineering Faculty, under the theme *Building Information Modelling: The Catalyst for the Construction Industry*. The collaboration was also part of our aim to ensure sustainable development within the construction industry by embedding and developing BIM knowledge and intellectual aspects, practical skills and transferable skills among students.

Reinventing the home buying experience

During the COVID-19 pandemic, IJM Land has leveraged on technology to drive better customer experience and engage prospective buyers.

We conducted virtual site tours and viewings, marketed and communicated using multiple online platforms as well as provided e-brochures, 360-degree walkthroughs of IJM Land developments and show units, curated engaging content for social media and upgraded our website for customers to book and secure their desired units.

We also initiated the unit selection phase and signing of Sale and Purchase Agreements through video conferencing, which facilitated transactions without the need for buyers to be physically present.

In FY2021, IJM Land executed its first digital balloting for Phase 1 of Starling in Bandar Rimbayu via its official Facebook page to ensure transparency, accountability and fairness during the balloting process.


First digital balloting for Starling, Bandar Rimbayu

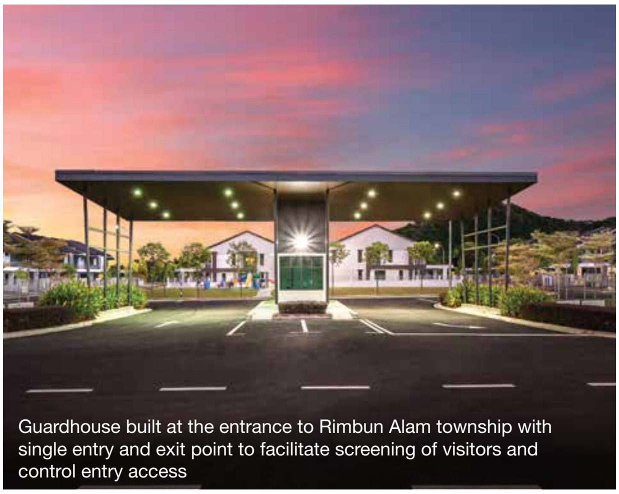
Industrialised building system – the smarter way to build

IJM invested in a fully automated Industry 4.0 Industrialised Building System ("IBS") to produce IBS precast products in support of the Construction Industry Transformation Programme ("CITP"). The adoption of the IBS system enables us to deliver end products that are of higher quality and precision for our customers ranging from affordable housing, low- and high-rise residential, commercial buildings to public infrastructure such as schools and hospitals. The construction components are manufactured off-site and require site work on installation, hence reducing reliance on foreign workers and improving safety issues.

Our IBS plant that is located in Bestari Jaya, Kuala Selangor was completed in April 2021 and has an annual output capacity of 500,000 square metres. The plant has recently undertaken its testing and commission phase and is awaiting relevant approvals to commence business operations.

SECURITY

Security is a material issue for all our Divisions. The Property Division is committed to implementing various initiatives to mitigate safety and security concerns at our townships apart from providing continued peace of mind for our residents. Our townships and facilities incorporate an approach known as Crime Prevention by Environmental Design ("CPTED"), which entails a natural form of surveillance on top of other security measures, like CCTV surveillance, adequate street lighting and round the clock guard patrols to reduce criminal opportunities and provide a safer environment for all residents.



Guardhouse built at the entrance to Rimbun Alam township with single entry and exit point to facilitate screening of visitors and control entry access

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.

The Plantation Division has protected its employees from unauthorised entry through a closed-door policy for safety and security reasons during the nationwide MCO. The collaboration with local government agencies has also ensured the safety of our estates and employees living within the operational areas. In addition, regular patrolling by internal security personnel and *Rukun Tetangga* patrol teams further contribute to a safe and secure working environment.

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. In addition, there are strict requirements for entrance permits under the National Security Council, unauthorised access restrictions to ships and port facility areas, and the control of port facilities through CCTV surveillance and physical patrolling.

Berthing of ship at the Kuantan Port

For the Toll Division, CCTV cameras are installed at toll plaza areas to monitor highway movements; and at gated walkways assigned to our toll collectors and operational staff for their safety. In addition, security guards are appointed around toll plaza areas to ensure that only authorised employees are allowed to enter certain areas.

MARKETPLACE Doing Good Business

DATA PRIVACY AND PROTECTION (GRI 418-1)

Digitalisation and information technology systems are becoming increasingly important in our operations. Hence, customer data privacy and protection are of utmost importance to us. Therefore, we ensure our business is conducted in strict adherence to the Personal Data Protection Act 2010 ("PDPA"). We established a Privacy Policy to communicate the processing guidelines for collecting, recording, holding or storing our customers' personal data. Furthermore, we are certified with the ISO/IEC 27001:2013 Information Security Management System ("ISMS") and ISO/IEC 20000-1:2011 Information Technology Service Management System ("ITSMS").

We have duly obtained the consent of all our customers before processing their personal data, taken reasonable steps to secure and protect their personal data, and we do not retain their personal data longer than the period for which the information is required. The Privacy Policy, in both English and Bahasa Malaysia, is published on the Company's website.

In FY2021, we recorded zero substantiated complaints concerning breaches of customer privacy and zero cases of identified leaks, thefts, or loss of customer data. We will continue to protect our customers' data privacy across our business divisions, and our Privacy Policy will be reviewed regularly in compliance with the PDPA 2010.

Our PDPA approach:

WHAT? Information we collect	HOW? We collect the information	WHY? We collect the information
Personal information (e.g. name, age, telephone, email address etc)	**Through our forms, in electronic or hardcopy format**	**For those purposes provided for in any particular service or product offered by us or our business partners**
Type of loans applied in relation to the purchase of property	**Through business cards or other information provided to us**	**For administrating customer relationship management procedures**
Third party information (e.g. emergency contact person, tenant, authorised representatives, contractors, lawyers and financiers)	**Through any correspondence that we have received from you requesting for information or making inquiries**	**For internal record keeping**
		For marketing, client profiling and business development purposes
		For processing applications under any of our programmes
		For administrating scholarship application procedures
		For complying with any legal or regulatory requirements

RESPONSIBLE SUPPLY CHAIN (GRI 102-9)

Given the nature of our businesses, we rely on diverse suppliers, service providers and contractors locally and globally for materials and services essential to our operations.

We established a Responsible Supply Chain Policy to ensure alignment of the Group's values and principles to foster trust and long-term benefit to all stakeholders in our supply chain.

Responsible Supply Chain Policy

We aim to extend the Group's values and principles to our suppliers, service providers and contractors in order to foster trust and long-term benefit to all stakeholders in our supply chain underpinned by good ethics, a healthy and safe workplace, capable of minimising the risk of violating human and social rights, good environmental practices and ensuring strict compliance to local laws and regulations.

ENVIRONMENT

Environment compliance

We expect our suppliers, service providers and contractors to be respectful in their interactions with the environment by adhering to all applicable environmental legislation, preventing pollution and adopting best practices in accordance with the Group's environmental management system

SOCIAL

Health and safety

We expect our suppliers, service providers and contractors to have the necessary health and safety measures in place to minimise workplace risks and hazards

Human rights and labour

We expect our suppliers, service providers and contractors to demonstrate their commitment to human rights standards and laws

GOVERNANCE

Ethics and governance

We expect our suppliers, service providers and contractors to adhere to integrity and ethical business practices as outlined in the Group's Code of Conduct and Ethics

In addition to our Responsible Supply Chain Policy, our Code of Business Conduct for Third Parties sets out fundamental principles and standards where our Third Parties are required to conform in their course of conducting business with the Group. This includes, but is not limited to all vendors, suppliers, service providers, contractors, subcontractors, consultants, agents, representatives and any other persons or entities who provide work, goods or services or act for or on behalf of the Group.

Any violations and/or non-compliance with this Code shall be taken seriously and may result in, among others, termination of the Group's contract with the Third Parties. The Code of Business Conduct for Third Parties and the Responsible Supply Chain Policy are available on our Company's website.

ENVIRONMENT

Protecting the Environment

OBJECTIVE

The protection and preservation of the environment is integral to the Group's corporate policy and philosophy.

INITIATIVE HIGHLIGHTS

- 46% of IJM Group's energy use is from renewable sources
- The Industry Division's Nilai Industrial Concrete Products ("ICP") factory is the sixth to be installed with rooftop solar photovoltaic system
- The Industry Division saw reduced carbon emissions of 33,189 tCO_2e from the utilisation of Polycarboxylic Ether ("PCE") additives in the manufacturing process
- LED lights are installed throughout the Toll Division's Besraya Highway and New Pantai Expressway
- Toll Division was certified with the ISO 14001:2015 in June 2020

GRI STANDARDS SPECIFIC TOPICS

- GRI 302: Energy
- GRI 303: Water
- GRI 304: Biodiversity
- GRI 305: Emissions
- GRI 306: Waste

SDGs

IJM is committed to protecting the environment and ensuring that our commitment is shared by our business partners and our supply chain, as guided by our Policy Statement on Environment. Every year, all our business operations strive to reduce pollution and the amount of waste we generate, maintain sustainable consumption of electricity and water, reduce carbon emissions and protect biodiversity in the areas where we operate. We implement our Environmental Management System ("EMS") to streamline environmental best practices across the Group.

In FY2021, the Construction, Property and Industry Divisions have maintained their ISO 14001:2015 certification, while our Toll Division was certified with the ISO 14001:2015 in June 2020.

Toll Division's ISO 14001:2015 certification ceremony

RESPONDING TO CLIMATE CHANGE

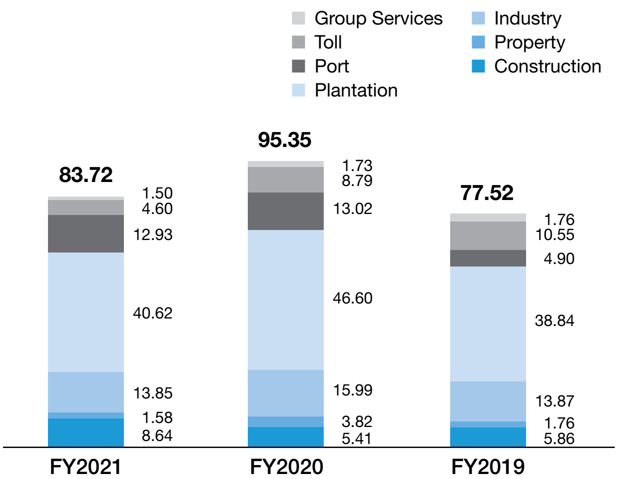
The World Economic Forum's Global Risk Report 2021 continues to list climate change and environmental degradation as a top global risk. Extreme weather, climate action failure, human environmental damage and biodiversity loss remain among the top global risks by likelihood and impact. The Malaysian Government has formed the Malaysia Climate Change Action Council (MyCAC) as its main platform for setting the direction, discussing climate change policies and actions, driving green economic growth, catalysing green technology and low-carbon growth at all levels. The Joint Commission on Climate Change ("JC3") was formed in 2019 with the intention of pursuing collaborative actions for building climate resilience within the Malaysia financial sector. JC3 is co-chaired by the Securities Commission and Bank Negara Malaysia and comprises Bursa Malaysia and 19 other industry participants.

We recognise that the current CO_2 emission pathways present risks and opportunities to the Group's various businesses. We have been building internal capacity to address the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and will be deliberating to address climate risks and opportunities as part of our update to the Group's Sustainability Roadmap. Our climate risk exposure is addressed in the *Statement on Risk Management and Internal Control* on page 124.

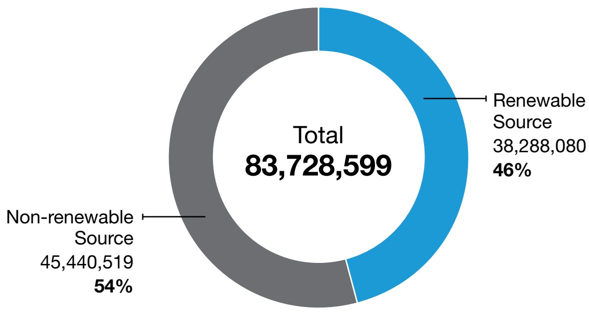
Driving energy efficiency (GRI 302-1, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-5)

In FY2021, we continued to promote the efficient use of energy throughout our operations as a means of climate mitigation and to reduce greenhouse gas ("GHG") emissions, despite the nationwide MCO. As a Group, we consumed 83.7 million kWh of energy, where the Plantation, Industry and Port Divisions collectively constituted 81% of the total consumption. Our main sources of energy are from the power utility, biomass and solar whereby renewable and non-renewable sources constituted 46% and 54% of our total energy consumption respectively.

Total Energy Consumption by Division (kWh)



Total Renewable and Non-renewable Energy Consumption in FY2021 (kWh)

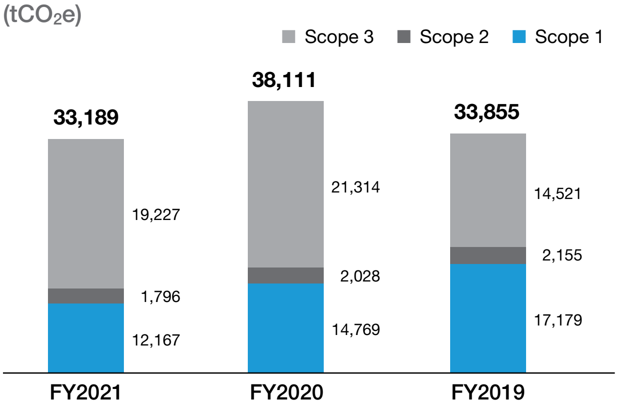


ENVIRONMENT Protecting the Environment

In FY2009, the Industry Division started utilising PCE additives in the manufacturing process of piles, which resulted in a reduction in fuel consumption and an increase in productivity due to the faster curing time. In addition, the use of PCE additives also resulted in a reduction of cement consumption, which is a major raw material. Including the emissions reduction of 33,189 tCO_2e in the current year, the cumulative emissions reduction since the baseline year of FY2008 amounts to 329,355 tCO_2e .

The Industry Division has also progressively installed rooftop solar photovoltaic ("PV") systems at six of our ICP factories since 2016. This has resulted in a cumulative total of 7,554 tCO_2e avoided since then, mainly arising from Scope 2 emissions reduction.

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

Solar energy generated by Industry Division's factories

Factories	Kapar	Jawi	Senai	Ulu Choh	Lumut	Nilai
Solar capacity (kWp)	445	700	666	900	776	297
Total solar energy generated in FY2021 (kWh)	406,986	631,340	182,772	772,604	560,830	32,971

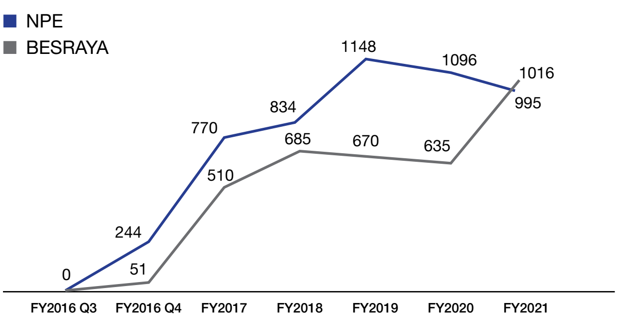
Rooftop solar PV systems at our ICP factories

The Plantation Division utilises toolkits aligned to the EU Renewable Energy Directive and guidelines from the ISCC 205-Greenhouse Gas Emissions 3.0 and the Greenhouse Gas Protocol accounting standard to monitor and manage GHG emissions at their operations. In FY2021, the division generated a total of 230,096 tCO_2e from both its Malaysian and Indonesian operations. Further carbon emissions and reduction strategies and efforts are elaborated in the IJM Plantations Berhad Annual Report 2021.

The Port Division uses hybrid rubber-tired gantry cranes to reduce emissions and cut cost and noise while ensuring containers are handled in a safer, more productive and reliable manner. The Division will be replacing conventional bulbs with energy saving LED lighting for all high masts within the operation to further conserve energy. The replacement, which will be carried out in stages and scheduled to be completed by the end of this year, is expected to see 15% in energy savings.

The Toll Division's Besraya Highway ("BESRAYA") and New Pantai Expressway ("NPE") are fully illuminated with LED lights and have seen cost savings of 53% and 50% respectively for the reporting year with a cumulative emission reduction of 8,655 tCO_2e since its base year of FY2016.

Annual CO_2 Emissions Reduction Following Installation of LED Lighting (tCO_2e)



Our involvement with industry and stakeholders

Through our partnerships and collaborations, we continue to promote low-carbon and sustainable practices among developers and construction industry players in Malaysia. IJM is part of working groups and committees to advance sustainability rating tools in the areas of environmental management and green technology such as the CIDB's Sustainable Infrastructure Rating Tool ("Sustainable INFRASTAR"). The rating tool addresses environmental concerns and covers infrastructure construction, water and wastewater treatment plants, airports rail links, jetties and marinas, sewerage pipe networks and telecommunication networks. 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.

Mitigating through green buildings

We recognise that green building designs and development help mitigate climate change and improve the environment and public health. In line with SDG 9 *Industry, Innovation and Infrastructure*, we work with clients and incorporate energy and resource efficient features into our green building projects, building resilient infrastructures, promoting sustainable industrialisation and fostering innovation.

List of IJM's completed green building projects

Green Building Index (GBI)

- The Address
- Bandar Rimbayu
- G Tower
- 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 (Secoya Residences)

Leadership in Energy and Environmental Design (LEED)

- Menara Prudential

Earth Hour 2021

IJM Group's investment property, Menara Prudential, is a green building that has several sustainable features such as smart meters for energy efficiency, a rainwater harvesting system, advanced security features as well as being disabled friendly. In support of Earth Hour on 27 March 2021, all non-essential lights at Menara Prudential were turned off for an hour to raise awareness and inspire people to take action on environmental issues.

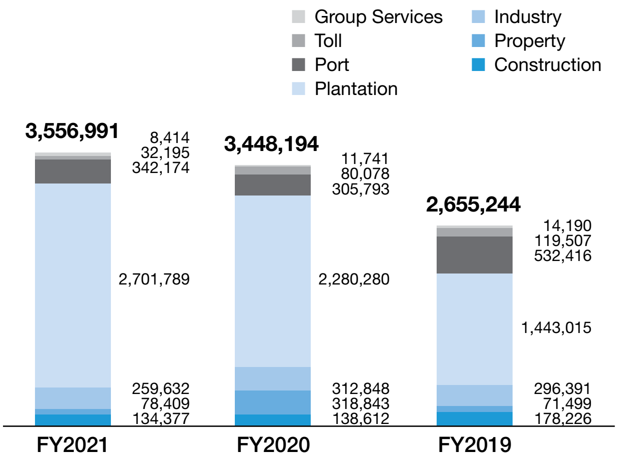
All non-essential lights at Menara Prudential turned off for Earth Hour

RESPONSIBLE WATER USE (GRI 303-1, GRI 303-2, GRI 303-5)

Water is essential for our businesses and we utilise water responsibly and in a sustainable manner. In FY2021, IJM Group consumed 3.56 million m³ of water where the Plantation and Port Divisions accounted for 86% of our total water consumption.

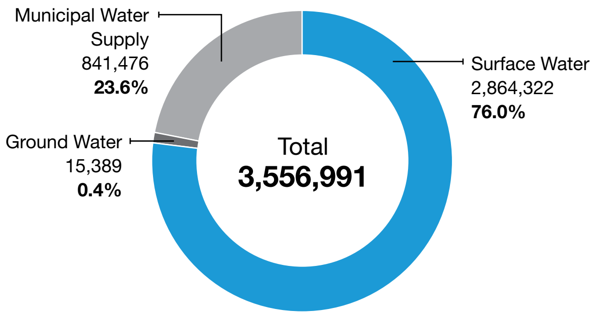
The increase in water consumption by the Divisions is due to the operation of a new palm oil mill in Indonesia and an increase in dust control due to increased cargo volume at the cargo yard. During the reporting year, we adhered to water quality and quantity permits, standards and regulations.

Total Water Consumption by Division (m³)



ENVIRONMENT Protecting the Environment

Total Water Consumption by Source in FY2021 (m³)

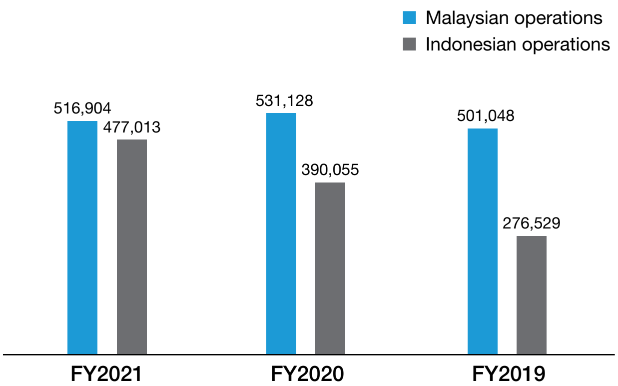


We invest in water treatment systems at projects with high water discharge to manage our water footprint and meet environmental standards. Chemical agents are added into water that passes through the treatment systems to reduce suspended solids content to below 50 mg/litre. Treated water is then discharged into the public drainage system or recycled for further use at our project sites. This process is implemented at appropriate stages of the construction cycle, while at project sites with low water discharge, conventional water treatment methods such as silt traps and sedimentation ponds are implemented.


Water treatment system used at our The Light City project

Water management plans and audits are implemented to manage wastewater generated from palm oil milling activities at the Plantation Division. In FY2021, 993,917m³ of POME was treated to meet permissible quality limits before being channelled for reuse to irrigate the fields. Water discharge samples are collected and sent for third-party laboratory testings to ensure that the Biochemical Oxygen Demand ("BOD") and Chemical Oxygen Demand ("COD") contents are within stipulated limits before being reused to avoid pollution and contamination.

Total POME Generated from Oil Palm Mill Operations (m³)




Environmental monitoring programme across our Plantation operations

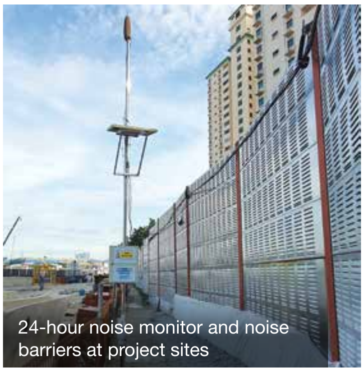
Several Divisions have implemented rainwater harvesting systems to reduce our consumption of water.

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

The Plantation Division ensures treated water samples are tested and its quality is in compliance with the World Health Organisation drinking water standards. Treated water is then supplied to all employees within the operations.

PREVENTING POLLUTION

At IJM, we manage our environmental risks and aim to prevent pollution at our work sites. Through our Environmental Management Plan, we regularly monitor the quality of water discharge, air, noise and vibration levels at all our sites to ensure compliance with regulatory limits. In addition, measures and procedures are in place to prevent operational spills. In FY2021, no significant spills were reported.


24-hour noise monitor and noise barriers at project sites

Our Erosion and Sedimentation Control Plan ensures we implement best management practices to control erosion and sedimentation impacts from our construction activities. Groundcover, turfing, vegetation and hydroseeding are some of the measures used to prevent slope erosion. In addition, we use silt traps and fences, temporary check dams at drainage systems and slope protection that prevents surface runoff and avoid the pollution of water sources.


Silt trap used to prevent surface runoff and avoid water pollution

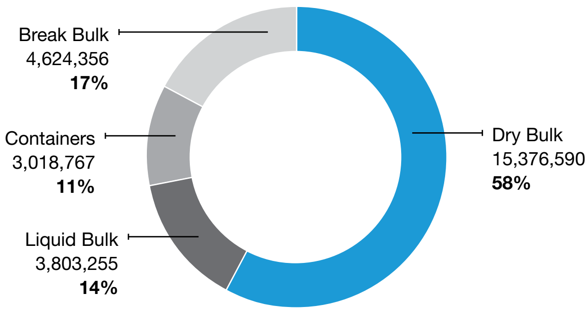
The Property Division carries out an Environment Impact Assessment ("EIA") for all on-going and new projects that are more than 50 hectares. The Division also adopts the Environmental Quality Monitoring Programme that monitors and minimises pollution risks at our projects, in compliance with the EIA requirements.

For the Industry Division, quarrying is a prescribed activity under the Environmental Quality Act 1974, Act 127, which mandates EIA as a prerequisite prior to approval by the Department of Environment. In addition, the Division complies with all requirements as needed by other regulatory bodies such as the DOSH, Department of Mineral and Geoscience Malaysia, Land Office and the Forestry Department. The Division also monitors air, water and noise quality on a quarterly basis. At the quarries, best practices are incorporated to reduce air, water and noise pollution such as through the use of water sprinklers, sediment basins and sound level meters. Kelat Paya trees are used as dust barriers to protect the surrounding environment. In addition, the Division implements hydroseeding on slopes to control soil erosion on hillsides.


Gabion mattress used for temporary slope protection

The Port Division uses a conveyor system that helps reduce cargo spillage at port roads, berth areas, trenches and the sea. The Division also maintains efforts to reduce air pollution through the use of fog cannons, sprinklers and washing bays on cargo trucks at the yard area and exit gate before they go on public roads.

Port Division's Throughput by Cargo Type in FY2021 (Freight Weight Tonnes)



Our Toll Division has proper measures in place and works with relevant parties to minimise the impact of flash floods. During the reporting year, flash floods occurred at BESRAYA and NPE areas due to neighbouring construction works and drainage capacity issues respectively. The Division engaged with the Kajang Municipal Council, the Department of Irrigation and Drainage and the Petaling Jaya City Council to ensure mitigation plans are in place and the existing drainage system is improved, maintained and regularly monitored.


Dust control via the automated wash trough

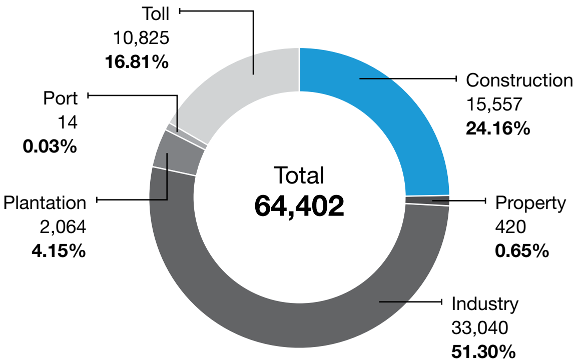
ENVIRONMENT Protecting the Environment

REDUCING AND MANAGING WASTE (GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5)

IJM remains committed in managing our waste according to local waste regulations to minimise impacts on the environment and the communities where we operate. We generate different types of waste that includes scheduled and non-scheduled waste, municipal waste and e-waste.

In FY2021, IJM Group generated a total of 64,402 tonnes of scheduled and non-scheduled wastes, mainly from Construction, Industry and Toll Divisions. About 13% of our waste footprint was reused or recycled.

Total Scheduled and Non-Scheduled Waste Generated in FY2021 (MT)



Recycling and reusing waste

Responsible management of waste is an essential aspect for sustainable management of resources. The Construction Division implements waste management practices in line with requirements of the law and industry certifications such as the Green Building Index. Wastes such as timber, steel and concrete are segregated at designated collection points and disposed of by a licensed contractor from our project sites.

In FY2021, the Division recycled and reused more than 7,900 tonnes of waste for other practical implementations at project sites. Moving forward, we intend to work on identifying the sources of waste and explore measures to reduce waste across the different stages of construction including at the design and planning stage.

Reused or Recycled Construction Wastes

Waste Type	Reused (MT)	Recycled (MT)
Timber	0.25	717
Steel	0.30	206
Concrete	2,700	4,301

The Industry Division uses the concrete reclaimer that segregates sand, aggregates and slurry effluents from unused concrete to effectively manage wastes and increase cost efficiency. In FY2021, the system reclaimed 273 tonnes of sand and 305 tonnes of aggregates that were reused for production instead of being disposed in the landfill. Recycled water that is separated from the slurry effluents was reused for concrete batching, sprinkler systems and cleaning purposes.


Sand and aggregates concrete reclaimer used by the Industry Division

The Plantation Division generates oil palm biomass from milling processes. This includes palm fibres and kernel shells, empty fruit bunches and fronds that are reused as renewable energy and recycled as nutrients for its fields. In FY2021, a total of 595,949 tonnes of biomass were generated from mill operations where an average of 99% was recycled as a source of fuel.

By-products Generated from Mill Operations

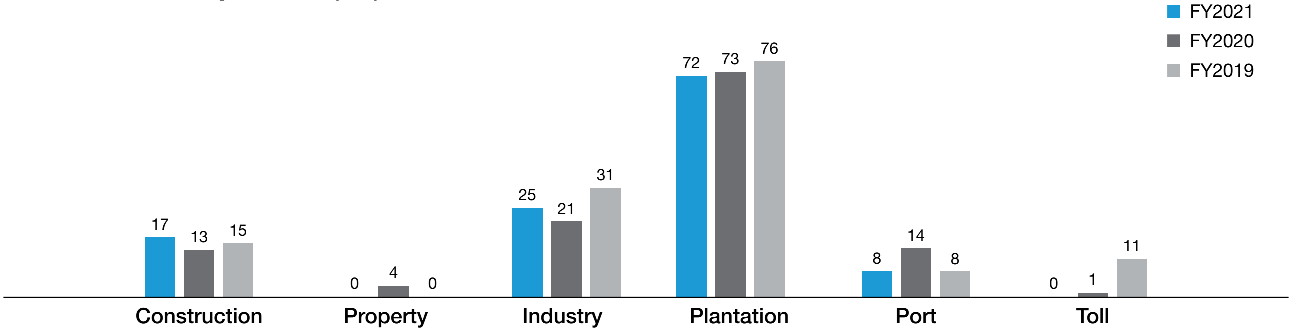
Raw Material	Percentage Recycled from Raw Materials	Usage
Fibre	100%	Fuel
Shell	100%	Fuel
Empty fruit bunches	97%	Mulch and fuel

Managing scheduled wastes and e-wastes

We comply with stipulated legislations on managing scheduled wastes and have a designated storage area at all construction sites in accordance with available guidelines and specifications. We aim to reduce scheduled waste from its source through best management practices on chemical and material handling such as conducting machinery and equipment inspections to avoid spillage and leakage. All scheduled wastes are transported to a treatment facility by licensed contractors.

In FY2021, the Property Division received notifications of non-compliance with environmental laws and regulations relating to the storage of scheduled wastes exceeding the allotted time limit of 180 days. The Industry Division received fines of RM9,000 due to non-compliance at one of our quarries. We have reviewed our processes and enhanced the standard operating procedures to ensure compliance within our operations.

Scheduled Waste by Division (MT)




Centralised and fully equipped storage for scheduled waste

We continue to practice the disposal of e-waste or electrical and electronic equipment wastes as set under the Environment Quality (Scheduled Wastes) Regulations 2005 where the disposal is carried out by contractors registered with the state environmental department.

Electrical and Electronic Equipment Wastes (by number of units)

E-waste type	FY2021	FY2020	FY2019
Monitors	81	80	50
Desktop computers	130	80	101
Notebook computers	42	24	39
Printers	40	47	31
Servers	24	-	27
Others i.e. scanner, fax machine, AVR, UPS, keyboard, hard disk, projector, network equipment	90	2	122

CONSERVING BIODIVERSITY (GRI 304-1)

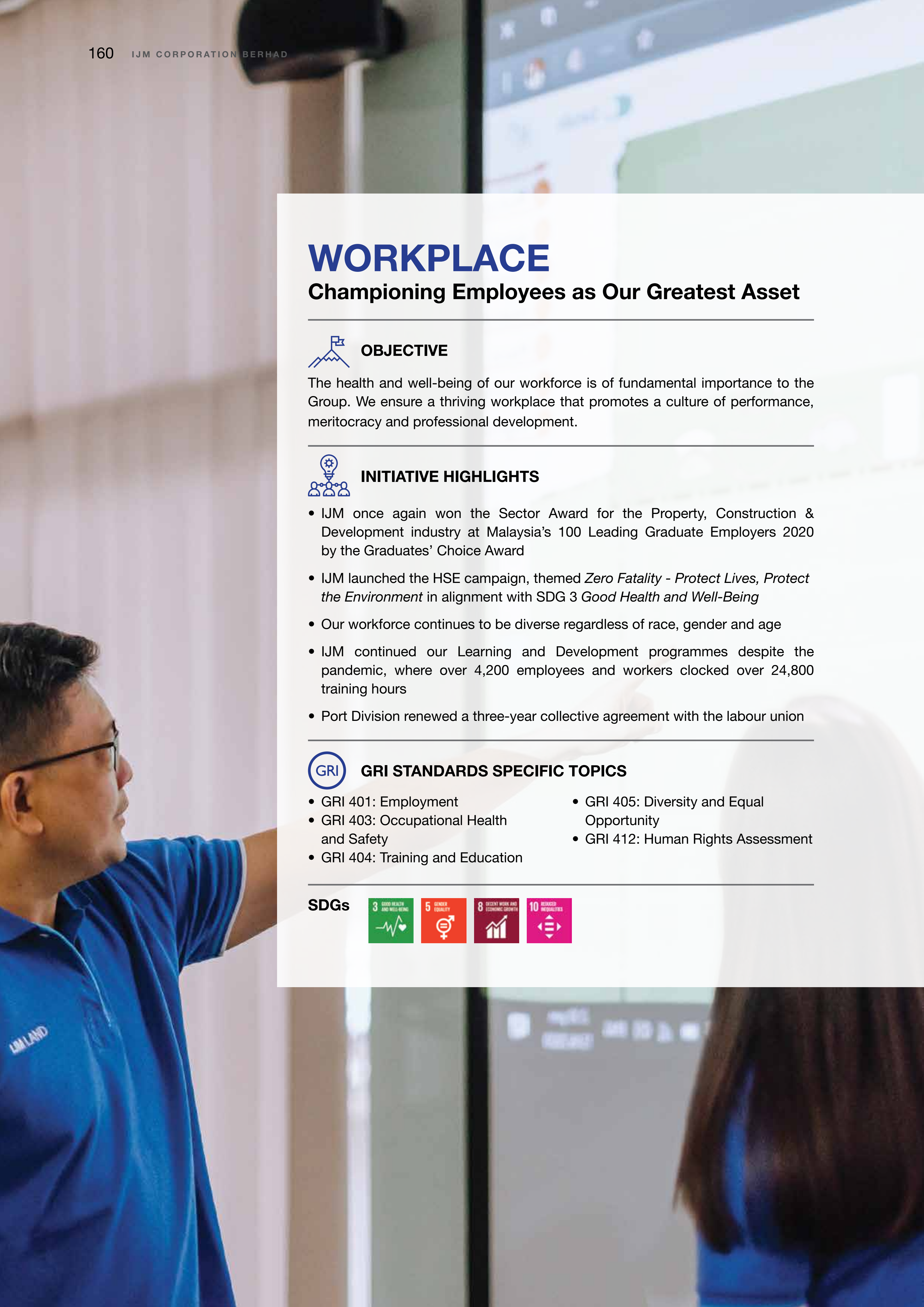
We recognise that it is our duty to minimise our operational impact on biodiversity and the surrounding areas where we operate. We use natural resources effectively and responsibly and, where applicable, conduct initiatives to conserve biodiversity. At IJM, our projects undergo an Environmental Impact Assessment ("EIA") prior to project approval and implementation.

We incorporated a variety of marine life in our development of the 1.5-acre waterway at The Light Collection project, Penang. The waterway is regularly protected and maintained by marine aquatic professionals, and overseen by the residents' association.

The Plantation Division is committed to No Deforestation, No Peat and No Exploitation ("NDPE") at all its operations. In addition, the NDPE commitment is extended to our supply chain and is monitored through supplier assessments that ensures conservation of High Conservation Value ("HCV") and High Carbon Stock (HCS) areas.

The Division has set aside over 6,000 hectares of HCV areas in our Malaysian and Indonesian operations for conservation, biodiversity protection and rehabilitation purposes. The Division continues to adhere to a strict zero burning policy and anti-poaching practices and regularly monitors illegal activities and fire hotspots within its concession. Our Minat Teguh estate has a demarcation and buffer zone along its boundary with the Kabili-Sepilok Forest Reserve that acts as a wildlife transition zone. Further information of our efforts is elaborated in the IJM Plantations Berhad's Annual Report 2021.


Conservation areas in Belidan Estate, Indonesia



WORKPLACE

Championing Employees as Our Greatest Asset

OBJECTIVE

The health and well-being of our workforce is of fundamental importance to the Group. We ensure a thriving workplace that promotes a culture of performance, meritocracy and professional development.

INITIATIVE HIGHLIGHTS

- IJM once again won the Sector Award for the Property, Construction & Development industry at Malaysia's 100 Leading Graduate Employers 2020 by the Graduates' Choice Award
- IJM launched the HSE campaign, themed *Zero Fatality - Protect Lives, Protect the Environment* in alignment with SDG 3 *Good Health and Well-Being*
- Our workforce continues to be diverse regardless of race, gender and age
- IJM continued our Learning and Development programmes despite the pandemic, where over 4,200 employees and workers clocked over 24,800 training hours
- Port Division renewed a three-year collective agreement with the labour union

GRI STANDARDS SPECIFIC TOPICS

- GRI 401: Employment
- GRI 403: Occupational Health and Safety
- GRI 404: Training and Education
- GRI 405: Diversity and Equal Opportunity
- GRI 412: Human Rights Assessment

SDGs

Our businesses thrive on the passion and the performance of our people, and by ensuring a safe, engaging and innovative working environment, we empower our employees to achieve their full potential. Promoting an inclusive and diverse work culture while providing employees with fair remuneration as well as a healthy and safe workplace, supports our ambition to be an employer of choice.

In August 2020, the World Economic Forum released a report titled *Human Capital as an Asset*, which addresses how the pandemic has accelerated the shift to new ways of working. The report also recommends the development of a new human capital accounting framework that enables companies to measure their investment in people that supports the delivery of better outcomes for the business, the workforce and the wider community.

IJM recognises the possible change in workplace and employee dynamics arising from the pandemic. Our continuous efforts to maintain our value proposition as an employer of choice is explained and discussed in this section.

MAINTAINING A SAFE AND HEALTHY WORKPLACE (GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7)

In FY2021, IJM was exposed to the impacts brought on by the pandemic and we recognise the importance of being resilient in facing the challenges of occupational safety and health during this time. It is imperative for us to move beyond regulatory compliance to ensure that any potential risks to our businesses are prevented or reduced to an acceptable level. Our Board and the CEO&MDs' involvement and support have been essential in driving improvements in the Company's safety and health performance.

Our safety and health system reflects how we manage occupational hazards and maintain the safety and health of our employees. In September 2020, the Construction Division launched our HSE campaign, themed *Zero Fatality - Protect Lives, Protect the Environment,* in alignment with SDG 3 *Good Health and Well-Being* to reinforce our commitment to the safety and health of our stakeholders as well as the protection of our environment.

Our senior management's commitment to the HSE campaign

The campaign is conducted annually by the HSE Department to instil a strong HSE culture among our employees and ensure that all parties continue to work together towards creating a safe and healthy workplace. Apart from the campaign, joint management-worker health and safety committees set up at respective project sites enable participation of workers from all job levels in Occupational Safety and Health ("OSH") related discussions.

Our CEO&MD's involvement and support of the HSE campaign

Our OSH Policy ensures that various safety and health measures and controls are in place where our business operations can operate safely. All levels of our workforce, business partners, suppliers and subcontractors are expected to implement necessary safety and health measures to minimise risk at our workplace.

In FY2021, our Construction, Industry and Port Divisions retained the ISO 45001:2018 certification where our safety and health data is audited and verified by SIRIM. Our OSH Management System ensures both leadership and employee participation for the continual enhancement of HSE performances at workplaces.

The OSH management system also places emphasis on risk management processes and planning to ensure all activities and operations are carried out safely and in the right manner. Our safety and health risks and opportunities are proactively managed and 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.

WORKPLACE Championing Employees as Our Greatest Asset

The Construction Division implements segregated access and egress points for heavy machinery and pedestrians to reduce risks of accidents. The biometric system at project sites enables real time monitoring of CIDB green card compliance and thus preventing unauthorised access into project sites. Coupled with thermal scanners, the system facilitates easy temperature monitoring within the project sites thus reducing the risk of COVID-19 spread.

In addition, the fencing system and galvanised iron pipes for fall protection prevents serious fall injuries and accidents and ensures the safety of employees working at height. The Division also utilises screen protection systems such as Rail Climbing System or Automated Climbing System to provide a safer working environment. In FY2021, in our continuous efforts to reduce fall risks, our project sites have embraced the use of the Mobile Elevated Working Platform ("MEWP") for workers at high-rise projects as compared to the conventional scaffold installation.


Mobile Elevated Working Platform used at our high-rise projects

HSE committees are established in every region across the Property Division to address health and safety matters. All our offices and sales galleries are equipped with emergency response equipment such as stretchers, automated external defibrillators ("AED"), first aid kits and fire alarm systems.

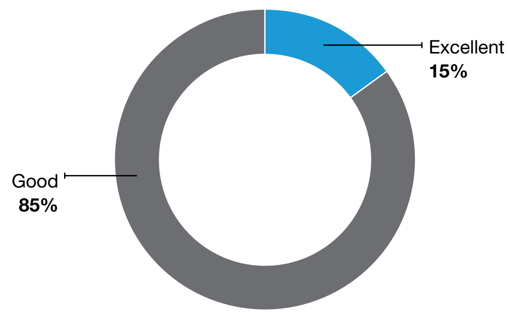

A joint emergency drill between Port Division and Shell with satisfactory response time

Maintaining internal OSH best practices

The Construction Division executes the risk management process at project sites during the design and pre-construction stages, lowering the level of risk exposure while leveraging on the opportunities for improvement through the implementation of effective and appropriate control measures.

IJM practices a self-regulation process that involves monitoring and measuring construction projects performances through regular site consultations. We then provide necessary advice and guidance to maintain and increase construction projects performances. Internal audit programmes were conducted to evaluate performances and the HSE management system. In addition, third party inspections were carried out specifically on tower cranes at project sites to ensure proper functioning of the machineries, preventing accidents. In FY2021, the Construction Division conducted a total of 20 HSE consultation programmes and 12 HSE internal audits.

HSE Consultation Programmes in FY2021



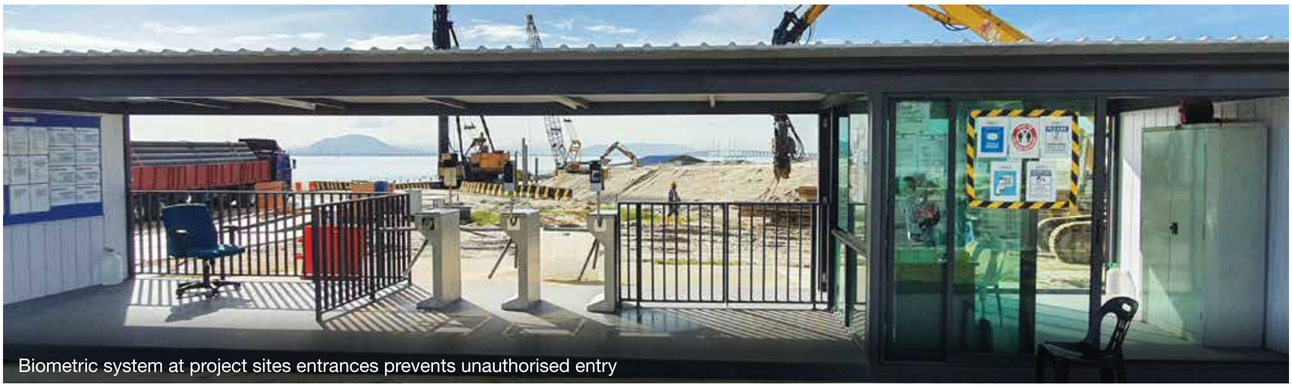
In compliance with the OSH (Use and Standard of Exposure Chemical Hazardous to Health) Regulations 2000 requirements, we carry out Chemical Health Risk Assessment ("CHRA") on both ongoing and new projects sites where hazardous chemicals are utilised. This assessment helps determine the health risks workers are exposed to when managing hazardous chemicals and the subsequent need for Chemical Exposure Monitoring and Medical Surveillance at project sites. In FY2021, the Construction Division identified one project site that required further Chemical Exposure Monitoring after 23 assessments were conducted on a number of chemicals at the project site.


Unobstructed Passenger Hoist landing gate with fall protection

Safety screen system at Affin Bank project at TRX


Edge protection at working platforms at our project sites

Complying with COVID-19 standard operating procedures during a topping out ceremony at the Imazium project site


Biometric system at project sites entrances prevents unauthorised entry

WORKPLACE Championing Employees as Our Greatest Asset

Health and safety requirements are included in the tender and contract documents for all Property Division projects. The Division also conducts HSE awareness programmes and toolbox sessions with subcontractors ensuring that health and safety is always at the forefront of their minds. They are also kept informed of upcoming changes to regulations and standards, apart from addressing recurring health and safety issues and elevating our standard of practice.

In addition, the implementation of the Department of Occupational Safety and Health's ("DOSH" Occupational Safety and Health in Construction Industry (Management) ("OSHCIM") for future projects is in its trial stages. This risk management approach incorporates the principles of prevention which are avoiding risks where possible, evaluating risks that can be avoided and implementing proportionate measures that control risks from their source. In FY2021, Riana Dutamas Parcel 2 was used as a pilot project for the implementation of OSHCIM management, tackling and minimising risks from its design stage.

All quarry personnel are equipped with personal protection equipment ("PPE") as a standard operating procedure. The PPEs that include eyewear, a safety helmet and shoes protects workers from dust and noise. All quarry visits and tours are supervised and limited. All blasting activities are controlled and requires a permit from relevant authorities. Only the certified shot firer is allowed to conduct blasting works, with the supervision of the Royal Malaysia Police. The Division measures the vibration reading from every blast apart from requiring employees to undergo an annual health screening such as a general physiology assessment, tone audiometry and silicosis as per the Medical Surveillance Report checklist.

The Division also maintains regular CHRA, conducts weekly and monthly HSE inspections and audits as well as undertakes preventive maintenance and machinery inspections. In addition, the Division has active HSE committees in all locations and conducts HSE induction training and toolbox meetings to ensure our workforce are well-versed with safety protocols. We have emergency response teams to handle emergency situations at every site, including COVID-19 management.

The Plantation Division is committed to improving work procedures and creating a safe workplace for all employees and contractors engaged at work as reflected in the Environmental, Occupational Safety and Health Policy. Apart from implementing an inclusive OSH management system, the Division adopts a risk-based approach to identify, manage and take preventive measures on potential hazards and risks in the workplace through Risk Assessment and Risk Control and CHRA.

The Division also conducts regular training on safe operating procedures and respective competency training to ensure employees are technically competent in handling job tasks. Internal audits and inspections are also conducted by in-house Safety and Health Officers at intervals to ensure safety programmes are implemented and in compliance with legislative requirements.

Our Port Division conducts CHRA every five years at our Kuantan Port facilities, assessing the chemical hazards, associated risks and the mitigation actions required. All chemicals are stored at a safe storage space to ensure exposure risk is reduced. Depending on the situation and chemicals handled, personal protective equipment such as respiratory, eye and skin protection are provided to employees and appointed contractors in accordance with the Division's safety measures. In addition, an Emergency Response Plan is in place with a dedicated response team available to cater to chemical emergencies. The next CHRA assessment is scheduled to take place in FY2025.

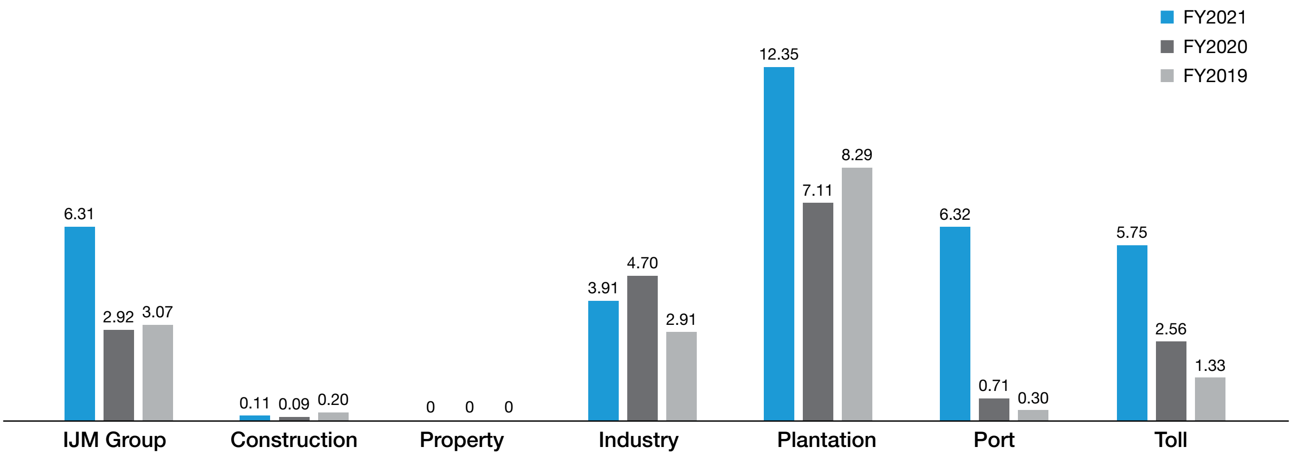
Chemical health risk assessment process being carried out

Preventing workplace accidents (GRI 403-9)

In FY2021, the Group recorded a Lost Time Injury ("LTI") frequency rate of 6.31. This reflects the number of incidents occurring every one million working hours.

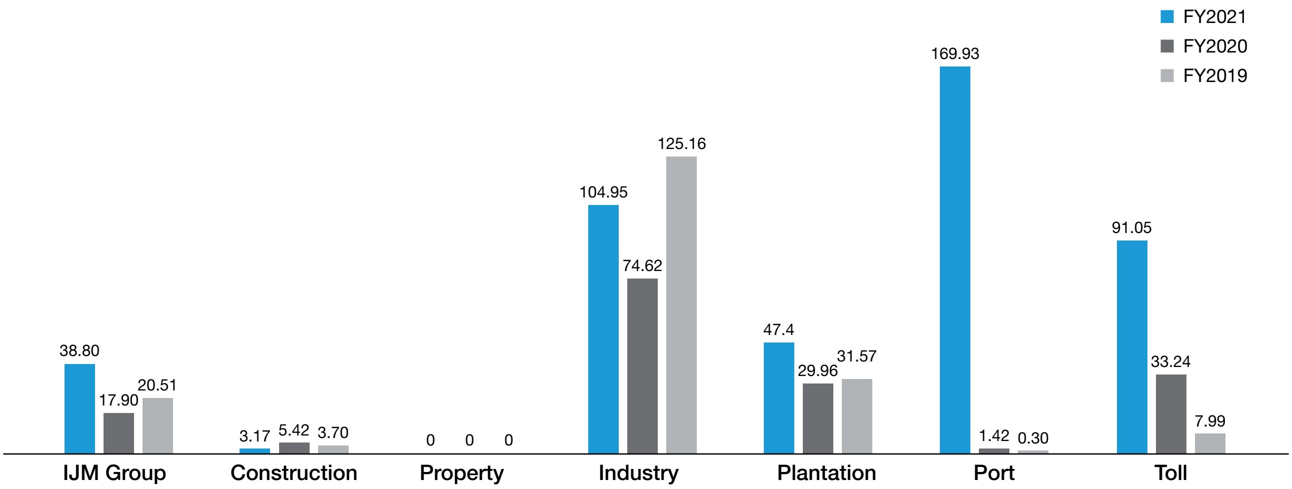
The Group's severity rate, which measures the amount of time lost due to work-related injuries occurring for every one million working hours, was 38.80.

LTI Frequency Rate (per one million man-hours worked)



Note: Property Division incidences are accounted for under the Construction Division.

LTI Severity Rate (per one million man-hours worked)



Note: Property Division incidences are accounted for under the Construction Division.

IJM is committed to continuously improving our safety standards and we work diligently to reduce the risk of accidents at our workplace. Zero fatality and zero accidents targets are key performance indicators included in the incentive packages for all project directors.

In FY2021, there was one fatality case involving a worker under the employment of a subcontractor. On 25 October 2020, the worker lost his life while working at the MRT V203 project site when an excavation wall collapsed. The incident occurred when support for the excavation and the earth collapsed during sewerage related works and installation of a shoring system.

Immediately, all works involving trench excavation were suspended throughout the project site to facilitate the investigation. IJM, together with the turnkey contractor and the subcontractor, thoroughly investigated the root cause and factors that led to the incident and tightened measures to complete the work safely. We also reassessed all work methods, risk management processes, operational controls and monitoring and enforcement processes and implemented an effective support system to ensure safe sloping and to enhance safety at work.

WORKPLACE Championing Employees as Our Greatest Asset

Elevating OSH capabilities and performance

IJM believes that it is crucial to develop OSH knowledge and maintain competency levels of our employees and workers to ensure a high level of sustained performance throughout our businesses. We conduct various engagement programmes to influence and encourage our people to embrace the importance of safety and health at the workplace and take ownership in managing their respective duties in the right manner.

On-Job-Training at the workplace

In FY2021, project sites conducted 294 safety and health On-Job-Training sessions for a total of 1,256 of our employees and subcontractors. Some of the training topics include highlighting specific HSE trades and their requirements, working at height, scheduled waste management, chemical management as well as managing plant and machinery. IJM's *Micro Learning* platform is also another mechanism that eases HSE learning at project sites and enables HSE departments to monitor and address HSE performances.

During the year, the Port Division organised the following competency training sessions:

- Forklift Safety and Certification to ensure the safe handling and operating procedures of forklift operations
- Defensive Driving training to identify defensive driving principles, statistics relevant to accidents and deaths, negative and positive driving habits, driver behaviours, hazards, and performing emergency accident avoidance

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 November 2020, 140 employees attended a fire safety webinar conducted by the Fire Prevention Centre Malaysia that covered fire safety especially during the COVID-19 pandemic.

In FY2021, our Construction Division received notices of non-compliance due to the reported fatality case and scaffold collapse. Our Industry Division received notices for improvement and prohibition due to safety related non-compliances. Necessary actions have been taken by the respective Divisions to enhance HSE performances within our operations.

AN INCLUSIVE AND PRODUCTIVE WORKFORCE (GRI 102-7, GRI 102-8, GRI 401-1, GRI 404-1, GRI 404-2, GRI 405-1)

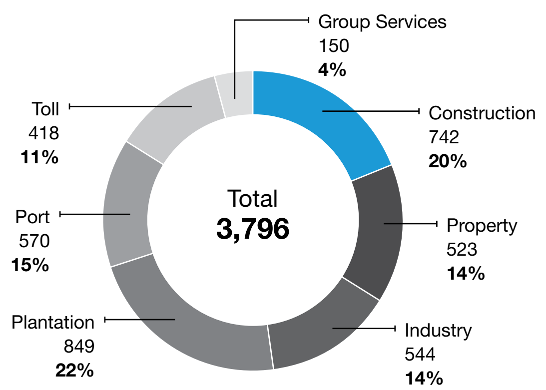
Our people are the foundation that allows for a thriving business. In line with SDG 8 *Decent Work and Economic Growth*, we are committed towards empowering our workforce through an inclusive, diverse and conducive working environment while capitalising on the benefits of a productive workforce.

Maintaining a diverse talent pool (GRI 401-1, GRI 405-1)

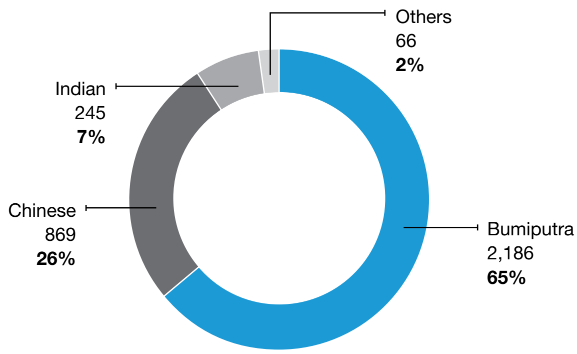
As at 31 March 2021, IJM Group has 3,796 employees across our business divisions where permanent full-time employees make up 87% of the total IJM workforce while contract full-time employees make up the remaining 13%.

In FY2021, IJM's total Malaysian workforce comprised 65% Bumiputra, 26% Chinese, 7% Indian and 2% from other ethnic groups. 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% non-Malaysians in Sabah, East Malaysia and at our Indonesian operations, while Group Services employs 2% of non-Malaysians.

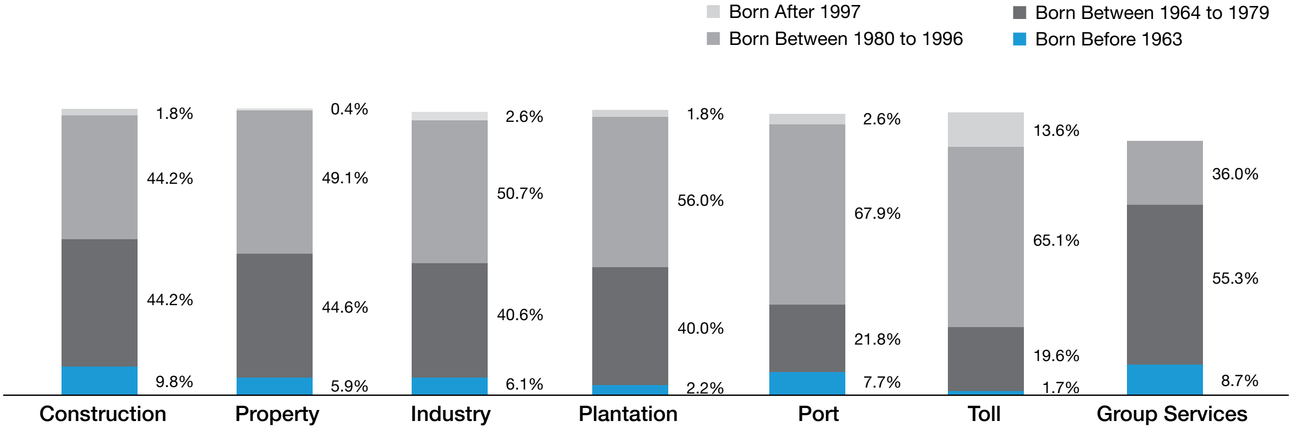
Employees by Division in FY2021



Malaysian Employees by Ethnicity in FY2021



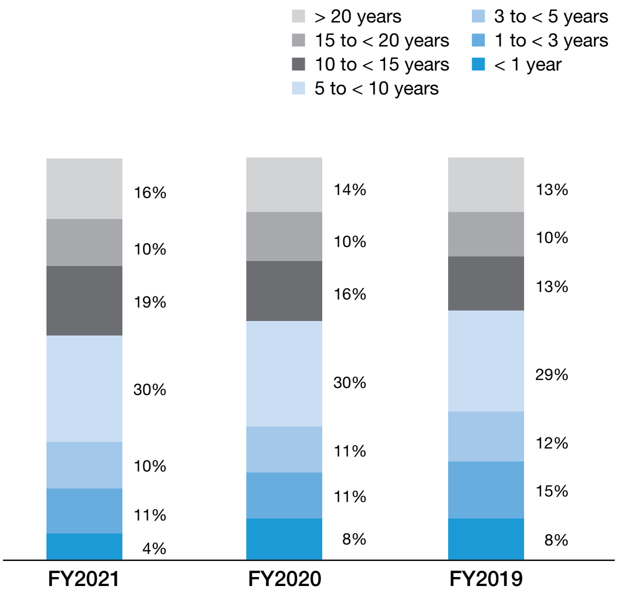
Employees by Generation as at 31 March 2021



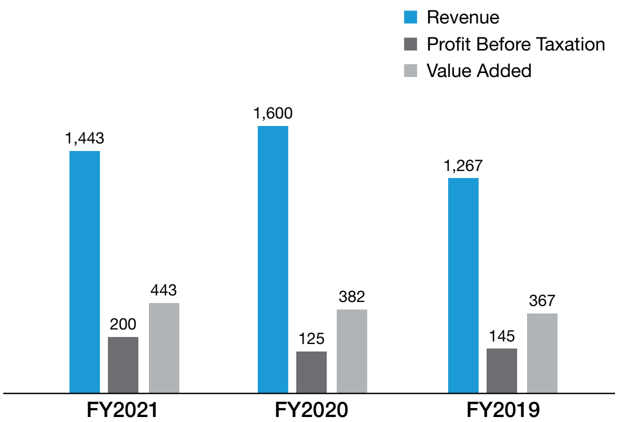
About 75% of our employees have been with IJM for more than five years and 600 employees have been with the Company for more than 20 years. Our 20-year Long Service Award ceremony is an opportunity to recognise employees for their longevity and loyalty towards IJM. In FY2021, 104 employees were honoured with the award, affirming our ability to retain employees and being a good place to work.


20-year Long Service Award recipients

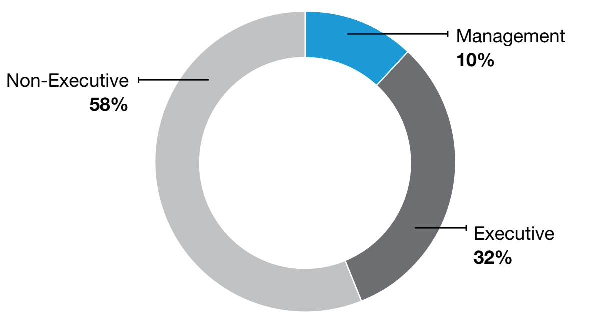
Workforce by Length of Service



Productivity per Employee (RM'000)



New Employee Hires by Employee Category in FY2021



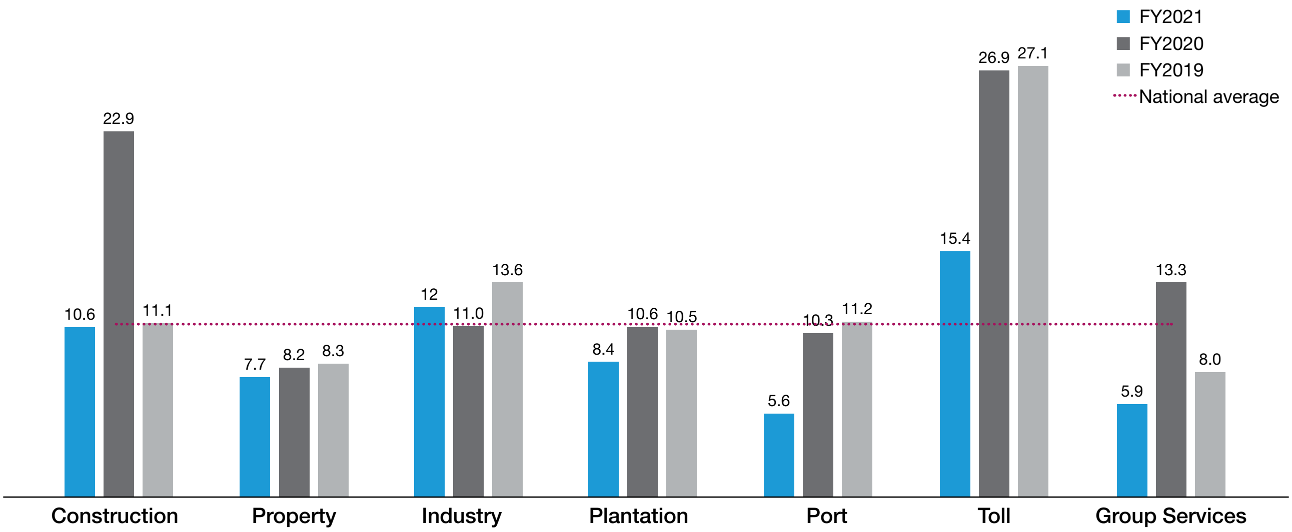
WORKPLACE Championing Employees as Our Greatest Asset

Recognised as Malaysia's 100 Leading Graduate Employers 2020

In an annual national survey, IJM was once again voted as Malaysia's 100 most desired graduate employers for the year 2020 by 26,654 local students and graduates, coming in as the first choice in the Property, Construction and Development sector. The Graduates' Choice Award is acknowledged and recognised by the Ministry of Education Malaysia, Malaysia Digital Economy Corporation and the Career Development Centre Club Malaysia.

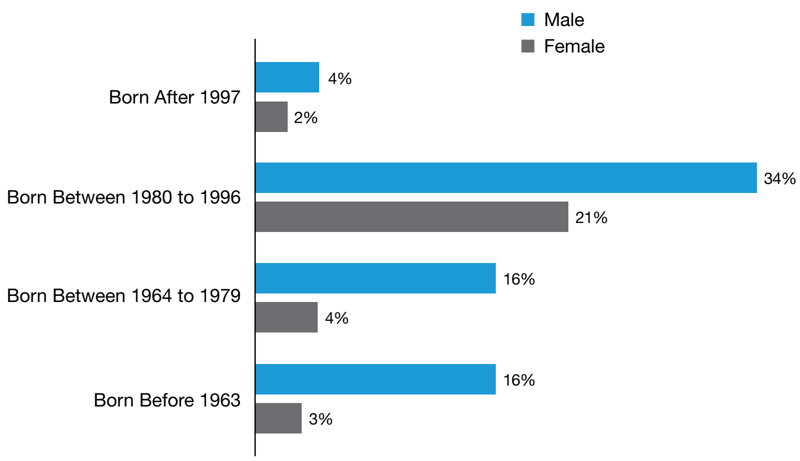
IJM is transparent about our goals and we believe it helps create a shared vision and a sense of purpose amongst our employees to continue working with us. Our employee turnover rate remains lower than the national average of 10.8% for most of our Divisions. The turnover rates of our Industry and Toll Divisions are higher than the national average due to the hiring of a large number of part-time employees.

Turnover Rate by Division (%)



Note: National average turnover rate is as published in the Korn Ferry's Compensation and Benefits Report 2020

Employee Turnover by Generation and Gender in FY2021



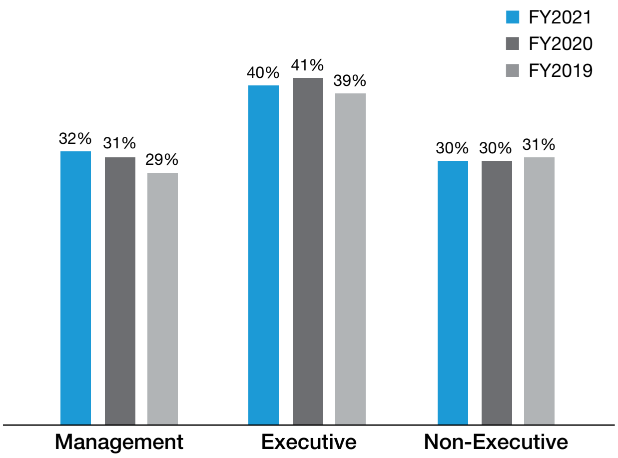
Women in the workplace

In FY2021, women made up about one-third of our total workforce – 32% in management roles, 40% in executive roles and 30% in non-executive roles.

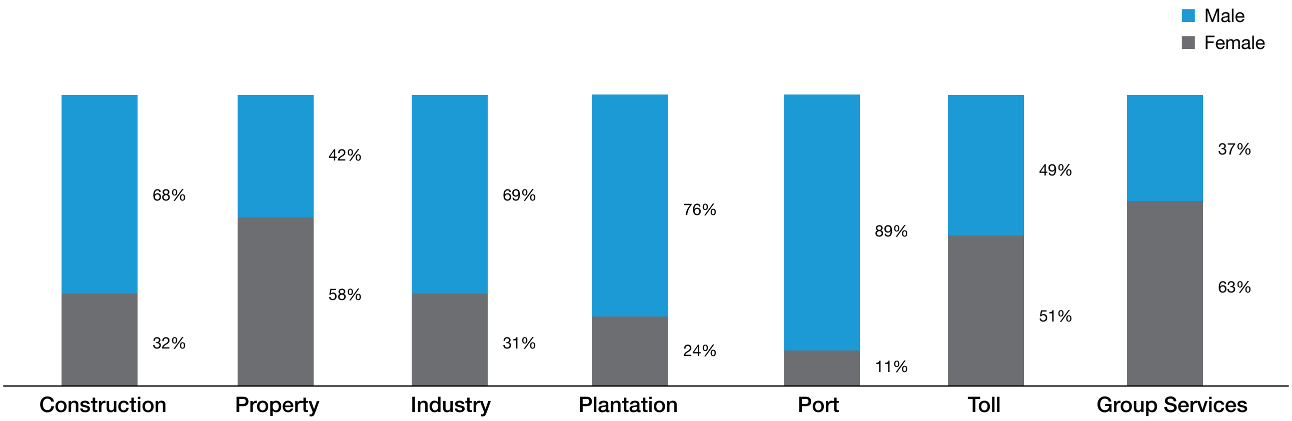
In the reporting year, 213 female employees went on maternity leave and 88% continued to remain employed with IJM upon their return.

Gender	Female	Male
Total employees who went on maternity or paternity leave	213	256
Return to work rate	88%	100%

Women Representation by Employment Category



Employees by Gender in FY2021



Keeping employees engaged (GRI 404-1, GRI 404-2)

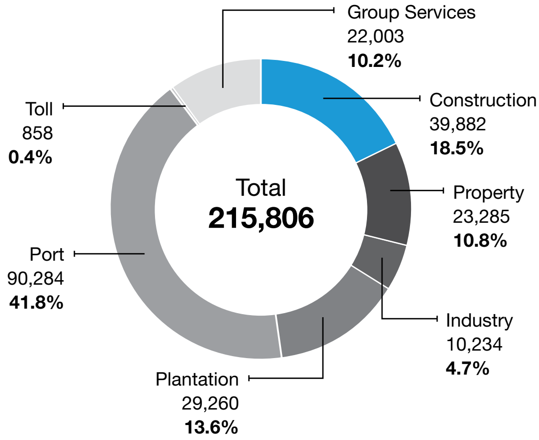
In early 2020, we implemented a new human resource system, which allows for regular performance and career development reviews. Continuous Performance Management facilitates check-ins between employees and their managers to improve performance. Employees are able to track their progress towards their 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 continuous professional and personal growth of our employees. Despite the pandemic, we continued to connect with our employees while some worked from home and at the office through a strategic employee training plan. Through our Learning Management System, virtual training programmes were conducted to ensure continuous professional and personal growth of our employees.

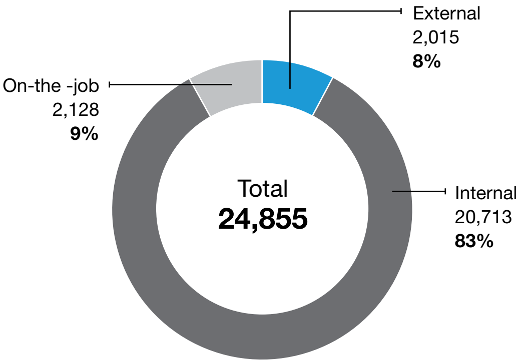
WORKPLACE Championing Employees as Our Greatest Asset

In FY2021, a total of RM215,806 was spent on Learning and Development, where over 4,200 employees and workers clocked over 24,800 training hours. Our virtual learning and development programmes covered a broad range of topics such as crisis management, performance management, virtual meeting etiquette skills, communication skills, building resilience and other soft skills. We also continue to engage our workforce via virtual and physical forums and townhalls while maintaining all COVID-19 standard operating procedures to ensure employees stay motivated and productive.

Learning and Development Spending by Division in FY2021 (RM)



Training Hours by Type in FY2021




Port Division's townhall briefing

MAINTAINING HUMAN RIGHTS PRACTICES

(GRI 102-41, GRI 412-2)

We respect and support human rights in 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, no child labour, and exploitation in any forms – forced labour, slavery, human trafficking and sexual sexploitation, health and safety, as well as community rights especially in locations where we operate.

We have zero-tolerance for child labour and any form of forced labour in our direct operations. Individuals under the legal working age of 18 in Malaysia and 17 in Indonesia are not employed. We respect the rights of our employees to freedom of association and collective bargaining in accordance with national laws. We respect our employees' right to establish and support labour unions and to participate in collective bargaining. Our labour unions represent 2% of the Group's workforce, all of whom are with the Port Division. In January 2021, our Port Division renewed the collective agreement with the labour union. The agreement, which is effective for three years, includes recognition of the union as an exclusive bargaining body as well as members' compensation and benefits such as allowances, leave entitlements, medical and insurance coverage.

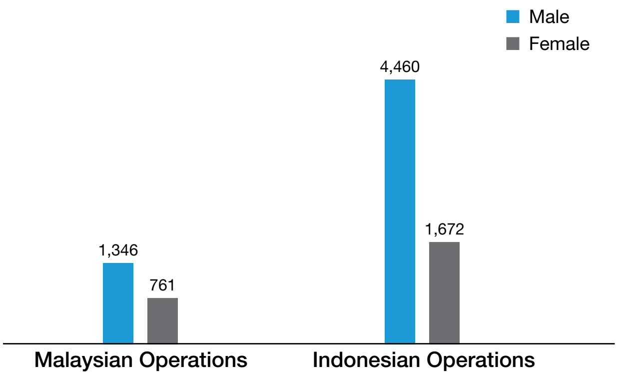
We comply with all applicable labour laws, including working hours and overtime, in the countries where we operate. Under the Minimum Wages Order 2020, we adhere to the minimum wage of RM1,200 per month in major cities in Malaysia and RM1,100 per month for areas not included in the listed 56 cities and municipal council areas. The Plantation Division's Indonesian operations adhere to the minimum wage agreements set by each Indonesian provincial government and observe all related guidelines and revisions in the agreements.

Our Responsible Supply Chain Policy outlines the importance of maintaining good governance of human rights and labour practices within our operations. The nature of our businesses is labour intensive and a majority of our foreign workers are hired by our subcontractors, with the exception of our Plantation Division where foreign labour is hired directly. We expect our subcontractors to also protect foreign labour rights and ensure that they 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.

Our Plantation Division promotes the well-being of workers by providing free medical treatment for employees and their dependents. There are 22 clinics and six ambulances with full-time certified hospital assistants or nurses in every operating unit. In addition, workers' children are also provided vaccinations and vitamins at the clinics and through local health outreach programmes.

In collaboration with the Humana Child Aid Society Sabah, the Plantation Division funds four Humana Learning Centres that provide basic education for the children of guest workers aged between five to 12 living in our estates in Sabah. The Division also supports two Community Learning Centres that house secondary school aged children, six kindergartens and 25 care centres for babies, toddlers and pre-school children in our estates.

Plantation Workers by Gender in FY2021




Plantation Division briefed workers on new and revised company policies


Tree planting activities at the Plantation Division's Binai estate

COMMUNITY

Building and Enabling Better Communities

OBJECTIVE

IJM believes in creating a positive social and economic impact on our communities for mutual benefit.

INITIATIVE HIGHLIGHTS

- IJM made a community investment of RM2.9 million or 0.4% of the Group's pre-tax profit
- IJM contributed RM1 million to The Edge COVID-19 Epidemic Fund in support of dedicated healthcare workers and frontliners
- The Property Division rehabilitated one home and improved the quality of life of a family in Seremban through its signature MyHome Programme
- IJM donated the IJM-COBRA Sports Complex to the COBRA Rugby Club to empower and enable their full use of the facilities
- Ten undergraduates benefitted from the IJM Scholarship Award Programme
- The Property Division, along with Nippon Paint Malaysia, continued to support the Asia Young Designer Award for the seventh year to encourage architectural and design skills among youths

GRI STANDARDS SPECIFIC TOPICS

- GRI 413: Local Communities

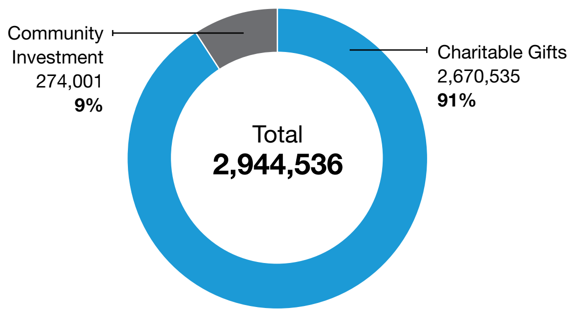
SDGs

In line with our Community Investment Policy, IJM helps build sustainable and vibrant communities focusing in the areas of community development, sports and education. We serve the community where we operate through philanthropic and strategic initiatives as well as look out for the health and safety to make a positive impact on the members of our communities. We continued to work with community leaders and individuals, government authorities and non-governmental organisations to ensure our initiatives are beneficial to the communities during this crucial time.

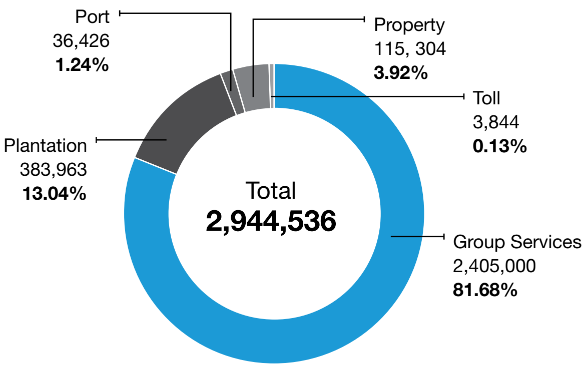
In FY2021, we strived to remain inclusive during the pandemic hit year by focusing on initiatives that empower and help alleviate the burden of our surrounding communities. 91% of our efforts took the form of charitable gifts since we aimed to provide one-off immediate relief for members of our various communities, while 9% of our efforts were strategic community investment initiatives.

Guided by the B4SI Framework, a global standard for measuring corporate community investment, IJM Group contributed a total of RM2.9 million for the community, amounting to 0.4% of the Group's pre-tax profit in FY2021. The majority of our initiatives was focused on the Community Development pillar while the Sports and Education pillars covered 43% and 1% of our initiatives respectively.

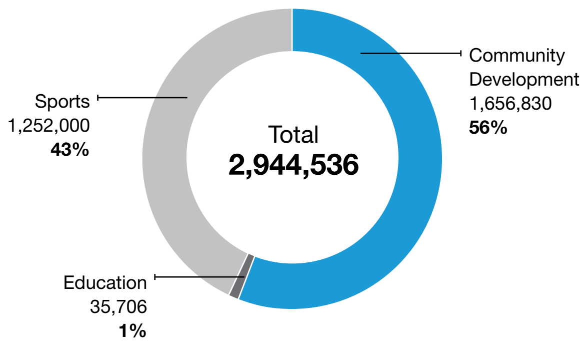
Motive for Contribution in FY2021 (RM)



Expenditure by Division in FY2021 (RM)



Causes Supported by Community Investment Pillars in FY2021 (RM)



COMMUNITY Building and Enabling Better Communities

COMMUNITY DEVELOPMENT: ENGAGING WITH COMMUNITIES (GRI 413-1)

As the pandemic played out across the nation, IJM refocused our efforts to reinforce community ties, reduce their burden and spread kindness, especially among the vulnerable communities where we operate. While facing the COVID-19 and lockdown situations, we continued to get involved, empower and give back to the underserved communities.

Supporting communities amid COVID-19 pandemic

Combating the COVID-19 pandemic, medical and health frontliners have been carrying out their responsibilities to serve and protect the people. During this crucial period, IJM contributed RM1 million to The Edge COVID-19 Epidemic Fund in support of dedicated healthcare workers and frontliners. In addition, we distributed 30,000 face masks and 3,000 pairs of latex gloves to frontliners and nursing homes for the elderly in Petaling Jaya.

Throughout the COVID-19 pandemic, the elderly were among the most vulnerable members of society. The Property Division provided immediate financial assistance to elderly and disabled residents of four nursing homes in Seremban. The Division's total contribution of RM60,000 covered meal expenses and daily essentials for the residents.

During the festive seasons, the Division also donated face masks, sanitisers, daily essentials, groceries and festive cookies to underprivileged families and charitable organisations. The Division contributed a 2-door chiller, grocery items, medication, daily essentials, including face masks to an old folk's home in Seremban. In an effort to spread cheer, a gift donation drive was also conducted for underprivileged children during a festive period. The Division further supported the charity with a donation of essential items such as face masks and hand sanitisers to help keep the children safe.

Property Division distributed essential items and festive cookies to underprivileged families for Chinese New Year

Property Division's gift collection drive for underprivileged children

In collaboration with stakeholders, the Port Division distributed more than 10,000 pieces of face masks to the Customs Department of Kuantan Port, health clinic frontliners and flood victims. The Division also provided 100 lunch boxes for the Kuantan District Health Office Bilik Gerakan COVID-19 frontliners in appreciation of their efforts.

Port Division contributed more than 10,000 face masks to frontliners and flood victims in Pahang

In FY2021, the Toll Division provided packed food, dates and drinks during the MCO and the Ramadhan month in April 2020 for the Royal Malaysia Police and Malaysian Armed Forces manning roadblocks. In collaboration with Universiti Kebangsaan Malaysia, the Division also provided packed food to more than 200 underprivileged members of the community through the *Rice for Life Programme*.

Toll Division contributed dates and drinks to frontliners

Flood relief for Kampung Ganchong

Heavy rains in Malaysia early this year forced thousands of people to move out of their properties, with possessions being either damaged or washed away by the floods. On 16 January 2021, the Port Division stepped in to provide relief to the affected residents of Kampung Ganchong, Pekan, Pahang by donating RM8,500 worth of Kindness Bags with essentials such as toiletries, blankets and towels, medical supplies and food.

Emergency charity drive

On 27 February 2021, the Port Division set up an emergency charity drive and employees raised approximately RM1,200 to be donated to the bereaved families of victims who have drowned in Pantai Sungai Ular.

In FY2021, the Plantation Division continued its Rurality Project that supports local farmers who provide fresh fruit bunches to the Division's Desa Talisai mill, by connecting them with relevant parties and assisting them with good crop management practices. The Division also maintained their annual efforts of ensuring accessibility for neighbouring communities especially crop suppliers and farmers, by supplying clean water to nearby villages for daily needs and supporting festive celebrations in communities within their Indonesian operations.

Under the Plasma and Kemitraan schemes, the Plantation Division improved the standards of living of approximately 5,136 farmers at our Indonesian operations by providing opportunities for them to develop and manage their land along with providing quality planting materials for the cultivation of oil palms. To date, 5,671 hectares of Plasma schemes and 4,121 hectares of Kemitraan schemes have been developed.


Engagement with farmers on the Plasma and Kemitraan schemes

COMMUNITY Building and Enabling Better Communities

Home Rehabilitation (MyHome) Programme

The Property Division has been leveraging on our core expertise, resources and relationships to improve the lives and living conditions of underprivileged families via our signature Home Rehabilitation (MyHome) Programme. In FY2021, the Division identified the home of a family of four in Seremban that required necessary repairs and refurbishment to ensure safe and clean living conditions. In addition to the home makeover, the Division also assisted in settling the family's electricity bill that had been outstanding since 2016 and applied for power supply to be reconnected. Initiated in 2010, this programme has successfully helped over 10 underprivileged families.

The before and after conditions of a home in Seremban through the Property Division's signature Home Rehabilitation Programme

Quality affordable homes

We believe that a decent, safe and affordable home transforms the quality of life of individuals and families. In FY2021, in support of the Rumah Mampu Milik Wilayah Persekutuan ("RUMAWIP") scheme, we handed over our 896-units of our affordable Suria Pantai apartment to homeowners 18 months ahead of schedule. Our Bandar Rimbayu, Shah Alam 2 and Seremban 2 townships also include quality affordable homes comprising high-rise and landed properties priced below RM500,000. In addition, we are developing 350 housing units in our Bandar Rimbayu and Shah Alam 2 townships under the Rumah Selangorku scheme.

Highway linkage for tomorrow's needs

In FY2021, the RM60 million Kuchai Link 2 project was completed and it is expected to reduce traffic congestion at the Kuchai Lama Interchange during peak hours. Prior to the construction of the highway, the Toll Division held several stakeholder engagement sessions with surrounding residents' associations and traders to ensure their feedback, concerns and interests were taken into consideration for the smooth construction of the highway project.


Distribution of Kindness Bags to 35 children of Baitul Husna orphanage in Pahang


Opening of the Kuchai Link 2 highway

SPORTS: PROMOTING HEALTH AND WELL-BEING (GRI 413-1)

Through the years, we have continued to ensure that members of the community, especially the youth, live a healthy lifestyle through sports. Although all physical activities were put on hold during the pandemic, IJM contributed to the continuity of sports development in the communities we operate.

IJM has been the main sponsor of the COBRA 10s of the COBRA Rugby Club for more than two decades and the IJM-COBRA Sports Complex is a tangible symbol of IJM's commitment towards sports. In FY2021, the IJM-COBRA Sports Complex was handed over to the COBRA Rugby Club, empowering and enabling their full, continued use of the facility to play, train, exercise and socialise while strengthening the sense of community. In addition, the Plantation Division continued to nurture sports development among youths in Sabah in cooperation with the Sabah Education Department, Sabah Rugby Union and Eagles Rugby Club.

EDUCATION: BUILDING AND NURTURING THE TALENT PIPELINE (GRI 413-1)

Education is one of IJM's Community Investment pillars and we are committed towards supporting valuable learning and networking opportunities for youth beyond the classroom. IJM believes education helps solve social issues and opens doors to opportunities for a better future. We continue to find ways to ensure quality educational initiatives such as our scholarship and academic excellence awards, industry-academia collaborations, as well as learning and development programmes. We trust that investing in these initiatives will provide people with the opportunity to access decent work.

IJM Scholarship Award Programme

In FY2021, 10 undergraduates benefitted from the IJM Scholarship Award Programme valued at RM431,500. The scholarship will enable beneficiaries to pursue their choice of studies in different disciplines such engineering and accounting. Due to the MCO, no award ceremony was conducted. However, engagement sessions were held online every quarter between the scholars and their mentors who are IJM employees, facilitating discussion over their progress, internship placements and subsequent job placement. Established in 1994, this scholarship has benefitted 340 students to date.

COMMUNITY Building and Enabling Better Communities

Nurturing young talents

In FY2021, the Property Division continued our partnership with Nippon Paint Malaysia to support the Asia Young Designer Award ("AYDA") for the seventh year. Two of our employees served as both mentors and as judges for its duration. This year's AYDA received a total of 1,118 student architectural and design project submissions from 53 universities.

With the goal of bridging the gap between educational institutions and industry, AYDA aims to help develop youth architectural and design skills with the support of key industry players. AYDA is also supported by the Ministry of Education, the Malaysian Institute of Architects, the Construction Industry Development Board Malaysia, the Real Estate and Housing Developers' Association Youth Malaysia, the Malaysia Green Building Confederation, and the Malaysian Institute of Interior Designers.

The Port Division maintains a relationship with Universiti Malaysia Terengganu ("UMT") through regular collaborations and discussions. This industry-academia partnership fuses Kuantan Port's practical know-how of the port industry with academia's theoretical and research capabilities for both parties through knowledge sharing sessions and an internship programme. A total of six UMT students were selected to attend this programme from April 2021 to January 2022 from a pool of 40 applicants. These selected students, who are from the Maritime Studies and Marine Science faculty, will be part of a year-long industry placement at Kuantan Port after completing their degree in UMT.

Maintaining industry-academia collaboration with UMT

Since July 2019, the Plantation Division has been driving the oil palm plantation conductorship programme in collaboration with the Montfort Youth Training Centre, Malaysian Estate Owners' Association and Eurostar Tractors (M) Sdn Bhd. This partnership aims to train, develop and equip youths from underprivileged communities in the rural interiors of Sabah with the required skills in the industry. In FY2021, 19 youths were trained based on the Oil Palm Plantation syllabus which includes English, Arithmetic, Computer Knowledge, Mechanisation and Basic Repairs and Maintenance. This programme provides an educational opportunity and subsequently, increased income opportunities for the youths and their families in the future.

The Asia Young Designer Award 2020 virtual award ceremony

GRI Content Index

GRI Standards	Disclosure	Section of Sustainability Statement	Page Reference & Remarks
GRI 102: General Disclosure 2016			
ORGANISATIONAL PROFILE			
102-1	Name of the organisation	Corporate Profile	Page 006
102-2	Activities, brands, products and services	Corporate Profile	Page 006
102-3	Location of headquarters	Corporate Profile	Page 006
102-4	Location of operations	Corporate Profile	Page 006
102-5	Ownership and legal form	Corporate Profile	Page 006
102-6	Markets served	Corporate Profile	Page 006
102-7	Scale of the organisation	An Inclusive and Productive Workforce - Maintaining a diverse talent pool	Page 166
102-8	Information on employees and other workers	An Inclusive and Productive Workforce	Page 166
102-9	Supply Chain	Responsible Supply Chain	Page 151
102-10	Significant changes to organisation and its supply chain	Not applicable, there are no significant changes to the organisation and its supply chain in FY2021	
102-11	Precautionary principle or approach	Good Governance and Ethics	Page 166
102-12	External Initiatives	Awards & Accolades Statement Overview - Framework and Benchmarks	Page 010 Page 130
102-13	Membership of associations	IJM's Website	
STRATEGY			
102-14	Statement from senior decision-maker	Chairman's Statement Management Discussion and Analysis	Page 056 Page 158
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behaviour	Commitment to Quality	Page 143
GOVERNANCE			
102-18	Governance structure	Sustainability Governance	Page 131
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	Engaging with Stakeholders	Page 132
102-41	Collective bargaining agreements	Maintaining Human Rights Practices	Page 170
102-42	Identifying and selecting stakeholders	Engaging with Stakeholders	Page 132
102-43	Approach to stakeholder engagement	Engaging with Stakeholders	Page 132
102-44	Key topics and concerns raised	Engaging with Stakeholders	Page 132
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	IJM Group Structure	Page 012
102-46	Defining report content and topic Boundaries	Statement Overview - Reporting Period and Scope	Page 130
102-47	List of material topics	Approach to Materiality: Identifying Our Focus Areas	Page 134
102-48	Restatements of information	Not applicable, there are no restatements of information in FY2021	
102-49	Changes in reporting	Not applicable, there are no changes in reporting in FY2021	
102-50	Reporting period	Statement Overview - Reporting Period and Scope	Page 130
102-51	Date of most recent report	IJM Corporation Berhad Annual Report 2020	
102-52	Reporting cycle	Statement Overview - Reporting Period and Scope	Page 130
102-53	Contact point for questions regarding the report	Statement Overview - Feedback	Page 130
102-54	Claims of reporting in accordance with the GRI Standards	Statement Overview - Framework and Benchmarks	Page 130
102-55	GRI content index	GRI Content Index	Page 130
102-56	External assurance	Statement Overview - Performance data	Page 130

GRI Content Index

GRI Standards	Disclosure	Section of Sustainability Statement	Page Reference & Remarks
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Marketplace: Doing Good Business Environment: Protecting The Environment Workplace: Championing Employees as Our Greatest Asset Community: Building and Enabling Better Communities	Page 140 Page 152 Page 160 Page 172
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Group Financial Highlights	Page 040
GRI 205: Anti-corruption 2016			
205-2	Communication and training about anti-corruption policies and procedures	Anti-bribery and corruption system	Page 143
205-3	Confirmed incidents of corruption and actions taken	Anti-bribery and corruption system	Page 143
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	Driving energy efficiency	Page 153
GRI 303: Water 2018			
303-1	Interactions with water as a shared resource	Responsible water use	Page 155
303-2	Management of water discharge related impacts	Responsible water use	Page 155
303-5	Water consumption	Responsible water use	Page 155
GRI 304: Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Conserving biodiversity	Page 159
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Driving energy efficiency	Page 153
305-2	Energy indirect (Scope 2) GHG emissions	Driving energy efficiency	Page 153
305-3	Other indirect (Scope 3) GHG emissions	Driving energy efficiency	Page 153
305-5	Reduction of GHG emissions	Driving energy efficiency	Page 153
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	Reducing and Managing Waste	Page 158
306-2	Management of significant waste-related impacts	Reducing and Managing Waste	Page 158
306-3	Waste generated	Reducing and Managing Waste	Page 158
306-4	Waste diverted from disposal	Reducing and Managing Waste	Page 158
306-5	Waste directed to disposal	Reducing and Managing Waste	Page 158
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	An Inclusive and Productive Workforce - Maintaining a diverse talent pool	Page 166
GRI 403: Occupational Health And Safety 2018			
403-1	Occupational health and safety management system	Maintaining a Safe and Healthy Workplace	Page 161
403-2	Hazard identification, risk assessment, and incident investigation	Maintaining a Safe and Healthy Workplace	Page 161
403-3	Occupational health services	Maintaining a Safe and Healthy Workplace	Page 161
403-4	Worker participations, consultation, and communication on occupational health and safety	Maintaining a Safe and Healthy Workplace	Page 161
403-5	Worker training on occupational health and safety	Maintaining a Safe and Healthy Workplace	Page 161
403-6	Promotion of worker health	Maintaining a Safe and Healthy Workplace	Page 161
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Maintaining a Safe and Healthy Workplace	Page 161
403-9	Work-related injuries	Maintaining a Safe and Healthy Workplace - Preventing workplace accidents	Page 165

GRI Standards	Disclosure	Section of Sustainability Statement	Page Reference & Remarks
GRI 404: Training And Education 2016			
404-1	Average hours of training per year per employee	An Inclusive and Productive Workforce - Keeping employees engaged	Page 169
404-2	Programs for upgrading employee skills and transition assistance programs	An Inclusive and Productive Workforce - Keeping employees engaged	Page 169
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	An Inclusive and Productive Workforce - Maintaining a diverse talent pool	Page 166
GRI 412: Human Rights Assessment 2016			
412-2	Employee training on human rights policies or procedures	Maintaining Human Rights Practices	Page 170
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Community: Building and Enabling Better Communities - Community Development: Engaging with Communities - Sports: Promoting Health and Well-being - Education: Building and Nurturing the talent pipeline	 Page 174 Page 177 Page 177
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy and Protection	Page 150

SASB Engineering & Construction: Sector Disclosure

SASB Sustainability Disclosure Topics	SASB Code	Accounting Metric	Section of Sustainability Statement & Page Reference
Environmental Impacts of Project Development	IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	Please refer to “Managing scheduled wastes and e-wastes”, Page 158
	IF-EN-160a.2	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	IJM’s projects undergo the Environmental Impact Assessment (“EIA”) prior to project approval and implementation. Disclosure can be found under “Reducing and Managing Waste”, Page 158
Structural Integrity & Safety	IF-EN-250a.1	Amount of defect and safety-related rework costs	To be included in subsequent Sustainability Statements
	IF-EN-250a.2	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents[1]	To be included in subsequent Sustainability Statements
Workforce Health & Safety	IF-EN-320a.1	Total recordable incident rate (TRIR) for direct employees	TRIR is disclosed based on total man-hours worked which include direct and contract employees. Please refer to “Preventing workplace accidents”, Page 165
		Total recordable incident rate (TRIR) for contract employees	
		Fatality rate for direct employees	There was zero case of fatality for direct employees in FY2021. Disclosure can be found under “Preventing workplace accidents”, Page 165
		Fatality rate for contract employees	There was one case of fatality for contract employees in FY2021. Disclosure can be found under “Preventing workplace accidents”, Page 165
Lifecycle Impacts of Buildings & Infrastructure	IF-EN-410a.1	Number of commissioned projects certified to a third-party multi-attribute sustainability standard	Please refer to “Mitigating through green buildings”, Page 155
		Number of projects seeking such certification	8 on-going projects
	IF-EN-410a.2	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	In line with SDG 9 *Industry, Innovation and Infrastructure*, IJM works with clients and incorporates energy and resource efficient features into its green building projects, building resilient infrastructures, promoting sustainable industrialisation and fostering innovation. Disclosure can be found under “Mitigating through green buildings”, Page 155

SASB Engineering & Construction: Sector Disclosure

SASB Sustainability Disclosure Topics	SASB Code	Accounting Metric	Section of Sustainability Statement & Page Reference
Climate Impacts of Business Mix	IF-EN-410b.1	Amount of backlog for hydrocarbon-related projects	None
		Amount of backlog for energy projects	None
	IF-EN-410b.2	Amount of backlog cancellations associated with hydrocarbon-related projects	None
	IF-EN-410b.3	Amount of backlog for non-energy projects associated with climate change mitigation	None
Business Ethics	IF-EN-510a.1	Number of active projects	There were 20 active projects during FY2021
		Backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index[2]	None
	IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of bribery or corruption	There was zero monetary losses as a result of legal proceedings associated with charges of bribery or corruption in FY2021. Disclosure can be found under "Anti-bribery and corruption system", Page 143
		Total amount of monetary losses as a result of legal proceedings associated with charges of anti-competitive practices[3]	None
	IF-EN-510a.3	Description of policies and practices for prevention of bribery and corruption	IJM has an Anti-Bribery and Corruption Policy in place and its Anti-Bribery and Corruption System ("ABCS") is a management system that comprises a manual containing principles and policies that guide our ethical decisions and are implemented across the Group. Disclosure can be found under "Business ethics and policies" and "Anti-bribery and corruption system", Page 141 and 143
		Description of policies and practices for prevention of anti-competitive behavior in the project bidding processes	IJM has the "Code of Business Conduct for Third Parties" in place that sets out the principles and standards that the Company expects third parties to conform to in their course of conducting business with the Group. Disclosure can be found under "Business ethics and policies", Page 141

SASB Engineering & Construction: Activity Metric

Activity Metric	SASB Code	FY2021
Number of active projects[4]	IF-EN-000.A	20 on-going projects
Number of commissioned projects[5]	IF-EN-000.B	8 projects
Total backlog[6]	IF-EN-000.C	4.01 billion

[1] Note to IF-EN-250a.2 – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.
[2] Note to IF-EN-510a.1 – The entity shall provide a brief description of its approach to managing ethical risks specific to the countries with low rankings in the index where the entity has active projects and/or backlog.
[3] Note to IF-EN-510a.2 – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.
[4] Note to IF-EN-000.A – Active projects are defined as buildings and infrastructure projects under development that the entity was actively providing services to as of the close of the reporting period, including, but not limited to, both the design and construction stages. Active projects exclude projects that were commissioned during the reporting period.
[5] Note to IF-EN-000.B – Commissioned projects are defined as projects that were completed and deemed ready for service during the reporting period. The scope of commissioned projects shall only include projects that the entity provided construction services to.
[6] Note to IF-EN-000.C – Backlog is defined as the value of projects not completed as of the close of the reporting period (i.e., revenue contractually expected in the future but that has not been recognised), or is defined by the entity, consistent with its existing disclosure of backlog. Backlog may also be referred to as revenue backlog or unsatisfied performance obligations. The scope of disclosure is limited to buildings and infrastructure projects where the entity provides engineering, construction, architecture, design, installation, planning, consulting, repair, and/or maintenance services, or other similar services.

06

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 2021.

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	645,103	276,412
Attributable to:		
Owners of the Company	431,678	276,412
Perpetual sukuk	46,534	-
Non-controlling interests	166,891	-
	645,103	276,412

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 2020:	
A single tier second interim dividend of 1 sen per share, paid on 21 August 2020	36,313
In respect of the financial year ended 31 March 2021:	
A single tier first interim dividend of 2 sen per share, paid on 30 December 2020	72,425
	108,738

On 27 May 2021, the Directors have declared a single tier second interim dividend in respect of the financial year ended 31 March 2021 of 4.0 sen per share to be paid on 23 July 2021 to every member who is entitled to receive the dividend as at 5:00 pm on 30 June 2021.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2021.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

ISSUE OF SHARES

During the financial year, the number of issued and paid-up ordinary shares of the Company was increased from 3,639,288,920 to 3,641,119,020 by way of the issuance of 1,830,100 new ordinary shares arising from the vesting of shares under the Employee Share Grant Plan ("ESGP").

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, the Company purchased 13,895,200 of its ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM18,585,276. The average price paid for the shares purchased was approximately RM1.34 per share.

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 Employee Share Option Scheme ("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 and Executive Director (holding office in a full time executive capacity) 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.

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:

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%

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 bonus issue on the basis of 1 bonus share for every 1 existing share held ("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 (10) 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.

Directors' Report and Statement (cont'd)

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 2021, the total number of options (ESOS) and shares (ESGP) allocated to the Directors and senior management of the Group is 17.22% 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 1.31% 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*
Mr Liew Hau Seng@, *Chief Executive Officer ("CEO") & Managing Director ("MD")*
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*
Encik Azhar bin Ahmad, *Non-Executive Director (appointed on 25 November 2020)*

members of the Audit Committee
* members of the Nomination and Remuneration Committee
@ members of the Securities and Options Committee

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 1.4.2020	Acquired	Disposed	Balance at 31.3.2021
Tan Sri Dato' Tan Boon Seng @ Krishnan				
Direct interest	6,493,066	300,000	-	**6,793,066**
Indirect interest	421,972(1)	-	-	**421,972**(1)
Liew Hau Seng				
Direct interest	923,500	236,100	-	**1,159,600**
Lee Chun Fai				
Direct interest	681,800	70,200	-	**752,000**
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 1.4.2020	At 31.3.2021	At 1.4.2020	Vested	Exercised	At 31.3.2021
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	-	175,900	255,600	-	**431,500**
Lee Chun Fai	396,000	-	264,000	359,500	-	**623,500**
Seventh ESOS Award on 30.03.2019						
Liew Hau Seng	233,800	70,100	-	149,600	-	**149,600**
Lee Chun Fai	330,000	99,000	-	210,400	-	**210,400**

Directors' Report and Statement (cont'd)

DIRECTORS' INTERESTS IN SHARES (cont'd)

IJM Corporation Berhad (cont'd)

Name of Directors	Performance Share Plan++ +Provisional number at 1.4.2020	Performance Share Plan++ +Provisional number at 31.3.2021	Performance Share Plan++ Vested	Retention Share Plan+++ +Provisional number at 1.4.2020	Retention Share Plan+++ +Provisional number at 31.3.2021	Retention Share Plan+++ Vested
	Number of ordinary shares ("Shares") under Employee Share Grant Plan ("ESGP")					
Sixth ESGP Award on 15.4.2018						
Liew Hau Seng	116,400	**58,200**	29,100	46,600	**23,300**	7,000
Lee Chun Fai	189,600	**94,800**	47,400	75,800	**37,900**	22,800
Seventh ESGP Award on 15.4.2019						
Liew Hau Seng	116,400	**116,400**	-	46,600	**46,600**	-
Lee Chun Fai	189,600	**189,600**	-	75,800	**75,800**	-

IJM Plantations Berhad (a subsidiary)

Name of Directors	Number of ordinary shares Balance at 1.4.2020	Acquired	Disposed	Balance at 31.3.2021
Tan Sri Dato' Tan Boon Seng @ Krishnan				
Direct interest	794,060	48,000	-	**842,060**
Indirect interest	823,033[(1)]	50,000[(1)]	-	**873,033**[(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' 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 2021 was RM159,800.

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.

Directors' Report and Statement (cont'd)

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 194 to 370 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 2021 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
Chai Kian Soon
Chan Kai Leong
Chan Kok Keong
Chang Cheen Ying
Chen Silu
Chitra Ramachandran
Chong Ann Ching
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 Dasgupta
Dato' 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 a/l Daya Singh
Dato' Hoo Kim See
Iszad Jeffri bin Ismail
Joseph Tek Choon Yee
Dato' Josphine Juliana a/p S Arulanandam
Khor Kar Buan
Kunalan A/L Thamudaran
Lau Liang See
Lee Chun Fai
Lee Chee Heong
Datuk Lee Teck Yuen
Leong Yew Kuen
Liew Hau Seng
Liew Kiam Woon
Liew Yoon Han
Lu, Yong
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
Nikhil Viswanathan Nagarajan
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
Rishikesh Batoosam
Rodziah binti Morshidi
Sanjay Agarwal
Sandra Segran a/l Kenganathan
Shirley Goh
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
Dato' Toh Chin Leong
Tong Wai Yong
Vassudha Beethue
Velayuthan a/l Tan Kim Song
Venkata Sunil Kumar Aripirala
Vijay Kumar Tudugani
Vuitton Pang Hee Cheah
Wan Salwani binti Wan Yusoff
Wang, Guowei
Wong Heng Wai
Wong Kim Sun
Wong Soon Fah
Ye, Jingtao
Yeo Yee Khim
Yong Juen Wah
Zabidin bin Abu Samah

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 27 May 2021.

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 2021

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Operating revenue	4,13	**5,622,870**	6,605,101	**292,194**	465,504
Cost of sales		**(4,439,315)**	(5,370,101)	**(102)**	(644)
Gross profit		**1,183,555**	1,235,000	**292,092**	464,860
Other operating income		**419,997**	311,444	**134,375**	409,001
Tendering, selling and distribution expenses		**(100,882)**	(115,672)	**-**	-
Administrative expenses		**(285,535)**	(311,946)	**(25,632)**	(37,954)
Other operating expenses		**(113,455)**	(277,807)	**(9,998)**	(95,690)
Net (impairment)/write back of financial assets		**(47,198)**	29,305	**(11,711)**	(83,060)
Operating profit before finance cost	5	**1,056,482**	870,324	**379,126**	657,157
Finance cost	9,13	**(205,889)**	(290,423)	**(87,288)**	(109,039)
Operating profit after finance cost		**850,593**	579,901	**291,838**	548,118
Share of losses of associates		**(84,034)**	(92,408)	**-**	-
Share of profits of joint ventures		**12,996**	30,272	**-**	-
Profit before taxation	13	**779,555**	517,765	**291,838**	548,118
Income tax (expense)/credit	10	**(134,452)**	(189,579)	**(15,426)**	3,889
Net profit for the financial year		**645,103**	328,186	**276,412**	552,007
Other comprehensive income/(loss) (net of tax):					
Item that will not be reclassified to profit or loss:					
Actuarial (loss)/gain on defined benefit plan		**(639)**	528	**-**	-
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences of foreign operations		**93,359**	(84,349)	**288**	683
Share of other comprehensive income of associates		**264**	1,758	**-**	-
Realisation of other comprehensive loss arising from disposal of foreign subsidiary and associate		**2,250**	-	**-**	-
		95,873	(82,591)	**288**	683
		95,234	(82,063)	**288**	683
Total comprehensive income for the financial year		**740,337**	246,123	**276,700**	552,690

	Note	The Group		The Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net profit attributable to:					
Owners of the Company		**431,678**	250,590	**276,412**	552,007
Perpetual sukuk		**46,534**	43,386	**-**	-
Non-controlling interests		**166,891**	34,210	**-**	-
Net profit for the financial year		**645,103**	328,186	**276,412**	552,007
Total comprehensive income attributable to:					
Owners of the Company		**500,409**	191,885	**276,700**	552,690
Perpetual sukuk		**46,534**	43,386	**-**	-
Non-controlling interests		**193,394**	10,852	**-**	-
Total comprehensive income for the financial year		**740,337**	246,123	**276,700**	552,690
Earnings per share for net profit attributable to owners of the Company:					
- Basic	11(a)	**11.91 Sen**	6.91 Sen		
- Fully diluted	11(b)	**11.90 Sen**	6.91 Sen		

Statements of Financial Position

As At 31 March 2021

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	14(A)	**6,117,056**	6,112,042	**6,117,056**	6,112,042
Treasury shares	14(B)	**(36,655)**	(18,070)	**(36,655)**	(18,070)
Shares held under trust	14(D)	**(1,263)**	(1,263)	**(1,263)**	(1,263)
Exchange translation reserve		**(164,239)**	(233,310)	**3,122**	2,834
Share-based payment reserve		**108,202**	110,133	**108,202**	110,133
Other reserves	15	**32,476**	32,476	**-**	-
Retained profits		**3,922,958**	3,600,358	**1,068,413**	900,739
		9,978,535	9,602,366	**7,258,875**	7,106,415
Perpetual Sukuk of a subsidiary	16	**848,293**	848,470	**-**	-
NON-CONTROLLING INTERESTS		**1,369,311**	1,192,770	**-**	-
TOTAL EQUITY		**12,196,139**	11,643,606	**7,258,875**	7,106,415
NON-CURRENT LIABILITIES					
Bonds	17	**2,966,586**	2,876,119	**1,500,000**	1,400,000
Term loans	18	**1,925,833**	1,615,143	**82,781**	173,140
Government support loans	19	**49,810**	58,672	**-**	-
Lease liabilities	20	**48,983**	49,889	**6,079**	7,822
Deferred tax liabilities	22	**587,449**	629,587	**-**	-
Trade and other payables	23	**278,938**	311,297	**732,208**	747,744
Derivative financial instruments	24	**-**	872	**-**	-
Retirement benefits	25	**22,359**	22,443	**-**	-
		5,879,958	5,564,022	**2,321,068**	2,328,706
Deferred income	26	**271,212**	70,355	**-**	-
		18,347,309	17,277,983	**9,579,943**	9,435,121
NON-CURRENT ASSETS					
Property, plant and equipment	27	**2,635,708**	2,578,272	**2,583**	2,117
Right-of-use assets	28	**436,979**	444,907	**7,485**	9,292
Investment properties	29	**638,718**	652,879	**6,921**	7,092
Concession assets	30	**4,075,202**	3,786,391	**-**	-
Subsidiaries	31	**-**	-	**7,351,773**	7,320,930
Associates	32	**893,627**	921,975	**358,468**	353,087
Joint ventures	33	**857,719**	852,370	**211,965**	194,874
Financial assets at fair value through other comprehensive income	34	**3,665**	3,665	**2,050**	2,050
Long term receivables	35	**258,945**	220,731	**-**	-
Intangible assets	36	**94,800**	101,116	**-**	-
Deferred tax assets	22	**481,763**	447,287	**20,038**	22,907
Inventories	37	**511,916**	679,223	**-**	-
		10,889,042	10,688,816	**7,961,283**	7,912,349

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
CURRENT ASSETS					
Inventories	37	7,346,301	7,687,014	-	-
Produce growing on bearer plants	38	19,380	11,892	-	-
Trade and other receivables	39	1,707,793	1,865,664	1,787,331	2,216,268
Contract assets	40	299,553	345,336	-	-
Financial assets at fair value through profit or loss	41	689,357	534,630	112,721	4,866
Derivative financial instruments	24	2,370	1,722	-	1,393
Tax recoverable		111,037	91,880	1,535	-
Deposits, cash and bank balances	42	2,406,181	2,222,648	93,824	182,222
Assets held for sale	43(a)	-	3,665	4,685	4,095
Assets of disposal group classified as held for sale	43(b)	23,167	-	-	-
		12,605,139	12,764,451	2,000,096	2,408,844
Less:					
CURRENT LIABILITIES					
Contract liabilities	40	323,657	666,366	917	1,136
Trade and other payables	44	2,932,624	3,130,999	118,495	128,396
Lease liabilities	20	14,642	11,870	1,744	1,660
Current tax liabilities		27,004	29,820	-	1,245
Derivative financial instruments	24	4,388	3,236	-	-
Provisions	45	1,640	2,476	-	-
Borrowings					
- Bank overdrafts	46	14,755	118,860	-	-
- Others	46	1,825,067	2,211,657	260,280	753,635
Liabilities of disposal group classified as held for sale	43(b)	3,095	-	-	-
		5,146,872	6,175,284	381,436	886,072
NET CURRENT ASSETS		7,458,267	6,589,167	1,618,660	1,522,772
		18,347,309	17,277,983	9,579,943	9,435,121

Statements of Changes in Equity

For the Financial Year Ended 31 March 2021

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
		Attributable to owners of the Company										
At 1 April 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
Comprehensive income:												
Net profit for the financial year		-	-	-	-	-	-	431,678	431,678	46,534	166,891	645,103
Other comprehensive income:												
Currency translation differences arising from translation of net investment in foreign operations		-	-	-	66,557	-	-	-	66,557	-	26,802	93,359
Realisation of other comprehensive income arising from disposal of a foreign subsidiary	49	-	-	-	(5,816)	-	-	-	(5,816)	-	-	(5,816)
Realisation of other comprehensive loss arising from disposal of an associate		-	-	-	8,066	-	-	-	8,066	-	-	8,066
Share of other comprehensive income of associates		-	-	-	264	-	-	-	264	-	-	264
Actuarial loss on defined benefit plan		-	-	-	-	-	-	(340)	(340)	-	(299)	(639)
		-	-	-	69,071	-	-	(340)	68,731	-	26,503	95,234
Total comprehensive income for the financial year		-	-	-	69,071	-	-	431,338	500,409	46,534	193,394	740,337
Issuance of ESOS and ESGP		-	-	-	-	3,083	-	-	3,083	-	-	3,083

The Group (cont'd)	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
		Attributable to owners of the Company										
Transactions with owners:												
Single tier second interim dividend:												
- Year ended 31 March 2020	12	-	-	-	-	-	-	(36,313)	(36,313)	-	-	(36,313)
Single tier first interim dividend:												
- Year ended 31 March 2021	12	-	-	-	-	-	-	(72,425)	(72,425)	-	-	(72,425)
Dividends paid by subsidiaries to non-controlling shareholders		-	-	-	-	-	-	-	-	-	(18,723)	(18,723)
Perpetual Sukuk distribution payable and paid by a subsidiary		-	-	-	-	-	-	-	-	(46,711)	-	(46,711)
Acquisition of a foreign subsidiary	48	-	-	-	-	-	-	-	-	-	3,293	3,293
Disposal of a foreign subsidiary	49	-	-	-	-	-	-	-	-	-	(1,423)	(1,423)
Issuance of shares:												
- Vesting of shares under ESGP	14(A)	5,014	-	-	-	(5,014)	-	-	-	-	-	-
Share buy back	14(B)	-	(18,585)	-	-	-	-	-	(18,585)	-	-	(18,585)
Total transactions with owners		5,014	(18,585)	-	-	(5,014)	-	(108,738)	(127,323)	(46,711)	(16,853)	(190,887)
At 31 March 2021		**6,117,056**	**(36,655)**	**(1,263)**	**(164,239)**	**108,202**	**32,476**	**3,922,958**	**9,978,535**	**848,293**	**1,369,311**	**12,196,139**

Statements of Changes in Equity (cont'd)

For the Financial Year Ended 31 March 2021

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
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

The Group (cont'd)	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
		Attributable to owners of the Company										
Transactions with owners:												
Single tier second interim dividend:												
- Year ended 31 March 2019		-	-	-	-	-	-	(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)
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

Statements of Changes in Equity (cont'd)

For the Financial Year Ended 31 March 2021

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 2020		6,112,042	(18,070)	(1,263)	2,834	110,133	900,739	7,106,415
Comprehensive income:								
Net profit for the financial year		-	-	-	-	-	276,412	276,412
Other comprehensive income:								
Currency translation differences arising from translation of foreign operations		-	-	-	288	-	-	288
Total comprehensive income for the financial year		-	-	-	288	-	276,412	276,700
Issuance of ESOS and ESGP		-	-	-	-	3,083	-	3,083
Transactions with owners:								
Single tier second interim dividend:								
- Year ended 31 March 2020	12	-	-	-	-	-	(36,313)	(36,313)
Single tier first interim dividend:								
- Year ended 31 March 2021	12	-	-	-	-	-	(72,425)	(72,425)
Issuance of shares:								
- Vesting of shares under ESGP	14(A)	5,014	-	-	-	(5,014)	-	-
Share buy back	14(B)	-	(18,585)	-	-	-	-	(18,585)
At 31 March 2021		**6,117,056**	**(36,655)**	**(1,263)**	**3,122**	**108,202**	**1,068,413**	**7,258,875**

The Company	Note	Share capital RM'000	Non-distributable Treasury shares RM'000	Shares held under trust RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Distributable Retained profits RM'000	Total RM'000
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		-	-	-	-	-	(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

Cash Flow Statements

For the Financial Year Ended 31 March 2021

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
OPERATING ACTIVITIES					
Receipts from customers		**5,441,109**	6,691,105	**21,112**	30,998
Payments to contractors, suppliers and employees		**(4,080,458)**	(4,819,302)	**(24,941)**	(54,965)
Government grant received		**198,739**	-	**-**	-
Income tax paid		**(220,845)**	(190,385)	**(15,338)**	(19,189)
Net cash flow from/(used in) operating activities		**1,338,545**	1,681,418	**(19,167)**	(43,156)
INVESTING ACTIVITIES					
Acquisition of a subsidiary	48	**(12,610)**	-	**-**	-
Additional investment in an associate		**(5,381)**	(3,111)	**(5,381)**	(3,111)
Acquisition of financial assets at fair value through profit or loss		**(584,881)**	(686,133)	**(150,000)**	(90,000)
Subscription of Redeemable Convertible Preference Shares in an associate		**-**	(127,377)	**-**	(127,377)
Subscription of Redeemable Unsecured Murabahah Stocks in an associate	32	**(16,253)**	(60,940)	**-**	-
Purchase of land held for property development		**(10,896)**	(42,444)	**-**	-
Purchase of property, plant and equipment, right-of-use assets and investment properties		**(194,347)**	(291,253)	**(831)**	(155)
Cost incurred on concession assets		**(417,333)**	(394,424)	**-**	-
Additions to port infrastructure		**(5,261)**	(21,501)	**-**	-
Quarry development expenditure incurred	36	**(3,273)**	(2,785)	**-**	-
Disposal of property, plant and equipment, right-of-use assets and investment properties		**65,982**	18,718	**-**	70
Disposal of a subsidiary	49	**67,930**	-	**-**	-
Disposal of assets held for sale		**8,658**	-	**7,008**	-
Disposal of financial assets at fair value through profit or loss		**443,620**	610,126	**45,329**	94,600
Proceeds from liquidation of a subsidiary		**-**	-	**-**	9
Dividends received from associates		**19,879**	50,611	**3,605**	30,144
Dividends received from other investments		**406**	718	**328**	581
Dividends received from a joint venture		**23,303**	4,800	**-**	-
Dividends received from subsidiaries		**-**	-	**268,259**	407,329
Interest received		**57,892**	74,428	**2,182**	3,771
Advances to associates		**(2,825)**	(24,295)	**(1,475)**	(5,000)
Advances to subsidiaries		**-**	-	**(249,013)**	(542,434)
Repayments from subsidiaries		**-**	-	**709,820**	592,355
Advances to joint ventures		**(15,157)**	(9,786)	**-**	(184)
Repayments from joint ventures		**8,209**	82,685	**7,130**	151
Net cash flow (used in)/from investing activities		**(572,338)**	(821,963)	**636,961**	360,749

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
FINANCING ACTIVITIES					
Issuance of shares by the Company:					
- Exercise of share options		**-**	440	**-**	440
Issuance of perpetual sukuk by a subsidiary		**-**	199,760	**-**	-
Drawdown of bonds		**300,000**	330,000	**250,000**	250,000
Repayment of bonds		**(210,000)**	(255,000)	**(150,000)**	(200,000)
Proceeds from bank borrowings		**1,426,363**	2,455,527	**272,830**	1,643,320
Repayments of bank borrowings		**(1,458,391)**	(2,371,699)	**(840,291)**	(1,529,559)
Repayment of government support loans		**(37,735)**	(34,000)	**-**	-
Repayments of hire purchase and lease liabilities		**(12,627)**	(11,994)	**(1,659)**	(1,656)
Repayment to a subsidiary		**-**	-	**(15,536)**	(79,918)
Interest paid		**(293,604)**	(346,805)	**(92,128)**	(104,589)
Dividends paid by subsidiaries to non-controlling shareholders		**(18,723)**	(14,213)	-	-
Dividends paid by the Company		**(108,738)**	(145,178)	**(108,738)**	(145,178)
Distribution to perpetual sukuk holders		**(46,711)**	(41,783)	**-**	-
Purchase of treasury shares	14(B)	**(18,585)**	-	**(18,585)**	-
Net uplifts/(placements) of restricted deposits		**18,839**	(1,740)	**-**	-
Acquisition of additional interests in a subsidiary		**-**	(254)	**-**	-
Net cash flow used in financing activities		**(459,912)**	(236,939)	**(704,107)**	(167,140)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		**306,295**	622,516	**(86,313)**	150,453
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**2,071,209**	1,451,135	**182,222**	28,095
FOREIGN EXCHANGE DIFFERENCES		**3,540**	(2,442)	**(2,085)**	3,674
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	50	**2,381,044**	2,071,209	**93,824**	182,222

Cash Flow Statements (cont'd)

For the Financial Year Ended 31 March 2021

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:

	*** Interest payables RM'000	Lease liabilities RM'000	* Borrowings RM'000	Total RM'000
The Group:				
At 1 April 2020	55,980	61,759	6,831,416	6,949,155
Cash flows:				
Net drawdown of bonds	-	-	90,000	90,000
Net repayment of borrowings	-	-	(69,763)	(69,763)
Payment for loan transaction costs **	-	-	(933)	(933)
Repayments of lease liabilities	-	(12,627)	-	(12,627)
Interest paid	(293,604)	-	-	(293,604)
Non-cash changes:				
Foreign exchange movement	-	524	(52,777)	(52,253)
Others	288,773	13,969	12,463	315,205
At 31 March 2021	**51,149**	**63,625**	**6,810,406**	**6,925,180**
At 1 April 2019	53,284	62,128	6,619,277	6,734,689
Cash flows:				
Net drawdown of bonds	-	-	75,000	75,000
Net drawdown of borrowings	-	-	49,828	49,828
Payment for loan transaction costs **	-	-	(419)	(419)
Repayments of lease liabilities	-	(11,994)	-	(11,994)
Interest paid	(346,805)	-	-	(346,805)
Non-cash changes:				
Foreign exchange movement	-	(229)	75,529	75,300
Others	349,501	11,854	12,201	373,556
At 31 March 2020	55,980	61,759	6,831,416	6,949,155

* Borrowings of the Group include bonds, term loans, government support loans, other short-term borrowings and advances from the State Government.

** Included within cash flow from operating activities.

*** Included within trade accruals (Note 44).

Reconciliation of liabilities arising from financing activities: (cont'd)

	** Interest payables RM'000	Lease liabilities RM'000	* Borrowings RM'000	Amount owing to a subsidiary RM'000	Total RM'000
The Company:					
At 1 April 2020	29,789	9,482	2,326,775	747,744	3,113,790
Cash flows:					
Net drawdown of bonds	-	-	100,000	-	100,000
Net drawdown of borrowings	-	-	(567,461)	-	(567,461)
Repayments of lease liabilities	-	(1,659)	-	-	(1,659)
Net repayment of balances	-	-	-	(15,536)	(15,536)
Interest paid	(92,128)	-	-	-	(92,128)
Non-cash changes:					
Foreign exchange movement	-	-	(16,253)	-	(16,253)
Others	87,288	-	-	-	87,288
At 31 March 2021	**24,949**	**7,823**	**1,843,061**	**732,208**	**2,608,041**
At 1 April 2019	25,339	5,971	2,134,342	827,662	2,993,314
Cash flows:					
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)
Interest paid	(104,589)	-	-	-	(104,589)
Non-cash changes:					
Foreign exchange movement	-	-	28,672	-	28,672
Others	109,039	5,167	-	-	114,206
At 31 March 2020	29,789	9,482	2,326,775	747,744	3,113,790

* Borrowings of the Company include bonds, term loans and other short-term borrowings.

** Included within trade accruals (Note 44).

Summary of Significant Accounting Policies

For the Financial Year Ended 31 March 2021

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, Annual Improvements and Interpretation to Standards.

(a) Amendments to published standards that are effective

The amendments to published standards that are effective for the Group's and the Company's financial year beginning on 1 April 2020 and applicable to the Group and the Company are as follows:

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 "Presentation of Financial Statements" and MFRS 108 "Definition of Material"
- Amendments to MFRS 3 "Definition of a Business"

The adoption of amendments to published standards 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 been early adopted

The Group has elected to early adopt Amendments to MFRS 16 "COVID-19-Related Rent Concessions" for the first time in the 2021 financial statements; with the date of initial application of 1 April 2020, which resulted in changes in accounting policies.

On adoption of the MFRS 16 amendments, the Group is not required to assess whether a rent concession that occurs as a direct consequence of the COVID-19 pandemic and meet specified conditions is a lease modification.

The Group accounts for such COVID-19-related rent concession as a variable lease payment in the period in which the event or condition that triggers the reduced payment occurs. The Group recognised the reduction in lease payments in profit or loss with corresponding adjustment to the lease liability to reduce the part of the lease liability that has been waived.

In accordance with the transitional provisions provided in the MFRS 16 amendments, the comparative information for 2020 was not restated and continued to be reported under the previous accounting policies in accordance with the lease modification principles in MFRS 16. These amendments had no impact to the retained earnings on 1 April 2020.

In addition, the Group has elected to early adopt Amendments to MFRS 16 "COVID-19-Related Rent Concessions beyond 30 June 2021" for the first time in the 2021 financial statements; with the date of initial application of 1 April 2020, which resulted in changes in accounting policies. This amendment has further extended the timeline to include any reduction in lease payments which is due on or before 30 June 2022.

1 BASIS OF PREPARATION (cont'd)

(c) Amendments to published standards, annual improvements and interpretation 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 and interpretation that are mandatory for the Group's and the Company's financial year beginning on 1 April 2021 and the Group and the Company have not early adopted are as follows*:

- Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures and MFRS 16 Leases – *Interest Rate Benchmark reform – Phase 2*

(ii) The amendments to published standard and annual improvements that are 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 are as follows*:

- Annual improvements to MFRS 9 "Fees in the 10% test for derecognition of financial liabilities" clarifies that only fees paid or received between the borrower and the lender, including the fees paid or received on each other's behalf, are included in the cash flow of the new loan when performing the 10% test.

  An entity shall apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

- Amendments to MFRS 3 "Reference to Conceptual Framework" replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework. The amendments did not change the current accounting for business combinations on acquisition date.

  The amendments provide an exception for the recognition of liabilities and contingent liabilities to be in accordance with the principles of MFRS 137 "Provisions, contingent liabilities and contingent assets" and IC Interpretation 21 "Levies" when they fall within their scope. The amendments also clarify that contingent assets should not be recognised at the acquisition date.

  The amendments shall be applied prospectively.

- Amendments to MFRS 116 "Proceeds before intended use" prohibit an entity from deducting from the cost of a property, plant and equipment the proceeds received from selling items produced by the property, plant and equipment before it is ready for its intended use. The sales proceeds should instead be recognised in profit or loss.

  The amendments also clarify that testing whether an asset is functioning properly refers to assessing the technical and physical performance of the property, plant and equipment.

  The amendments shall be applied retrospectively.

- Amendments to MFRS 137 "Onerous contracts-cost of fulfilling a contract" clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, impairment that has occurred on assets used in fulfilling the contract should be recognised.

  The amendments shall be applied retrospectively.

- Annual improvements to MFRS 2018 – 2020 Cycle include:

  A) Annual improvements to illustrative example accompanying MFRS 16 Leases: Lease Incentives; and

  B) Annual improvements to MFRS 141 "Taxation in Fair Value Measurements" remove the requirement to exclude cash flows for taxation when measuring fair value to align with the requirements in MFRS 13 Fair Value Measurements. The amendments shall be applied retrospectively.

Summary of Significant Accounting Policies (cont'd)

For the Financial Year Ended 31 March 2021

1 BASIS OF PREPARATION (cont'd)

(c) Amendments to published standards, annual improvements and interpretation that are applicable to the Group and the Company, but are not yet effective and have not been early adopted (cont'd)

(iii) The amendment to published standard that is mandatory for the Group's and the Company's financial year beginning on 1 April 2023 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 for at least 12 months after 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.

  The assessment of whether an entity has the right to defer settlement of a liability at reporting date is not affected by expectations of the entity or events after the reporting date (e.g. waiver obtained or breach of loan covenant).

  The amendments shall be applied retrospectively.

- Amendments on disclosure of accounting policies (Amendments to MFRS 101 and MFRS Practice Statement 2)

  The amendments to MFRS 101 require companies to disclose material accounting policies rather than significant accounting policies. Entities are expected to make disclosure of accounting policies specific to the entity and not generic disclosures on MFRS applications.

  The amendment explains an accounting policy is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

  Also, accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Accordingly, immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

  MFRS Practice Statement 2 was amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

- Amendments on definition of accounting estimates (Amendments to MFRS 108)

  The amendments to MFRS 108, redefined accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". To distinguish from changes in accounting policies, the amendments clarify that effect of a change in an input or measurement technique used to develop an accounting estimate is a change in accounting estimate, if they do not arise from prior period errors.

  Examples of accounting estimates include expected credit losses; net realisable value of inventory; fair value of an asset or liability; depreciation for property, plant and equipment; and provision for warranty obligations.

* These amendments to published standards, annual improvements and interpretation 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, annual improvements and interpretation and the impact is still being assessed.

1 BASIS OF PREPARATION (cont'd)

(d) IFRIC agenda decision that is mandatory for the Group's financial year beginning on 1 April 2021

- IFRIC Agenda Decision on MFRS 123 "Borrowing Costs"

  The IFRIC agenda decision explained that receivables and contract assets are not qualifying assets for the purpose of capitalisation of borrowing costs. The agenda decision also clarified that work-in-progress inventories are not qualifying assets because such inventories are ready for its intended sale under its current condition, as the inventories will be transferred to the customer as soon as the Group finds a buyer and signs the contract with the customer.

  In line with the IFRIC agenda decision, the Group will change its accounting policy to exclude properties under construction where control of these properties is transferred over time as qualifying assets for the purposes of borrowing cost capitalisation.

  The Group is currently assessing the impact of 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.

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquisition would be classified as acquisition of assets if definition of business is not met. An entity has an option to apply a "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the concentration test, the acquisition would not represent a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. An entity may elect to apply the concentration test separately for each transaction.

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.

Summary of Significant Accounting Policies (cont'd)

For the Financial Year Ended 31 March 2021

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(a) Subsidiaries (cont'd)

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 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.

(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.

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(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 the amount is recognised 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.

Summary of Significant Accounting Policies (cont'd)

For the Financial Year Ended 31 March 2021

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 the amount is recognised 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.

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.

Summary of Significant Accounting Policies (cont'd)

For the Financial Year Ended 31 March 2021

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.

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.

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 25 years with the first 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 22 years on a straight-line basis. The immature bearer plants are not depreciated until such time when they become mature.

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.

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.

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%.

Summary of Significant Accounting Policies (cont'd)

For the Financial Year Ended 31 March 2021

7 INVESTMENT PROPERTIES (cont'd)

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.

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 fulfilment of one of the following criteria:

- The customer of the construction contracts simultaneously receives and consumes the benefits provided as the construction service progresses.
- 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 to 90 days are consistent with the market practice.

Summary of Significant Accounting Policies (cont'd)

For the Financial Year Ended 31 March 2021

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, 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) in the attached layout plan of 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 properties sold.

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.

When cumulative work done exceeds progress billings made, such balance represents unbilled revenue and is therefore, classified as contract assets. Similarly, where progress billings made exceed cumulative work done, such balance represents the obligation to deliver goods to customers and is classified as contract liabilities accordingly.

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 produce and fresh fruit bunches ("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, if any) 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 service 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 90 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. 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.

Revenue for port operations is recognised over time as and when the services are performed, net of taxes, discounts and rebates. Revenue is recognised up to the amount the Group has a right to invoice, upon the performance of the respective services requested by the customers. Once the ship has sailed, the customers are invoiced for the respective services provided and consideration is payable when invoiced.

(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 overtime 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.

Summary of Significant Accounting Policies (cont'd)

For the Financial Year Ended 31 March 2021

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 leases are 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 leases are 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.

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 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.

Summary of Significant Accounting Policies (cont'd)

For the Financial Year Ended 31 March 2021

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 fees on sales and purchase agreements 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 Note 35(c) to the financial statements on advances for plasma schemes).

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.

15 LEASES

(a) Accounting by lessee

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 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.

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.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement 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 option 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.

Summary of Significant Accounting Policies (cont'd)

For the Financial Year Ended 31 March 2021

15 LEASES (cont'd)

(a) Accounting by lessee (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 asset 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.

During the financial year, the Group and the Company apply practical expedient to account for a COVID-19-related rent concession that meets all of the following conditions in the same way as they would if they were not lease modification:

- 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 2022; and
- there is no substantive change to other terms and conditions of the lease.

The Group and the Company account for COVID-19 related rent concession as a variable lease payment in the period in which the event or condition that triggers the reduced payment occurs. Impacts of rent concessions are presented within operating expenses.

Until 31 March 2020, a change in lease payments (including rent concession), other than those arising from a change in amounts expected be payables under residual value guarantees or in an index or rate used to determine lease payments, is accounted for as a lease modification if it is not part of the original terms and conditions of the lease. The lease modification is accounted for as either a new lease or as a remeasurement of an existing lease liability, depending on the criteria set in MFRS 16 "Leases".

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.

(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.

15 LEASES (cont'd)

(b) Accounting by lessor (cont'd)

Finance leases

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.

Operating leases

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.

Sublease classification

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.

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.

Summary of Significant Accounting Policies (cont'd)

For the Financial Year Ended 31 March 2021

17 NON-CURRENT ASSETS (OR DISPOSAL GROUP) HELD FOR SALE

Non-current assets (or disposal groups) are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value are specifically exempt from this requirement.

An impairment is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

18 INCOME TAXES

The income tax expense for the period comprises current and deferred tax. The income tax expense or credit 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.

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) on a mandatory, contractual or voluntary basis and the Group has 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.

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.

Summary of Significant Accounting Policies (cont'd)

For the Financial Year Ended 31 March 2021

19 EMPLOYEE BENEFITS (cont'd)

(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 grants, with a corresponding increase in share-based payment reserves 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.

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 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.

Summary of Significant Accounting Policies (cont'd)

For the Financial Year Ended 31 March 2021

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.

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 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.

Summary of Significant Accounting Policies (cont'd)

For the Financial Year Ended 31 March 2021

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 in 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 in 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.

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, contract assets 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. Indicators that there are 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 values of cross currency swap and interest rate swap contracts are 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.

Summary of Significant Accounting Policies (cont'd)

For the Financial Year Ended 31 March 2021

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.

24 GOVERNMENT GRANTS

Grants from the government are recognised at their fair values where there is a reasonable assurance that the grants 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 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 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. The Group also assesses goodwill, intangible assets with indefinite useful life and other non-financial assets that are subject to amortisation 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.

Summary of Significant Accounting Policies (cont'd)

For the Financial Year Ended 31 March 2021

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 in the period in which the changes arise. 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 2021

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 27 May 2021.

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.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(c) Construction contracts (cont'd)

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.

(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) Useful life of port concession assets

Management had assessed and determined that the useful lives of the port concession assets would be 60 years as management has the intention and abilities to fulfil the obligations in order to be granted an extension of the concession as provided for in the Privatisation Agreement effective from 1 June 2015.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(h) 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.

(i) 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.

(j) Measurement of ECL allowance

The measurement of expected credit loss ("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.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(k) 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 their 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.

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") denominated net monetary liabilities. The effects to the Group's and the Company's profit after tax if the USD had strengthened/weakened by 5% (2020: 5%) against RM are as follows:

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Net monetary liabilities denominated in USD	**(560,173)**	(373,572)	**(113,795)**	(308,838)
Effects to profit after tax if the USD had strengthened/weakened by 5% (2020: 5%) against RM:				
- strengthened	**(21,289)**	(14,196)	**(4,324)**	(11,736)
- weakened	**21,289**	14,196	**4,324**	11,736

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	
	2021	2020
	RM'000	RM'000
Net monetary liabilities denominated in USD	**(704,319)**	(102,732)
Effects to profit after tax if the USD had strengthened/weakened by 5% against INR:		
- strengthened	**(27,966)**	(4,079)
- weakened	**27,966**	4,079

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 5% (2020: 10%) against IDR are as follows:

	The Group	
	2021	2020
	RM'000	RM'000
Net monetary liabilities denominated in USD	**(388,063)**	(465,090)
Effects to profit after tax if the USD had strengthened/weakened by 5% (2020: 10%) against IDR:		
- strengthened	**(15,134)**	(34,882)
- weakened	**15,134**	34,882

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

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 5% (2020: 10%) against IDR are as follows:

	The Group	
	2021	2020
	RM'000	RM'000
Net monetary liabilities denominated in JPY	**(157,811)**	(208,931)
Effects to profit after tax if the JPY had strengthened/weakened by 5% (2020: 10%) against IDR:		
- strengthened	**(6,155)**	(15,670)
- weakened	**6,155**	15,670

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.

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Borrowings based on cost of funds ("COF"):				
- increase by 25 basis points	**(1,544)**	(1,884)	**-**	-
- decrease by 25 basis points	**1,544**	1,884	**-**	-
Borrowings based on London interbank offered rate ("LIBOR"):				
- increase by 50 basis points	**(4,774)**	(3,688)	**(630)**	(1,316)
- decrease by 50 basis points	**4,774**	3,688	**630**	1,316
Borrowings based on Marginal cost of lending rate ("MCLR"):				
- increase by 50 basis points	**(1,571)**	(2,064)	**-**	-
- decrease by 50 basis points	**1,571**	2,064	**-**	-

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.

Notes to the Financial Statements (cont'd)
For the Financial Year Ended 31 March 2021

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Market risk (cont'd)

(iii) Price risk (cont'd)

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	
	2021 RM'000	2020 RM'000
CPO Swap Contracts		
Effects to profit after tax if crude palm oil prices:		
- increase by 10%	**(655)**	(2,861)
- decrease by 10%	**655**	2,861

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 Tonnes	Average contract price per tonne RM
Physical forward selling commodity contracts		
Sales contracts:		
31 March 2021	**5,730**	**3,466**
31 March 2020	4,500	2,634

(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:

- Trade receivables
- Contract assets
- Lease receivables
- 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")

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Credit risk (cont'd)

Credit risk – Measurement of ECL (cont'd)

(i) Trade receivables, contract assets and lease receivables 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, contract assets and lease receivables.

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 2021, the Group's trade receivables and contract assets of RM1,276,887,000 and RM299,553,000 (2020: RM1,429,896,000 and RM345,336,000) respectively were assessed for impairment under the simplified approach. As at 31 March 2021, the Company's trade receivables of RM54,056,000 (2020: RM54,728,000) 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.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

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 four 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.

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 2021			
Bonds	**338,273**	**1,786,134**	**1,687,641**
Term loans	**708,358**	**1,208,451**	**951,993**
Government support loans	**10,000**	**40,000**	**16,778**
Trade and other payables	**2,921,157**	**127,795**	**337,298**
Short term borrowings*	**997,189**	**-**	**-**
Lease liabilities	**16,722**	**26,487**	**73,938**
Financial guarantee contracts**	**3,783**	**14,475**	**9,107**
Derivative financial instruments	**4,388**	**-**	**-**
	4,999,870	**3,203,342**	**3,076,755**
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

* As at 31 March 2021 and 2020, 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 loan facilities amounting to RM80.9 million (2020: RM74.7 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 2021, RM27.4 million (2020: RM35.9 million) of the plasma loan facility has been drawn down.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

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 2021			
Bonds	**223,301**	**995,551**	**810,093**
Term loans	**84,128**	**84,197**	**-**
Short term borrowings (revolving credits)	**28,306**	**-**	**-**
Lease liabilities	**2,088**	**6,560**	**-**
Trade and other payables	**118,495**	**732,208**	**-**
	456,318	**1,818,516**	**810,093**
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

The exposure of the borrowings of the Group and the Company to interest rate changes at the reporting dates are disclosed in Notes 17, 18, 44 and 46 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. The Group and the Company are in compliance with externally imposed capital requirements as at the reporting date.

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
2021				
The Group				
Assets:				
Financial assets at fair value through profit or loss	689,357	-	-	689,357
Financial assets at fair value through other comprehensive income	-	-	3,665	3,665
Derivative financial instruments	-	2,370	-	2,370
Total assets	689,357	2,370	3,665	695,392
Liabilities:				
Derivative financial instruments	-	4,388	-	4,388
Total liabilities	-	4,388	-	4,388
The Company				
Assets:				
Financial assets at fair value through profit or loss	112,721	-	-	112,721
Financial assets at fair value through other comprehensive income	-	-	2,050	2,050
Total assets	112,721	-	2,050	114,771

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

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
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

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.

4 OPERATING REVENUE

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contract with customers:				
- construction contracts	**1,919,995**	2,041,225	**-**	-
- property development	**1,244,937**	2,130,431	**-**	-
- sale of quarry and manufactured products	**686,963**	826,278	**-**	-
- sale of goods	**18,346**	9,245	**-**	-
- toll concession revenue	**330,760**	402,160	**-**	-
- port revenue	**382,674**	346,991	**-**	-
- sale of plantation products and produce	**935,693**	739,133	**-**	-
- management services	**15,601**	6,428	**19,713**	27,147
- rendering of other services	**11,618**	31,168	**-**	-
	5,546,587	6,533,059	**19,713**	27,147
Revenue from other sources:				
- dividend income	**328**	581	**272,192**	438,054
- amortisation of deferred income	**16,490**	15,417	**-**	-
- port lease	**15,371**	22,284	**-**	-
- lease income	**44,094**	33,760	**289**	303
	76,283	72,042	**272,481**	438,357
	5,622,870	6,605,101	**292,194**	465,504
Timing of revenue recognition for revenue from contract with customers:				
- At a point in time	**1,992,993**	2,674,673	**-**	-
- Over time	**3,553,594**	3,858,386	**19,713**	27,147
	5,546,587	6,533,059	**19,713**	27,147

Supplementary information on operating revenue of the Group inclusive of the Group's share of revenue of associates and joint ventures are as follows:

	2021 RM'000	2020 RM'000
Operating revenue of the Group	**5,622,870**	6,605,101
Share of operating revenue of:		
Associates	**156,843**	271,792
Joint ventures	**80,444**	198,179
	5,860,157	7,075,072

Notes to the Financial Statements (cont'd)
For the Financial Year Ended 31 March 2021

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 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Construction contract costs		**1,794,321**	1,980,177	**102**	644
Property development costs		**937,949**	1,659,196	**-**	-
Cost of quarry and manufactured products sold		**651,913**	734,558	**-**	-
Cost of plantation products and produce sold		**614,081**	562,615	**-**	-
Toll operation costs		**215,450**	208,127	**-**	-
Port operation costs		**225,601**	225,428	**-**	-
Property, plant and equipment:					
- depreciation	27	**196,296**	189,421	**261**	660
- impairment	27	**1,486**	2,709	**-**	-
- written off	27	**1,220**	1,304	**2**	-
- loss on disposal		**17**	-	**-**	-
Right-of-use assets:					
- depreciation	28	**19,922**	20,223	**1,807**	1,846
Investment properties:					
- depreciation	29	**9,425**	8,431	**171**	174
- impairment	29	**8,808**	-	**-**	-
Rental of land and buildings		**1,414**	1,072	**-**	-
Hire of plant and equipment		**6,228**	6,641	**59**	59
Auditors' remuneration:					
- statutory audit	8				
Current year		**4,331**	4,153	**464**	464
Under accrual in respect of prior years		**226**	430	**-**	-
- other services	8	**711**	1,441	**105**	937
Foreign exchange losses (net)		**-**	83,090	**-**	27,892
Fair value loss:					
- financial assets held for trading		**655**	1,392	**-**	1,391
- derivative financial instruments	13	**13,942**	11,138	**1,393**	-
Concession assets:					
- amortisation	30	**199,802**	188,353	**-**	-
- written off	30	**-**	147	**-**	-
- impairment	13,30	**-**	27,500	**-**	-
Quarry development expenditure:					
- amortisation	36	**3,783**	3,869	**-**	-
- written off	36	**444**	-	**-**	-
- impairment	36	**5,637**	-	**-**	-

5 OPERATING PROFIT BEFORE FINANCE COST (cont'd)

(a) The following expenses (excluding finance cost and income tax expense) by nature have been debited in arriving at operating profit before finance cost: (cont'd)

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Bad debts written off		3,479	193	-	-
Impairment of:					
- amounts owing by joint ventures	33	27,286	6,063	-	-
- amounts due from non-controlling interests	35(b)	-	4,000	-	-
- investment in an associate	32	-	-	-	53,911
- investment in RCULS	33	18,800	-	18,800	77,665
- trade and other receivables	39	18,721	19,153	-	5,395
Write down of inventories:					
- property development costs (net)	13,37(b)	18,030	13,231	-	-
- completed buildings	13	16,605	77,969	-	-
Loss on disposal of assets held for sale	43(a)	4,192	-	-	-

(b) The following amounts have been credited in arriving at operating profit before finance cost:

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Gross dividends received from:					
- subsidiaries					
(quoted)		-	-	9,897	9,897
(unquoted)		-	-	258,362	397,432
- associates					
(quoted)		-	-	3,555	28,353
(unquoted)		-	-	50	1,791
- other investments (quoted)		406	718	328	581
Interest income:					
- bank deposits		31,593	44,292	1,762	3,097
- loans and receivables from related parties		73,360	61,109	113,448	133,697
- loans and receivables from non-related parties		3,847	42,115	19	1
- others		1,762	27,275	401	673

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

5 OPERATING PROFIT BEFORE FINANCE COST (cont'd)

(b) The following amounts have been credited in arriving at operating profit before finance cost: (cont'd)

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Profits from Islamic placements		**1,970**	3,256	**-**	-
Profits from Redeemable Unsecured Murabahah Stocks		**21,385**	15,480	**-**	-
Foreign exchange gains (net)		**115,476**	-	**12,280**	-
Gain on disposal of:					
- property, plant and equipment		**7,628**	10,000	**-**	9
- investment properties		**36,753**	-	**-**	-
- right-of-use assets		**8,084**	3,135	**-**	-
- assets held for sale	43(a)	**1,119**	-	**-**	-
Reversal of impairment in RCULS	13,33	**-**	47,038	**-**	-
Rental income from operating lease		**8,251**	9,192	**-**	-
Rental income from sub-lease of right-of-use assets		**48**	173	**-**	-
Bad debts recovered		**136**	5,509	**-**	-
Write back of allowance for impairment of:					
- trade and other receivables	39	**7,022**	11,483	**-**	-
- amounts owing by joint ventures	33	**10,587**	-	**7,089**	-
Reversal of write down of inventories					
- completed buildings		**10,855**	15	**-**	-
Fair value gain on:					
- financial assets held for trading		**14,121**	15,316	**3,184**	312
- derivative financial instruments	13	**2,695**	5,860	**-**	5,860
Gain on liquidation of a subsidiary		**-**	-	**-**	264,969
Gain on disposal of a subsidiary	49	**34,015**	-	**-**	-
Gain on disposal of an associate		**-**	-	**2,913**	-
Amortisation of deferred income	30	**16,490**	15,417	**-**	-

6 EMPLOYEE BENEFITS COST

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Wages, salaries and bonus		**402,444**	418,353	**19,567**	19,897
Defined contribution retirement plan		**42,265**	44,562	**2,855**	2,939
Defined benefit retirement plan	25(b)	**(970)**	5,866	**-**	-
Other employee benefits		**24,281**	28,123	**1,069**	2,038
Share-based payments		**3,083**	16,567	**(129)**	1,338
		471,103	513,471	**23,362**	26,212
Less expenses capitalised into:					
- Construction contract costs		**(73,924)**	(82,252)	**-**	-
- Property, plant and equipment	27(c)	**(19,021)**	(12,627)	**-**	-
- Concession assets	30	**(1,097)**	(1,494)	**-**	-
- Property development costs	37(b)	**-**	(149)	**-**	-
		377,061	416,949	**23,362**	26,212

7 DIRECTORS' REMUNERATION

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors of the Company:				
Fees	**1,696**	1,605	**1,278**	1,223
Defined contribution retirement plan	**416**	555	**416**	555
Other emoluments	**2,980**	11,046	**2,958**	11,026
Share-based payments	**443**	(2,068)	**443**	(2,068)
	5,535	11,138	**5,095**	10,736

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 RM92,000 (2020: RM118,000) and RM92,000 (2020: RM118,000) respectively.

8 AUDITORS' REMUNERATION

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Statutory audit:				
PricewaterhouseCoopers Malaysia *	**2,676**	2,909	**464**	464
Other member firms of PricewaterhouseCoopers International Limited *	**893**	898	**-**	-
Other auditors of subsidiaries	**988**	776	**-**	-
	4,557	4,583	**464**	464
Other services:				
PricewaterhouseCoopers Malaysia *	**596**	1,342	**105**	937
Other member firms of PricewaterhouseCoopers International Limited *	**115**	99	**-**	-
	711	1,441	**105**	937
	5,268	6,024	**569**	1,401

* 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 2021

9 FINANCE COST

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Interest expenses arising from:					
- Advances from subsidiaries		-	-	3,119	4,450
- Bank borrowings		141,154	189,791	10,352	29,438
- Bonds		135,136	148,709	73,388	74,729
- Amortisation of government support loan		2,158	3,243	-	-
- Amortised costs on financial liabilities		17,900	25,361	-	-
- Lease liabilities		3,600	3,206	429	422
- Others		16,903	8,048	-	-
		316,851	378,358	87,288	109,039
Less interest capitalised into:					
- Property, plant and equipment	27(c)	(3,751)	(9,360)	-	-
- Investment properties	29	-	(3,238)	-	-
- Concession assets	30	(21,705)	(20,439)	-	-
- Property development costs	37(b)	(85,506)	(92,615)	-	-
		(110,962)	(125,652)	-	-
		205,889	252,706	87,288	109,039
Foreign exchange losses		-	44,581	-	-
Less foreign exchange losses capitalised into:					
- Property, plant and equipment	27(c)	-	(6,864)	-	-
		-	37,717	-	-
		205,889	290,423	87,288	109,039

10 INCOME TAX EXPENSE/(CREDIT)

	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Current tax:				
- Malaysian income tax	195,480	245,988	12,557	17,307
- Overseas taxation	14,422	4,330	-	-
	209,902	250,318	12,557	17,307
Deferred taxation (Note 22)	(75,450)	(60,739)	2,869	(21,196)
	134,452	189,579	15,426	(3,889)

10 INCOME TAX EXPENSE/(CREDIT) (cont'd)

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax:				
- Current year	**243,271**	271,479	**12,488**	17,292
- Benefits from previously unrecognised temporary differences	**(32,868)**	(16,931)	**-**	-
- (Over)/under accrual in prior years (net)	**(501)**	(4,230)	**69**	15
	209,902	250,318	**12,557**	17,307
Deferred taxation:				
- Origination and reversal of temporary differences	**(75,450)**	(60,739)	**2,869**	(21,196)
	134,452	189,579	**15,426**	(3,889)

The explanation of the relationship between income tax expense and profit before taxation is as follows:

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before taxation	**779,555**	517,765	**291,838**	548,118
Tax calculated at the Malaysian tax rate of 24% (2020: 24%)	**187,093**	124,264	**70,041**	131,548
Tax effects of:				
- Different tax rates in other countries	**637**	8,642	**-**	-
- Expenses not deductible for tax purposes	**56,234**	30,199	**16,904**	43,671
- Income not subject to tax	**(30,135)**	(23,583)	**(71,588)**	(170,111)
- Utilisation of tax incentives	**-**	(531)	**-**	-
- Reversal of deferred tax assets previously recognised and non recognition of deferred tax assets on unused tax losses and unutilised deductible temporary differences	**17,688**	51,078	**-**	-
- Recognition and utilisation of previously unrecognised tax losses, investment allowance and deductible temporary differences	**(32,868)**	(16,931)	**-**	-
- Recognition of deferred tax assets on investment allowance previously not recognised	**(85,900)**	-	**-**	-
- Share of results of associates and joint ventures	**17,090**	21,409	**-**	-
(Over)/under accrual in prior years (net)	**(501)**	(4,230)	**69**	15
Under/(over) accrual of deferred tax in prior years (net)	**5,114**	(738)	**-**	(9,012)
Income tax expense/(credit)	**134,452**	189,579	**15,426**	(3,889)

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 2021

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 (2020: issuance of shares pursuant to the exercise of ESOS and vesting of ESGP).

	The Group 2021 RM'000	The Group 2020 RM'000
Net profit attributable to owners of the Company	**431,678**	250,590
	'000	'000
Weighted average number of ordinary shares in issue	**3,624,605**	3,628,693
Basic earnings per share (sen)	**11.91**	6.91

(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 RM431,678,000 (2020: RM250,590,000) 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 (2020: 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 (2020: outstanding ESOS and ESGP).

	The Group 2021 RM'000	The Group 2020 RM'000
Net profit attributable to owners of the Company	**431,678**	250,590
	'000	'000
Weighted average number of ordinary shares in issue	**3,624,605**	3,628,693
Adjustments for ESOS	**-**	-
Adjustments for ESGP	**1,830**	-
Weighted average number of ordinary shares for diluted earnings per share	**3,626,435**	3,628,693
Diluted earnings per share (sen)	**11.90**	6.91

12 DIVIDENDS

Dividends declared and paid in respect of the current financial year are as follows:

	The Company			
	2021		2020	
	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**	**72,425****	2.00	72,589
Single tier second interim dividend	**4.00**	*	1.00	36,313**
	6.00	**72,425**	3.00	108,902

* The amount of dividend will be determined based on the number of shareholders entitled to receive the dividend as at 5:00pm on 30 June 2021.

** Dividends paid during the year

On 27 May 2021, the Directors have declared a single tier second interim dividend in respect of the financial year ended 31 March 2021 of 4.0 sen per share to be paid on 23 July 2021 to every member who is entitled to receive the dividend as at 5:00pm on 30 June 2021. 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 2021 (2020: 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 2021

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2021 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	2,265,530	1,380,371	721,434	935,693	798,635	314,336	6,415,999
Less: Inter-segment revenue	(215,227)	-	(26,842)	-	-	(313,773)	(555,842)
	2,050,303	1,380,371	694,592	935,693	798,635	563	5,860,157
Less: Share of operating revenue of associates and joint ventures	(102,438)	(83,613)	(3,634)	-	(47,602)	-	(237,287)
Revenue from external customers *	1,947,865	1,296,758	690,958	935,693	751,033	563	5,622,870
Revenue from contract with customers							
Timing of revenue recognition:							
- At a point in time	18,346	363,349	677,311	933,987	-	-	1,992,993
- Over time	1,929,519	899,159	9,652	1,706	713,435	123	3,553,594
	1,947,865	1,262,508	686,963	935,693	713,435	123	5,546,587

* Included in revenue from external customers are revenue from contract with customers of RM5,546,587,000 (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 2021 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 before taxation	137,655	176,542	68,215	272,129	117,070	7,944	779,555
Depreciation and amortisation (A) *	13,056	21,004	56,582	116,918	205,152	26	412,738
Finance cost (B)	80,165	16,703	5,408	18,273	85,338	2	205,889
Earnings before interest, tax, depreciation and amortisation	230,876	214,249	130,205	407,320	407,560	7,972	1,398,182
Other than (A) and (B), profit before taxation also includes:							
- Interest income	62,729	37,409	1,278	3,807	6,905	21,789	133,917
- Share of (losses)/profits of associates	(11,714)	15	95	345	(69,046)	(3,729)	(84,034)
- Share of profits of joint ventures	3,197	9,799	-	-	-	-	12,996
- Fair value gains/(losses) on derivative financial instruments (Note 5(a),(b))	-	2,370	-	(12,224)	-	(1,393)	(11,247)
- Write down of inventories:							
• property development costs (Note 5(a))	-	(18,030)	-	-	-	-	(18,030)
• completed building (Note 5(a))	-	(16,605)	-	-	-	-	(16,605)

* 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 2021

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2021 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	2,341,268	10,444,839	1,469,535	2,379,205	6,137,254	129,280	22,901,381
Unallocated assets:							
- Deferred tax assets							481,763
- Tax recoverable							111,037
Consolidated total assets							23,494,181
Segment assets include:							
- Investment in associates	288,811	23,134	1,946	14,113	565,344	279	893,627
- Investment in joint ventures	164,889	479,932	-	-	212,883	15	857,719
- Additions to non-current assets* (other than financial instruments and deferred tax assets)	14,816	11,856	52,124	71,722	554,348	150	705,016
LIABILITIES:							
Segment liabilities	3,247,588	3,062,567	253,650	844,951	3,274,128	705	10,683,589
Unallocated liabilities:							
- Deferred tax liabilities							587,449
- Current tax liabilities							27,004
Consolidated total liabilities							11,298,042

* 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 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.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

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 (losses)/gains on derivative financial instruments (Note 5(a),(b))	-	-	-	(11,138)	-	5,860	(5,278)
- Impairment of concession assets (Note 5(a))	-	-	-	-	(27,500)	-	(27,500)
- Write down of inventories:							
• property development costs (Note 5(a))	-	(13,231)	-	-	-	-	(13,231)
• completed building (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.

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 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	2,634,774	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.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

13 SEGMENTAL REPORTING (cont'd)

Geographical information:

	Revenue from external customers RM'000	Non-* current assets RM'000
2021		
Malaysia	**4,326,314**	**5,869,976**
India	**527,504**	**1,232,112**
Indonesia	**496,195**	**1,290,657**
United Kingdom	**231,416**	**532**
Other countries	**41,441**	**46**
	5,622,870	**8,393,323**
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

* Non-current assets comprise property, plant and equipment, right-of-use assets, investment properties, concession assets, intangible assets, land held for property development and oil palm nurseries (both are 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			
	2021		2020	
	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 2020/2019	**3,639,289**	**6,112,042**	3,635,688	6,099,350
Issuance of shares arising from:				
- Vesting of shares under ESGP	**1,830**	**5,014**	3,451	12,250
- Exercise of share options	**-**	**-**	150	442
At 31 March	**3,641,119**	**6,117,056**	3,639,289	6,112,042

During the financial year, the number of issued and paid-up ordinary shares of the Company was increased from 3,639,288,920 to 3,641,119,020 by way of the issuance of 1,830,100 new ordinary shares arising from the vesting of shares under the Employee Share Grant Plan ("ESGP").

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

14 SHARE CAPITAL, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(B) TREASURY SHARES

	The Group and the Company			
	2021		2020	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
At 1 April 2020/2019	**9,837**	**18,070**	9,837	18,070
Share buy back	**13,895**	**18,585**	-	-
At 31 March	**23,732**	**36,655**	9,837	18,070

The shareholders of the Company had approved an ordinary resolution at the Annual General Meeting held on 22 September 2020 for the Company to purchase 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 purchase plan was being applied in the best interest of the Company and its shareholders.

During the financial year, the Company purchased 13,895,200 of its ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM18,585,276. The average price paid for the shares purchased was approximately RM1.34 per share. The purchase transactions were financed by internally generated funds. The shares purchased are being held as treasury shares as allowed for under Section 127 of the Companies Act 2016. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

(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.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

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 1.4.2020 '000	Forfeited '000	Exercised '000	Balance at 31.3.2021 '000
24 December 2012	23 December 2022	4.44/4.37*/ 2.18**/ 2.16***	5,185	-	-	**5,185**

As at 31 March 2021, 5,185,000 (2020: 5,185,000) outstanding options from the First 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 RM2.32.

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:

			Number of share options over ordinary shares			
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2020 '000	Forfeited '000	Exercised '000	Balance at 31.3.2021 '000
24 December 2013	23 December 2022	5.22/5.14*/ 2.57**/ 2.54***	20,491	-	-	**20,491**

As at 31 March 2021, 20,491,100 (2020: 20,491,100) outstanding options from the Second ESOS Award are exercisable. No options were exercised during the financial year (2020: Nil).

(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:

			Number of share options over ordinary shares			
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2020 '000	Forfeited '000	Exercised '000	Balance at 31.3.2021 '000
24 December 2014	23 December 2022	5.88/2.94* 2.91**	11,882	-	-	**11,882**

As at 31 March 2021, 11,881,600 (2020: 11,881,600) outstanding options from the Third ESOS Award are exercisable. No options were exercised during the financial year (2020: Nil).

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

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 1.4.2020 '000	Forfeited '000	Exercised '000	Balance at 31.3.2021 '000
24 December 2015	23 December 2022	3.06/3.03*	14,012	-	-	**14,012**

As at 31 March 2021, 14,012,000 (2020: 14,012,000) outstanding options from the Fourth ESOS Award are exercisable. No options were exercised during the financial year (2020: 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 1.4.2020 '000	Forfeited '000	Exercised '000	Balance at 31.3.2021 '000
24 December 2016	23 December 2022	2.93	12,602	-	-	**12,602**

As at 31 March 2021, 12,602,300 (2020: 12,602,300) outstanding options from the Fifth ESOS Award are exercisable. No options were exercised during the financial year (2020: 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)

(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. The second tranche of ESOS under the Sixth ESOS Award amounting to 17,811,600 options have been vested and are exercisable as at 5 June 2020. The third tranche of ESOS under the Sixth ESOS Award amounting to 16,561,500 options have been vested and are exercisable as at 30 March 2021.

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 1.4.2020 '000	Forfeited '000	Exercised '000	Balance at 31.3.2021 '000
30 March 2018	23 December 2022	2.70	78,159	(16,649)	-	**61,510**

As at 31 March 2021, out of the 61,510,300 (2020: 78,158,600) outstanding options from the Sixth ESOS Award, 61,510,300 (2020: 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.

The first tranche of ESOS under the Seventh ESOS Award amounting to 13,546,500 options have been vested and are exercisable as at 5 June 2020. The second tranche of ESOS under the Seventh ESOS Award amounting to 9,415,400 options have been vested and are exercisable as at 30 March 2021.

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 1.4.2020 '000	Forfeited '000	Exercised '000	Balance at 31.3.2021 '000
30 March 2019	23 December 2022	2.16	41,835	-	-	**41,835**

As at 31 March 2021, out of the 41,834,600 (2020: 41,834,600) outstanding options from the Seventh ESOS Award, 22,961,900 (2020: Nil) options are exercisable. None of the options were exercised 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.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

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.

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 2021 and 31 March 2020, 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 2021 and 31 March 2020, 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 2021 and 31 March 2020, 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.

As at 31 March 2021 and 31 March 2020, there were no outstanding share grants under the Fourth ESGP Award.

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.

As at 31 March 2021 and 31 March 2020, there were no outstanding share grants under the Fifth ESGP Award.

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 1.4.2020 '000	Forfeited '000	Issued '000	Balance at 31.3.2021 '000
15 April 2018	14,198	(10,538)	(1,830)	**1,830**

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.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

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 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 1.4.2020 '000	Granted '000	Issued '000	Balance at 31.3.2021 '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.

(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	
	2021 RM'000	2020 RM'000
At 1 April 2020/2019	**1,263**	1,379
Exercise of share options via ETF mechanism	-	(116)
At 31 March	**1,263**	1,263

15 OTHER RESERVES

	The Group	
	2021 RM'000	2020 RM'000
Other reserves	**32,476**	32,476
Capital reserve	**22,476**	22,476
Redemption reserve	**10,000***	10,000*
	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 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 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 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").

(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").

Notes to the Financial Statements (cont'd)
For the Financial Year Ended 31 March 2021

16 PERPETUAL SUKUK OF A SUBSIDIARY (cont'd)

The salient features of the Perpetual Sukuk are as follows: (cont'd)

(e) The Perpetual Sukuk carries an initial fixed periodic distribution rates of 5.65%, 5.73% and 4.73% per annum and payable semi-annually for Tranche 1, Tranche 2 and Tranche 3 respectively. 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.

17 BONDS

	Unsecured	Secured		
	Sukuk Murabahah Notes (a) RM'000	Sukuk Mudharabah Notes (b) RM'000	Sukuk Wakalah (c) RM'000	Total RM'000
The Group				
2021				
At 1 April 2020	1,550,000	555,000	985,000	3,090,000
Drawdown during the year	250,000	-	50,000	300,000
Redeemed during the year	(150,000)	(60,000)	-	(210,000)
At 31 March 2021	1,650,000	495,000	1,035,000	3,180,000
Less:				
Transaction cost	-	-	(5,415)	(5,415)
Accumulated amortisation	-	-	2,001	2,001
	-	-	(3,414)	(3,414)
	1,650,000	495,000	1,031,586	3,176,586
Less:				
Amount redeemable within 12 months (Note 46)	(150,000)	(60,000)	-	(210,000)
	1,500,000	435,000	1,031,586	2,966,586

17 BONDS (cont'd)

	Unsecured Sukuk Murabahah Notes (a) RM'000	Secured Sukuk Mudharabah Notes (b) RM'000	Sukuk Wakalah (c) RM'000	Total RM'000
The Group (cont'd)				
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:				
Transaction cost	-	-	(5,153)	(5,153)
Accumulated amortisation	-	-	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 46)	(150,000)	(60,000)	-	(210,000)
	1,400,000	495,000	981,119	2,876,119

	Unsecured Sukuk Murabahah Notes (a) RM'000	Total RM'000
The Company		
2021		
At 1 April 2020	**1,550,000**	**1,550,000**
Drawdown during the year	**250,000**	**250,000**
Redeemed during the year	**(150,000)**	**(150,000)**
At 31 March 2021	**1,650,000**	**1,650,000**
Less:		
Amount redeemable within 12 months (Note 46)	**(150,000)**	**(150,000)**
	1,500,000	**1,500,000**
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 46)	(150,000)	(150,000)
	1,400,000	1,400,000

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

17 BONDS (cont'd)

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								
2021								
Unsecured								
Sukuk Murabahah Notes	(a)	**1,650,000**	**150,000**	**300,000**	**200,000**	**100,000**	**200,000**	**700,000**
Secured								
Sukuk Mudharabah Notes	(b)	**495,000**	**60,000**	**60,000**	**60,000**	**60,000**	**60,000**	**195,000**
Sukuk Wakalah	(c)	**1,031,586**	**-**	**50,000**	**85,000**	**100,000**	**160,000**	**636,586**
		3,176,586	**210,000**	**410,000**	**345,000**	**260,000**	**420,000**	**1,531,586**
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
The Company								
Unsecured								
Sukuk Murabahah Notes	(a)							
2021		**1,650,000**	**150,000**	**300,000**	**200,000**	**100,000**	**200,000**	**700,000**
2020		1,550,000	150,000	150,000	300,000	200,000	100,000	650,000

17 BONDS (cont'd)

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. In the preceding financial year, RM200,000,000 was repaid in April 2019. During the financial year, RM150,000,000 was repaid in April 2020.

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.

On 25 August 2020, the Company issued a eighth tranche of RM250,000,000 pursuant to the Programme at its nominal value that carries a profit rate of 3.85% per annum. It is repayable in full 10 years after the issue date.

As at 31 March 2021, the profit rate of the Sukuk is 4.43% (2020: 4.81%) per annum.

(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.

During the financial year, RM60,000,000 was repaid on 28 July 2020.

As at 31 March 2021, the profit rate of the Sukuk is 5.09% (2020: 5.05%) per annum.

Notes to the Financial Statements (cont'd)
For the Financial Year Ended 31 March 2021

17 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, an indirect 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 3.10% to 4.10% (2020: 4.32% to 5.07%) 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 3.22% to 4.11% (2020: 4.44% 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 ranging from 3.25% to 4.12% (2020: 4.47% to 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 ranging from 3.24% to 4.11% (2020: 4.46% to 4.77%) per annum. It is repayable in 10 various annual instalments, commencing 4 years after the issue date.

On 19 November 2020, KPC made the fifth issuance for the amount of RM50,000,000 of the Sukuk Wakalah at nominal value and carries a profit rate of 3.22% per annum. It is repayable in 11 various annual instalments, commencing 4 years after the issue date.

As at 31 March 2021, the profit rate of the Sukuk is 3.20% (2020: 4.42%) per annum.

17 BONDS (cont'd)

B. Principal features of Bonds (cont'd)

(c) Sukuk Wakalah (cont'd)

(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;
- 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.

18 TERM LOANS

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Current:					
Secured	46	**75,250**	135,689	**-**	-
Unsecured	46	**570,809**	827,528	**82,780**	173,140
		646,059	963,217	**82,780**	173,140
Non-current:					
Secured		**1,277,105**	576,832	**-**	-
Unsecured		**648,728**	1,038,311	**82,781**	173,140
		1,925,833	1,615,143	**82,781**	173,140
		2,571,892	2,578,360	**165,561**	346,280

A. Currency profile of term loans

The currency exposure profile of term loans is as follows:

	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
United States Dollar	**1,308,589**	986,832	**165,561**	346,280
Chinese Yuan	**-**	2,276	**-**	-
Japanese Yen	**158,624**	209,775	**-**	-
	1,467,213	1,198,883	**165,561**	346,280

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

18 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
2021															
Secured															
Term loan 1	4.0	111,603	RM	(a)	40,000	40,000	31,603	-	-	-	-	-	-	-	-
Term loan 2	4.5	49,859	RM	(b)	-	25,000	24,859	-	-	-	-	-	-	-	-
Term loan 3	3.7	86,562	RM	(c)	7,400	7,400	7,400	7,400	7,400	49,562	-	-	-	-	-
Term loan 4	2.4	27,905	GBP	(d)	-	-	-	27,905	-	-	-	-	-	-	-
Term loan 5	4.9	130,499	RM	(e)	6,000	6,000	10,000	10,000	20,000	78,499	-	-	-	-	-
Term loan 6	4.5	3,991	RM	(f)	-	2,217	1,774	-	-	-	-	-	-	-	-
Term loan 7	4.6	5,801	RM	(g)	-	-	-	-	2,900	2,901	-	-	-	-	-
Term loan 8	4.9	88,516	RM	(h)	7,400	7,400	7,400	7,400	7,400	51,516	-	-	-	-	-
Term loan 9	4.7	3,444	RM	(i)	298	1,190	1,190	766	-	-	-	-	-	-	-
Term loan 10	4.9	30,624	RM	(j)	11,857	11,857	6,910	-	-	-	-	-	-	-	-
Term loan 11	5.0	17,097	RM	(k)	-	-	2,106	11,993	2,998	-	-	-	-	-	-
Term loan 12	9.3	127,267	INR	(l)	957	1,276	2,552	3,827	5,103	113,552	-	-	-	-	-
Term loan 13	2.5	669,187	USD	(m)	1,338	6,692	14,053	23,422	32,121	591,561	-	-	-	-	-
		1,352,355			75,250	109,032	109,847	92,713	77,922	887,591	-	-	-	-	-

18 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 Group (cont'd)	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Note	< 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
2021															
Unsecured															
Term loan 20	1.3	72,433	USD		41,390	31,043	-	-	-	-	-	-	-	-	-
Term loan 21	2.0	93,128	USD		41,390	41,390	10,348	-	-	-	-	-	-	-	-
Term loan 22	2.8	57,505	USD		15,683	20,911	20,911	-	-	-	-	-	-	-	-
Term loan 23	2.8	95,772	USD		26,348	35,130	34,294	-	-	-	-	-	-	-	-
Term loan 24	2.3	142,716	USD		21,956	54,890	65,870	-	-	-	-	-	-	-	-
Term loan 25	2.3	142,716	USD		21,956	54,890	65,870	-	-	-	-	-	-	-	-
Term loan 26	1.0	158,624	JPY		9,914	59,484	89,226	-	-	-	-	-	-	-	-
Term loan 27	4.2	27,147	RM		9,581	17,566	-	-	-	-	-	-	-	-	-
Term loan 28	4.7	66,905	RM		20,000	46,905	-	-	-	-	-	-	-	-	-
Term loan 29	7.4	22,760	INR		22,760	-	-	-	-	-	-	-	-	-	-
Term loan 30	7.3	240,686	INR		240,686	-	-	-	-	-	-	-	-	-	-
Term loan 31	7.4	57,754	INR		57,754	-	-	-	-	-	-	-	-	-	-
Term loan 32	2.7	35,132	USD		35,132	-	-	-	-	-	-	-	-	-	-
Term loan 33	7.4	6,259	INR		6,259	-	-	-	-	-	-	-	-	-	-
		1,219,537			570,809	362,209	286,519	-	-	-	-	-	-	-	-
Total term loans		2,571,892			646,059	471,241	396,366	92,713	77,922	887,591	-	-	-	-	-

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

18 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 Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Note	< 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															
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	37,347	GBP	(d)	-	-	-	-	37,347	-	-	-	-	-	-
Term loan 5	4.7	135,054	RM	(e)	4,000	6,000	6,000	10,000	10,000	99,054	-	-	-	-	-
Term loan 6	4.8	4,000	RM	(f)	-	-	4,000	-	-	-	-	-	-	-	-
Term loan 7	4.5	5,790	RM	(g)	-	-	-	-	-	5,790	-	-	-	-	-
Term loan 8	4.7	95,845	RM	(h)	7,400	7,400	7,400	7,400	7,400	58,845	-	-	-	-	-
Term loan 9	4.3	3,536	RM	(i)	-	298	1,190	1,190	858	-	-	-	-	-	-
Term loan 10	4.5	29,038	RM	(j)	8,300	20,738	-	-	-	-	-	-	-	-	-
Term loan 11	5.7	2,192	RM	(k)	-	-	-	-	961	1,231	-	-	-	-	-
Term loan 12	9.3	95,347	INR	(l)	258	967	1,289	2,579	3,868	86,386	-	-	-	-	-
Term loan 14	3.5	28,331	GBP	(n)	28,331	-	-	-	-	-	-	-	-	-	-
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	5.7	388	RM	(r)	-	-	-	388	-	-	-	-	-	-	-
Term loan 19	4.3	690	RM	(s)	-	-	-	335	355	-	-	-	-	-	-
		712,521			135,689	89,027	56,608	54,821	68,189	308,187	-	-	-	-	-

18 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 Group (cont'd)	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Note	< 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 20	3.0	119,034	USD		43,285	43,285	32,464	-	-	-	-	-	-	-	-
Term loan 21	3.6	140,676	USD		43,285	43,285	43,285	10,821	-	-	-	-	-	-	-
Term loan 22	4.4	65,059	USD		-	21,686	21,686	21,687	-	-	-	-	-	-	-
Term loan 23	4.4	108,431	USD		-	36,433	36,433	35,565	-	-	-	-	-	-	-
Term loan 24	4.0	182,165	USD		11,385	45,542	56,926	68,312	-	-	-	-	-	-	-
Term loan 25	4.0	182,165	USD		11,385	45,542	56,926	68,312	-	-	-	-	-	-	-
Term loan 26	1.0	209,775	JPY		10,489	41,955	62,932	94,399	-	-	-	-	-	-	-
Term loan 27	4.2	36,731	RM		9,557	27,174	-	-	-	-	-	-	-	-	-
Term loan 28	4.7	48,250	RM		5,000	43,250	-	-	-	-	-	-	-	-	-
Term loan 29	8.4	23,000	INR		23,000	-	-	-	-	-	-	-	-	-	-
Term loan 30	8.6	425,500	INR		425,500	-	-	-	-	-	-	-	-	-	-
Term loan 31	8.4	53,475	INR		53,475	-	-	-	-	-	-	-	-	-	-
Term loan 32	4.6	102,732	USD		66,321	36,411	-	-	-	-	-	-	-	-	-
Term loan 34	2.9	86,570	USD		86,570	-	-	-	-	-	-	-	-	-	-
Term loan 35	4.7	20,000	RM		20,000	-	-	-	-	-	-	-	-	-	-
Term loan 36	6.7	2,276	RMB		2,276	-	-	-	-	-	-	-	-	-	-
Term loan 37	5.2	60,000	RM		16,000	16,000	16,000	12,000	-	-	-	-	-	-	-
		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 2021

18 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 Company	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Floating interest rate < 1 year RM'000	Floating interest rate 1-2 years RM'000	Floating interest rate 2-3 years RM'000	Floating interest rate 3-4 years RM'000	Floating interest rate 4-5 years RM'000	Floating interest rate > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed interest rate 1-2 years RM'000	Fixed interest rate 2-3 years RM'000	Fixed interest rate 3-4 years RM'000	Fixed interest rate 4-5 years RM'000
2021														
Unsecured														
Term loan 20	1.3	72,433	USD	41,390	31,043	-	-	-	-	-	-	-	-	-
Term loan 21	2.0	93,128	USD	41,390	41,390	10,348	-	-	-	-	-	-	-	-
		165,561		82,780	72,433	10,348	-	-	-	-	-	-	-	-
2020														
Unsecured														
Term loan 34	2.9	86,570	USD	86,570	-	-	-	-	-	-	-	-	-	-
Term loan 20	3.0	119,034	USD	43,285	43,285	32,464	-	-	-	-	-	-	-	-
Term loan 21	3.6	140,676	USD	43,285	43,285	43,285	10,821	-	-	-	-	-	-	-
		346,280		173,140	86,570	75,749	10,821	-	-	-	-	-	-	

18 TERM LOANS (cont'd)

C. Principal features of secured term loans

(a) Term loan 1 of RM111,603,000 (2020: RM126,224,000) and revolving credit of RM23,056,000 (2020: RM19,600,000) (Note 46(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 RM49,859,000 (2020: RM49,802,000) and revolving credit of RM29,500,000 (2020: RM29,500,000) (Note 46(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 RM86,562,000 (2020: RM93,881,000) 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 27 and 37); and

(iii) a corporate guarantee by IJML.

(d) Term loan 4 of RM27,905,000 (2020: RM37,347,000) 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 RM130,499,000 (2020: RM135,054,000) 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.

Notes to the Financial Statements (cont'd)
For the Financial Year Ended 31 March 2021

18 TERM LOANS (cont'd)

C. Principal features of secured term loans (cont'd)

(f) Term loan 6 of RM3,991,000 (2020: RM4,000,000) 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.

(g) Term loan 7 of RM5,801,000 (2020: RM5,790,000) and revolving credit of RM9,071,000 (2020: RM6,121,000) (Note 46(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.

(h) Term loan 8 of RM88,516,000 (2020: RM95,845,000) and revolving credit of RM71,400,000 (2020: RM60,500,000) (Note 46(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.

(i) Term loan 9 of RM3,444,000 (2020: RM3,536,000) 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.

(j) Term loan 10 of RM30,624,000 (2020: RM29,038,000) 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.

(k) Term loan 11 of RM17,097,000 (2020: RM2,192,000) 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.

(l) Term loan 12 of RM127,267,000 (2020: RM95,347,000) 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.

18 TERM LOANS (cont'd)

C. Principal features of secured term loans (cont'd)

(m) Term loan 13 of RM669,187,000 (2020: RM Nil) is secured by way of:

(i) a first mortgage and charge on all the immovable properties of an Indian tollway subsidiary of the Company ("company"), both present and future;

(ii) a first charge by way of hypothecation of moveable properties of the company, both present and future;

(iii) an assignment of book debts, receivables, rights and interest in project agreements of the company, both present and future;

(iv) a first charge on all intangible assets, undertaking and uncalled capital of the company; and

(v) 51% equity shares of the company.

(n) Term loan 14 of RM Nil (2020: RM28,331,000) was 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.

The loan was fully repaid during the financial year.

(o) Term loan 15 of RM Nil (2020: RM4,329,000) was 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.

The loan was fully repaid during the financial year.

(p) Term loan 16 of RM Nil (2020: RM630,000) and revolving credit of RM Nil (2020: RM2,000,000) (Note 46(A)(f)) were 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.

The loan was fully repaid during the financial year.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

18 TERM LOANS (cont'd)

C. Principal features of secured term loans (cont'd)

(q) Term loan 17 of RM Nil (2020: RM97,000) was 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.

The loan was fully repaid during the financial year.

(r) Term loan 18 of RM Nil (2020: RM388,000) was 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.

The loan was fully repaid during the financial year.

(s) Term loan 19 of RM Nil (2020: RM690,000) was 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.

The loan was fully repaid during the financial year.

19 GOVERNMENT SUPPORT LOANS

	Note	The Group 2021 RM'000	The Group 2020 RM'000
Government Support Loans:			
- Government Support Loan 1	(a)	-	26,715
- Government Support Loan 2	(b)	**59,740**	68,602
		59,740	95,317
Less: Payable within 12 months (Note 44)		**(9,930)**	(36,645)
		49,810	58,672

19 GOVERNMENT SUPPORT LOANS (cont'd)

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
31.3.2021							
Government Support Loan 2	**59,740**	**9,930**	**9,601**	**9,282**	**8,974**	**8,676**	**13,277**
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

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.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current:				
Lease liabilities	**48,983**	49,889	**6,079**	7,822
Current:				
Lease liabilities	**14,642**	11,870	**1,744**	1,660
Total lease liabilities	**63,625**	61,759	**7,823**	9,482

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement 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 2021 for the Group and the Company amounted to RM20,221,000 (2020: RM19,534,000) and RM1,718,000 (2020: 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	
	2021 RM'000	2020 RM'000
Less than 1 year	**52,786**	61,306
Between 1 and 2 years	**56,832**	55,509
Between 2 and 3 years	**53,764**	54,995
Between 3 and 4 years	**54,532**	52,392
Between 4 and 5 years	**54,561**	54,553
More than 5 years	**340,233**	323,821
Total undiscounted lease payments	**612,708**	602,576

21 FINANCIAL INSTRUMENTS BY CATEGORY

The Group	Note	Financial assets at amortised costs RM'000	Financial assets at fair value through profit or loss RM'000	Financial assets at fair value through other comprehensive income RM'000	Total RM'000
At 31 March 2021					
Assets as per statement of financial position:					
Non-current assets:					
Associates *	32	300,738	-	-	300,738
Joint ventures **	33	644,411	113,609	-	758,020
Financial assets at fair value through other comprehensive income	34	-	-	3,665	3,665
Long term receivables ***	35	219,086	-	-	219,086
Current assets:					
Trade and other receivables ****	39	1,606,230	-	-	1,606,230
Financial assets at fair value through profit or loss	41	-	689,357	-	689,357
Derivative financial instruments	24	-	2,370	-	2,370
Deposits, cash and bank balances	42	2,406,181	-	-	2,406,181
Total		5,176,646	805,336	3,665	5,985,647

	Note	Financial liabilities at fair value through profit or 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	17	-	2,966,586	2,966,586
Term loans	18	-	1,925,833	1,925,833
Government support loans	19	-	49,810	49,810
Trade and other payables	23	-	278,938	278,938
Current liabilities:				
Derivative financial instruments	24	4,388	-	4,388
Trade and other payables *****	44	-	2,926,642	2,926,642
Borrowings	46	-	1,839,822	1,839,822
Total		4,388	9,987,631	9,992,019

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

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 or 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	24	-	1,722	-	1,722
Deposits, cash and bank balances	42	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 or 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	17	-	2,876,119	2,876,119
Term loans	18	-	1,615,143	1,615,143
Government support loans	19	-	58,672	58,672
Trade and other payables	23	-	311,297	311,297
Derivative financial instruments	24	872	-	872
Current liabilities:				
Derivative financial instruments	24	3,236	-	3,236
Trade and other payables *****	44	-	3,121,921	3,121,921
Borrowings	46	-	2,330,517	2,330,517
Total		4,108	10,313,669	10,317,777

* 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 or loss RM'000	Financial assets at fair value through other comprehensive income RM'000	Total RM'000
At 31 March 2021					
Assets as per statement of financial position:					
Non-current assets:					
Subsidiaries *	31	993,653	-	-	993,653
Joint ventures **	33	98,356	113,609	-	211,965
Financial assets at fair value through other comprehensive income	34	-	-	2,050	2,050
Current assets:					
Trade and other receivables ***	39	1,787,083	-	-	1,787,083
Financial assets at fair value through profit or loss	41	-	112,721	-	112,721
Deposits, cash and bank balances	42	93,824	-	-	93,824
Total		2,972,916	226,330	2,050	3,201,296

	Note	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per statement of financial position:			
Non-current liabilities:			
Bonds	17	1,500,000	1,500,000
Term loans	18	82,781	82,781
Trade and other payables	23	732,208	732,208
Current liabilities:			
Trade and other payables	44	118,495	118,495
Borrowings	46	260,280	260,280
Total		2,693,764	2,693,764

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

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 or 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	24	-	1,393	-	1,393
Deposits, cash and bank balances	42	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	17	1,400,000	1,400,000
Term loans	18	173,140	173,140
Trade and other payables	23	747,744	747,744
Current liabilities:			
Trade and other payables	44	128,396	128,396
Borrowings	46	753,635	753,635
Total		3,202,915	3,202,915

* 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deferred tax assets	**481,763**	447,287	**20,038**	22,907
Deferred tax liabilities	**(587,449)**	(629,587)	**-**	-
	(105,686)	(182,300)	**20,038**	22,907
At 1 April 2020/2019	**(182,300)**	(243,340)	**22,907**	1,711
Credited/(charged) to income statement (Note 10)				
- Property, plant and equipment	**(16,067)**	(6,293)	**(108)**	(17)
- Concession assets	**783**	(9,464)	**-**	-
- Right-of-use assets	**1,800**	11,538	**434**	443
- Post–employment benefit	**(994)**	387	**-**	-
- Intangible assets	**1,581**	261	**-**	-
- Tax losses	**(3,123)**	(15,718)	**-**	-
- Payables	**(8,781)**	18,287	**(390)**	(396)
- Inventories	**29,477**	51,109	**-**	-
- Construction contracts	**(562)**	5,114	**-**	-
- Borrowings	**7,965**	-	**-**	-
- Lease liabilities	**(1,834)**	(10,821)	**(398)**	(398)
- Investment properties	**85**	-	**-**	-
- Derivative financial instruments	**289**	1,778	**-**	-
- Receivables	**3,678**	22,213	**(2,407)**	21,564
- Share-based payment	**(2,820)**	(1,862)	**-**	-
- Contract liabilities	**(7,180)**	(5,656)	**-**	-
- Associates	**(11,982)**	-	**-**	-
- Investment allowance	**85,900**	-	**-**	-
- Others	**(2,765)**	(134)	**-**	-
	75,450	60,739	**(2,869)**	21,196
Exchange differences	**72**	301	**-**	-
Transferred to disposal group of assets held for sale (Note 43(b))	**511**	-	**-**	-
Acquisition of a subsidiary (Note 48)	**581**	-	**-**	-
At 31 March	**(105,686)**	(182,300)	**20,038**	22,907

Notes to the Financial Statements (cont'd)
For the Financial Year Ended 31 March 2021

22 DEFERRED TAXATION (cont'd)

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Subject to income tax				
Deferred tax assets (before offsetting)				
- Property, plant and equipment	590	1,023	-	-
- Inventories	187,159	173,181	-	-
- Post-employment benefit	4,882	5,509	-	-
- Payables	199,373	203,594	930	1,320
- Tax losses	41,723	40,530	-	-
- Construction contracts	18,518	19,080	-	-
- Borrowings	108	108	-	-
- Right-of-use assets	13,338	11,538	877	443
- Investment properties	8,610	8,525	-	-
- Concession assets	4,689	5,338	-	-
- Receivables	25,891	22,213	19,157	21,564
- Share-based payment	7,798	10,618	-	-
- Contract liabilities	5,666	12,846	-	-
- Derivative financial instruments	1,001	655	-	-
- Investment allowance	85,900	-	-	-
- Others	1,356	1,357	-	-
	606,602	516,115	20,964	23,327
Offsetting	(124,839)	(68,828)	(926)	(420)
Deferred tax assets (after offsetting)	481,763	447,287	20,038	22,907
Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	(210,463)	(191,291)	(130)	(22)
- Intangible assets	(3,615)	(5,196)	-	-
- Borrowings	(3,827)	(11,792)	-	-
- Lease liabilities	(12,683)	(10,821)	(796)	(398)
- Inventories	(176,604)	(192,103)	-	-
- Payables	(4,610)	(50)	-	-
- Concession assets	(286,424)	(287,843)	-	-
- Associate	(11,982)	-	-	-
- Others	(2,080)	681	-	-
	(712,288)	(698,415)	(926)	(420)
Offsetting	124,839	68,828	926	420
Deferred tax liabilities (after offsetting)	(587,449)	(629,587)	-	-

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised deductible temporary differences	**182,371**	177,254	**-**	-
Untilised investment allowance	**108,072**	513,757	**-**	-
Unused tax losses	**580,260**	717,781	**-**	-
	870,703	1,408,792	**-**	-

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 and unutilised investment allowance of RM580,260,000 and RM108,072,000 (2020: RM717,781,000 and RM513,757,000) respectively will expire in the following financial years:

	The Group	
	2021 RM'000	2020 RM'000
Financial year		
2021	**-**	151,358
2022	**76,447**	79,760
2023	**10,061**	28,174
2024	**11,276**	23,636
2025	**304,618**	315,225
2026	**35,464**	34,591
2027	**166,838**	572,571
2028	**61,788**	26,223
2029	**21,840**	-
	688,332	1,231,538

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.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

23 TRADE AND OTHER PAYABLES

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Advances from the State Government	(a)	**33,180**	33,180	**-**	-
Land and development costs payable	(b)	**150,723**	178,769	**-**	-
Less: Payable within 12 months (Note 44)		**(15,500)**	(13,750)	**-**	-
Payable after 12 months		**135,223**	165,019	**-**	-
Deposits I	(c)	**8,225**	8,225	**-**	-
Deposits II	(c)	**5,796**	5,194	**-**	-
Refundable membership securities I	(d)	**5,544**	5,556	**-**	-
Refundable membership securities II	(d)	**2,262**	4,903	**-**	-
Lease payable to Kuantan Port Authority	(e)	**94,947**	95,440	**-**	-
Less: Payable within 12 months (Note 44)		**(6,239)**	(6,220)	**-**	-
Payable after 12 months		**88,708**	89,220	**-**	-
Amount owing to a subsidiary	(f)	**-**	-	**732,208**	747,744
		278,938	311,297	**732,208**	747,744

(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.

23 TRADE AND OTHER PAYABLES (cont'd)

(b) This represents the present value of the land and deferred development costs of RM150,723,000 (2020: RM178,769,000) in connection with a mixed development in Kuala Lumpur, which will become payable as the development progresses.

(c) Deposits I represent performance deposits received from a school operator, which are 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 represent the deposits received from the tenants for lease agreements which are expiring between 3 to 15 years and will be repayable to the tenants upon the expiry of the lease terms.

(d) Refundable membership securities I represent 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 are 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 memberships are 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.

(f) As at the reporting date, the amount owing to a subsidiary is unsecured and payable after twelve months.

24 DERIVATIVE FINANCIAL INSTRUMENTS

	Note	The Group		The Company	
		Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
At 31 March 2021					
Current:					
Interest rate swap contracts	(a)	-	1,310	-	-
Crude palm oil ("CPO") swap contracts	(b)	-	3,078	-	-
Cross currency swap	(c)	2,370	-	-	-
		2,370	4,388	-	-

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

24 DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

		The Group		The Company	
	Note	Assets RM'000	Liabilities RM'000	Assets RM'000	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	-

(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 values of interest rate swap contracts as at the reporting date are 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:

The Group	Base Currency	Contract/Notional Value RM'000	Fair value of derivative financial liabilities RM'000
As at 31 March 2021			
Less than 1 year	USD	**163,104**	**1,310**
As at 31 March 2020			
Less than 1 year	USD	168,812	2,121
1 to 2 years	USD	168,812	872

(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 2021, the outstanding CPO swap contracts are made up of notional amounts of 2,250 metric tonnes (2020: 15,500 metric tonnes) with contracted prices ranging from RM2,400 to RM2,559 per metric tonne (2020: RM2,225 to RM2,565 per metric tonne) with settlement dates between 30 April 2021 to 30 June 2021 (2020: 30 April 2020 to 31 March 2021).

24 DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

(c) Cross currency swap

During the financial year, an indirect subsidiary of the Company has entered into 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 2021, the outstanding notional value of the contract is USD87.5 million.

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 2021, the Company did not have any interest rate swap contracts. In the preceding financial year, the outstanding notional value of the contract was USD77 million.

(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 2021				
(i) CPO swap contracts	**(3,078)**	**-**	**-**	**(3,078)**
(ii) Cross currency swap	**2,370**	**-**	**-**	**2,370**
(iii) Interest rate swap contracts	**(1,310)**	**-**	**-**	**(1,310)**
				(2,018)
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)
The Company				
As at 31 March 2020				
(i) Cross currency swap	1,393	-	-	1,393

25 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.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

25 RETIREMENT BENEFITS (cont'd)

(b) Unfunded defined benefit plan (cont'd)

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 2021.

The amounts of unfunded defined benefit recognised in the statement of financial position may be analysed as follows:

	The Group	
	2021 RM'000	2020 RM'000
Present values of unfunded defined benefit obligations, recognised as liability in the statement of financial position	**23,945**	24,793
Analysed as:		
Current (included in other payables – Note 44)	**1,586**	2,350
Non-current	**22,359**	22,443
	23,945	24,793

The movements during the financial year on the amounts recognised in the consolidated statement of financial position are as follows:

	The Group	
	2021 RM'000	2020 RM'000
At 1 April 2020/2019	**24,793**	22,314
(Credited)/charged to profit or loss	**(853)**	5,405
Capitalised in bearer plants	**(117)**	461
(Reversal of costs)/total costs of unfunded defined benefits plan (Note 6)	**(970)**	5,866
Contributions paid during the financial year	**(2,350)**	(946)
Adjustment for actuarial gain	**639**	(528)
Exchange differences	**1,833**	(1,913)
At 31 March	**23,945**	24,793
The following amounts have been recognised in the profit or loss:		
Current service cost	**3,498**	3,832
Interest cost	**1,885**	1,573
Change in benefits plan *	**(6,236)**	-
	(853)	5,405

* During the financial year, the Group's retirement benefits plans were remeasured to account for the plan amendment arising from a change in the employment regulations in Indonesia, resulting in reversal of past service cost of RM6,236,000 recognised in the profit or loss.

25 RETIREMENT BENEFITS (cont'd)

(b) Unfunded defined benefit plan (cont'd)

The (credits)/charges to the profit or loss were included in the following line items in the statement of a comprehensive income:

	The Group	
	2021 RM'000	2020 RM'000
Cost of sales	**(914)**	5,339
Administrative expenses	**61**	66
	(853)	5,405

The principal actuarial assumptions used in respect of the Group's unfunded defined benefit plan were as follows:

	The Group	
	2021 %	2020 %
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.

26 DEFERRED INCOME

		The Group	
	Note	2021 RM'000	2020 RM'000
Government grants	(a)	**200,857**	-
Deferred gain	(b)	**70,355**	70,355
		271,212	70,355

(a) Government grants:

	2021	2020
Cost		
At 1 April 2020/2019	**-**	-
Grants received during the year	**198,739**	-
Exchange translation differences	**2,118**	-
At 31 March	**200,857**	-

The government grants represent grants received from the Indian Government for certain toll road concession awarded to the Group.

(b) 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.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

27 PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

The Group	Freehold 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
2021									
Net book value									
At 1 April 2020	104,218	350,735	326,915	116,169	873,596	39,997	717,351	49,291	2,578,272
Acquisition of a subsidiary (Note 48)	-	-	630	-	14,055	322	-	-	15,007
Disposal of a subsidiary (Note 49)	-	-	(10,766)	-	(24,356)	(103)	-	(842)	(36,067)
Additions	-	6,535	296	80	87,470	10,408	30,826	56,113	191,728
Disposals	(2,000)	-	(705)	-	(1,176)	(71)	-	-	(3,952)
Written off (Note 5(a))	-	-	(8)	(2)	(1,038)	(172)	-	-	(1,220)
Depreciation charges for the year	-	(14,521)	(23,899)	(4,683)	(100,257)	(11,060)	(46,325)	-	(200,745)
Impairment for the year (Note 5(a))	-	-	-	(1,486)	-	-	-	-	(1,486)
Exchange differences arising from translation of assets of foreign operations	(55)	18,829	14,572	-	17,047	269	49,689	637	100,988
Reclassifications	-	4,253	13,912	-	14,700	12,395	-	(45,260)	-
Transferred to assets of disposal group classified as held for sale (Note 43(b))	-	-	(2,437)	-	(1,807)	(147)	-	(1,975)	(6,366)
Adjustments	-	-	-	-	(5)	(30)	-	(416)	(451)
At 31 March 2021	102,163	365,831	318,510	110,078	878,229	51,808	751,541	57,548	2,635,708

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

The Group	Freehold 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	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

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

The Group	Freehold 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 2021									
Cost	**102,163**	**489,332**	**577,638**	**147,385**	**1,914,857**	**156,968**	**1,130,123**	**57,680**	**4,576,146**
Accumulated depreciation	**-**	**(123,501)**	**(259,090)**	**(30,642)**	**(1,030,223)**	**(105,049)**	**(378,582)**	**-**	**(1,927,087)**
Accumulated impairment	**-**	**-**	**(38)**	**(6,665)**	**(6,405)**	**(111)**	**-**	**(132)**	**(13,351)**
Net book value	**102,163**	**365,831**	**318,510**	**110,078**	**878,229**	**51,808**	**751,541**	**57,548**	**2,635,708**
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

27 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
2021				
Net book value				
At 1 April 2020	**491**	**1,052**	**574**	**2,117**
Additions	**537**	**294**	**-**	**831**
Written off (Note 5(a))	**-**	**(2)**	**-**	**(2)**
Depreciation charges for the year (Note 5(a))	**(167)**	**(94)**	**-**	**(261)**
Reclassification	**-**	**472**	**(472)**	**-**
Adjustment	**-**	**-**	**(102)**	**(102)**
At 31 March 2021	**861**	**1,722**	**-**	**2,583**
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 (Note 5(a))	(248)	(412)	-	(660)
Reclassification	-	844	(844)	-
Transferred to subsidiaries	-	-	(9,075)	(9,075)
At 31 March 2020	491	1,052	574	2,117
At 31 March 2021				
Cost	**2,799**	**6,042**	**-**	**8,841**
Accumulated depreciation	**(1,938)**	**(4,320)**	**-**	**(6,258)**
Net book value	**861**	**1,722**	**-**	**2,583**
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

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

27 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
2021			
Net book value			
At 1 April 2020	**557,135**	**160,216**	**717,351**
Additions	**-**	**30,826**	**30,826**
Depreciation charges for the year	**(46,325)**	**-**	**(46,325)**
Reclassification	**45,533**	**(45,533)**	**-**
Exchange differences	**40,309**	**9,380**	**49,689**
At 31 March 2021	**596,652**	**154,889**	**751,541**
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

(b) 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:

		The Group	
	Note	2021 RM'000	2020 RM'000
Included in the addition of bearer plants	27(c)	**1,829**	2,652
Capitalised as concession assets	30	**79**	108
Included in the aggregate costs incurred to-date within construction contract costs		**2,541**	3,474

(c) 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:

		The Group	
	Note	2021 RM'000	2020 RM'000
Employee benefits cost	6	**19,021**	12,627
Finance cost, including foreign exchange losses	9	**3,751**	16,224
Depreciation of property, plant and equipment, included in the addition of bearer plants	27(b)	**1,829**	2,652
Depreciation of right-of-use assets	28	**295**	430

28 RIGHT-OF-USE ASSETS

The details of right-of-use assets are as follows:

The Group	**Note**	Leasehold land RM'000	Building and office space RM'000	Plant and equipment RM'000	Total RM'000
2021					
Net book value					
At 1 April 2020		**405,754**	**23,593**	**15,560**	**444,907**
Additions		**3,274**	**9,883**	**30**	**13,187**
Disposals		**(2,440)**	**-**	**-**	**(2,440)**
Disposal of a subsidiary	49	**(4,061)**	**(44)**	**-**	**(4,105)**
Depreciation charges for the year		**(6,657)**	**(9,684)**	**(3,876)**	**(20,217)**
Transferred to assets of disposal group classified as held for sale	43(b)	**(879)**	**-**	**-**	**(879)**
Exchange differences arising from translation of assets of foreign operations		**5,742**	**119**	**-**	**5,861**
Adjustments		**421**	**244**	**-**	**665**
At 31 March 2021		**401,154**	**24,111**	**11,714**	**436,979**
2020					
Net book value					
At 1 April 2019		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 2021					
Cost		**496,038**	**41,634**	**19,336**	**557,008**
Accumulated depreciation		**(94,884)**	**(17,523)**	**(7,622)**	**(120,029)**
Net book value		**401,154**	**24,111**	**11,714**	**436,979**
At 31 March 2020					
Cost		496,132	32,360	19,306	547,798
Accumulated depreciation		(90,378)	(8,767)	(3,746)	(102,891)
Net book value		405,754	23,593	15,560	444,907

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

28 RIGHT-OF-USE ASSETS (cont'd)

The details of right-of-use assets are as follows: (cont'd)

As at 31 March 2021, a parcel of leasehold land at the net book value of RM103,796,000 (2020: RM105,347,000) was pledged as security for the Term loan 8 of an indirect subsidiary (Note 18).

The Group's right-of-use assets with a carrying value of RM21.1 million (2020: RM19.7 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 RM295,000 (2020: RM430,000) (Note 27(c)) has been capitalised in the bearer plants of the Group.

The Company	**Note**	**Office space RM'000**	**Plant and equipment RM'000**	**Total RM'000**
2021				
Net book value				
At 1 April 2020		**9,227**	**65**	**9,292**
Depreciation charges for the year	5(a)	**(1,785)**	**(22)**	**(1,807)**
At 31 March 2021		**7,442**	**43**	**7,485**
2020				
Net book value				
At 1 April 2019		5,885	86	5,971
Additions		5,167	-	5,167
Depreciation charges for the year	5(a)	(1,825)	(21)	(1,846)
At 31 March 2020		9,227	65	9,292
At 31 March 2021				
Cost		**11,052**	**86**	**11,138**
Accumulated depreciation		**(3,610)**	**(43)**	**(3,653)**
Net book value		**7,442**	**43**	**7,485**
At 31 March 2020				
Cost		11,052	86	11,138
Accumulated depreciation		(1,825)	(21)	(1,846)
Net book value		9,227	65	9,292

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
2021							
Net book value							
At 1 April 2020		**162,215**	**23,517**	**318,682**	**148,465**	**-**	**652,879**
Additions		**-**	**-**	**9,224**	**412**	**-**	**9,636**
Adjustments		**-**	**-**	**(171)**	**-**	**-**	**(171)**
Depreciation charges for the year	5(a)	**-**	**(872)**	**(6,498)**	**(2,055)**	**-**	**(9,425)**
Transferred from property development costs (included in inventories)	37(b)	**-**	**1,920**	**-**	**-**	**-**	**1,920**
Transferred to assets of disposal group classified as held for sale	43(b)	**-**	**-**	**-**	**(171)**	**-**	**(171)**
Disposals		**(6,135)**	**-**	**-**	**(1,007)**	**-**	**(7,142)**
Reclassification		**-**	**36,803**	**3,199**	**(40,002)**	**-**	**-**
Impairment during the year	5(a)	**-**	**-**	**(1,720)**	**(7,088)**	**-**	**(8,808)**
At 31 March 2021		**156,080**	**61,368**	**322,716**	**98,554**	**-**	**638,718**
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	43(a)	-	-	(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

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

29 INVESTMENT PROPERTIES (cont'd)

The Group (cont'd)	Freehold land RM'000	Leasehold land RM'000	Freehold buildings RM'000	Leasehold buildings RM'000	Work in progress RM'000	Total RM'000
At 31 March 2021:						
Cost	**156,080**	**64,759**	**340,599**	**114,043**	**-**	**675,481**
Accumulated depreciation	**-**	**(3,391)**	**(15,048)**	**(9,201)**	**-**	**(27,640)**
Accumulated impairment	**-**	**-**	**(2,835)**	**(6,288)**	**-**	**(9,123)**
Net book value	**156,080**	**61,368**	**322,716**	**98,554**	**-**	**638,718**
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

The Company	Note	Leasehold buildings RM'000	Freehold buildings RM'000	Total RM'000
2021				
Net book value				
At 1 April 2020		**2,857**	**4,235**	**7,092**
Depreciation charges for the year	5(a)	**(32)**	**(139)**	**(171)**
At 31 March 2021		**2,825**	**4,096**	**6,921**
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
At 31 March 2021:				
Cost		**3,053**	**6,912**	**9,965**
Accumulated depreciation		**(228)**	**(2,816)**	**(3,044)**
Net book value		**2,825**	**4,096**	**6,921**
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

29 INVESTMENT PROPERTIES (cont'd)

During the financial year, the following income/(expenses) were recognised in profit or loss for investment properties:

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Rental income	**40,620**	40,994	**289**	303
Direct operating expenses that generated rental income	**(10,080)**	(6,855)	**(132)**	(160)
Direct operating expenses that did not generate rental income	**(471)**	(384)	**(86)**	(74)

As at 31 March 2021, investment property at the net book value of RM45,152,000 (2020: RM42,040,000) was pledged as security for the term loan of an indirect subsidiary (Note 18).

In the preceding financial year, finance cost of RM3,238,000 (Note 9) was 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 2021, the fair value of the properties of the Group and the Company was estimated at RM784,618,000 (2020: RM794,624,000) and RM10,009,000 (2020: RM9,694,000) 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.

During the financial year, the Group has impaired certain investment properties within the Group by RM8,808,000 (Note 5(a)) on the basis that the recoverable amounts were below the carrying amounts as at 31 March 2021.

30 CONCESSION ASSETS

	The Group	
	2021 RM'000	2020 RM'000
Expressway development expenditure	**2,739,096**	2,416,428
Port infrastructure	**1,336,106**	1,369,963
	4,075,202	3,786,391

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

30 CONCESSION ASSETS (cont'd)

	Note	The Group 2021 RM'000	2020 RM'000
Expressway development expenditure:			
Cost			
At 1 April 2020/2019		**3,750,412**	3,362,215
Additions		**470,760**	411,875
Exchange translation differences		**(5,777)**	(23,678)
At 31 March		**4,215,395**	3,750,412
Accumulated amortisation			
At 1 April 2020/2019		**(1,058,104)**	(914,313)
Current amortisation	5(a)	**(160,684)**	(148,623)
Exchange translation differences		**1,598**	4,832
At 31 March		**(1,217,190)**	(1,058,104)
Accumulated impairment			
At 1 April 2020/2019		**(26,892)**	-
Impairment during the financial year	5(a)	**-**	(27,500)
Exchange translation differences		**281**	608
At 31 March		**(26,611)**	(26,892)
		2,971,594	2,665,416
Less: Deferred income			
Cost			
At 1 April 2020/2019 and at 31 March		**(400,456)**	(400,456)
Accumulated amortisation			
At 1 April 2020/2019		**151,468**	136,051
Current amortisation	5(b)	**16,490**	15,417
At 31 March		**167,958**	151,468
		(232,498)	(248,988)
		2,739,096	2,416,428

	Note	The Group 2021 RM'000	2020 RM'000
Port infrastructure:			
Cost			
At 1 April 2020/2019		**1,631,965**	1,607,729
Additions		**5,261**	24,597
Written off	5(a)	**-**	(361)
At 31 March		**1,637,226**	1,631,965
Accumulated amortisation			
At 1 April 2020/2019		**(262,002)**	(222,486)
Current amortisation	5(a)	**(39,118)**	(39,730)
Written off	5(a)	**-**	214
At 31 March		**(301,120)**	(262,002)
		1,336,106	1,369,963

30 CONCESSION ASSETS (cont'd)

Concession assets incurred during the financial year include the capitalisation of the following expenses:

	Note	The Group 2021 RM'000	2020 RM'000
Employee benefits cost	6	**1,097**	1,494
Finance cost	9	**21,705**	20,439
Depreciation	27(b)	**79**	108

The concession assets with net carrying values of RM2,386,345,000 (2020: RM2,450,376,000) are pledged as security for the bonds (Note 17).

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.

In the preceding 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 had shown that the recoverable amount of the expressway development expenditure of an indirect Indian subsidiary of the Company was lower than the carrying amount. This computation was 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 was recognised as other operating expenses in the statement of comprehensive income of the Group.

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 Highways 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' expense within one year after the date of handing over. The Indian concession subsidiaries shall handover the highways along with the operating and maintenance equipment 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 RM321,786,000 and RM28,035,000 (2020: RM357,323,000 and RM25,815,000) 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.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

30 CONCESSION ASSETS (cont'd)

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 to 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 profit recognised during the financial year on exchanging construction services for port concession amounted to RM4,558,000 and RM872,000 (2020: construction revenue and loss of RM20,340,000 and RM297,000) respectively.

31 SUBSIDIARIES

	The Company	
	2021 RM'000	2020 RM'000
At cost:		
Quoted shares:		
- in Malaysia	**536,031**	536,031
Unquoted shares:		
- in Malaysia	**5,663,618**	5,669,253
- outside Malaysia	**66,170**	66,170
	6,265,819	6,271,454
Less: Accumulated impairment		
Unquoted shares		
- outside Malaysia	**(1,035)**	(1,035)
	6,264,784	6,270,419
Amounts owing by subsidiaries	**993,653**	956,204
Costs of investment in relation to share options and share grants being granted to employees of subsidiaries	**93,336**	94,307
	7,351,773	7,320,930
Market value *		
Quoted shares:		
- in Malaysia	**831,375**	712,607

In the preceding 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 4.5% (2020: 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 2021, the total non-controlling interests are RM1,369,311,000 (2020: RM1,192,770,000), of which RM639,989,000 (2020: RM521,961,000) is attributable to IJM Plantations Berhad and RM317,134,000 (2020: RM259,481,230) is attributable to Kuantan Port Consortium Sdn Bhd. The other non-controlling interests are individually not significant.

31 SUBSIDIARIES (cont'd)

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Proportion of ordinary shares held by non-controlling interests	**40%**	40%	**44%**	44%
Summarised statements of comprehensive income:				
Revenue	**403,784**	376,656	**935,693**	739,133
Net profit/(loss) for the financial year	**166,330**	58,829	**215,007**	(72,979)
Total comprehensive income/(loss) for the financial year	**166,330**	58,829	**275,345**	(130,065)
Net profit/(loss) attributable to non-controlling interests	**66,533**	23,532	**99,751**	(37,335)
Dividends paid to non-controlling interests	**8,880**	-	**7,714**	7,714
Summarised statements of financial position:				
Current assets	**458,937**	404,548	**407,960**	385,077
Current liabilities	**(156,864)**	(186,352)	**(316,078)**	(235,148)
Non-current assets	**1,673,838**	1,617,455	**1,979,183**	1,909,813
Non-current liabilities	**(1,182,240)**	(1,186,014)	**(630,787)**	(876,822)
Net assets	**793,671**	649,637	**1,440,278**	1,182,920
Summarised cash flows:				
Cash flows from operating activities	**208,363**	191,961	**229,096**	141,527
Cash flows used in investing activities	**(77,074)**	(33,830)	**(65,540)**	(84,278)
Cash flows (used in)/from financing activities	**(24,730)**	23,511	**(197,585)**	49,769
Net increase/(decrease) in cash and cash equivalents during the financial year	**106,559**	181,642	**(34,029)**	107,018
Cash and cash equivalents at beginning of the financial year	**295,968**	114,326	**229,322**	127,821
Foreign exchange differences on opening balances	**-**	-	**9,841**	(5,517)
Cash and cash equivalents at end of the financial year	**402,527**	295,968	**205,134**	229,322

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

32 ASSOCIATES

	Note	The Group 2021 RM'000	The Group 2020 RM'000
Share of net assets of associates	(a)	**592,889**	680,330
Redeemable Unsecured Murabahah Stocks	(b)	**283,244**	226,539
Amount owing by an associate *		**17,494**	15,106
		893,627	921,975

* Amount owing by an associate represents unsecured advances which bear interest at rates ranging between 6.40% and 7.15% (2020: 7.15% and 7.90%) per annum.

(a) Share of net assets of associates

	Note	The Group 2021 RM'000	The Group 2020 RM'000
Quoted shares, at cost:			
- in Malaysia		**255,555**	217,890
- outside Malaysia		**38,080**	38,080
Unquoted shares, at cost:			
- in Malaysia		**74,433**	74,438
- outside Malaysia		**172,871**	172,871
Redeemable Convertible Preference Shares	(A)	**76,426**	108,710
		617,365	611,989
Share of post-acquisition retained profits		**78,851**	182,763
Share of post-acquisition reserves		**(5,159)**	(5,424)
Currency translation differences		**(5,391)**	(16,216)
		685,666	773,112
Less: Accumulated impairment		**(92,777)**	(92,782)
		592,889	680,330

	Note	The Company 2021 RM'000	The Company 2020 RM'000
Quoted shares, at cost:			
- in Malaysia		**255,555**	217,890
- outside Malaysia		**38,080**	38,080
Unquoted shares, at cost:			
- in Malaysia		**28,310**	28,310
- outside Malaysia		**51,214**	51,214
Redeemable Convertible Preference Shares	(A)	**76,426**	108,710
		449,585	444,204
Less: Accumulated impairment		**(91,117)**	(91,117)
		358,468	353,087
Market value *			
Quoted shares:			
- in Malaysia		**389,694**	146,136
- outside Malaysia		**32,924**	47,043
		422,618	193,179

* 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)

(A) In the preceding financial year, the Company subscribed for 530,737,269 units of Redeemable Convertible Preference Shares ("RCPS") of RM127,376,945 in nominal value at an issue price of RM0.24 per RCPS, maturing on 18 November 2021, as issued by WCE Holdings Berhad ("WCEHB"), an associate of the Company. During the financial year, the Company converted 134,517,908 units (2020: 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.

Movements on the Company's allowance for impairment of investment in associates are as follows:

		The Company	
	Note	2021	2020
		RM'000	RM'000
At 1 April 2020/2019		**91,117**	182,417
Allowance for impairment during the year	5(a)	-	53,911
Reclassification to assets held for sale		-	(145,211)
At 31 March		**91,117**	91,117

In the preceding 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.

In the preceding financial year, the Directors of the Company approved the disposal of the Company's investment in Scomi Group Berhad. The impaired associate was reclassified to assets held for sale under current assets in the statement of financial position.

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.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

32 ASSOCIATES (cont'd)

(b) During the financial year, Road Builder (M) Holdings Bhd ("RBH"), a subsidiary of the Company had subscribed for RM35,320,000 (2020: RM60,940,000) 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 RM16,252,900 (2020: RM60,940,000) and capitalisation of the amount owing by WCE to RBH of RM19,067,100 (2020: RM Nil).

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 2021, the effective profit rate of RUMS is 10% (2020: 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).

(c) 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	
	2021 RM'000	2020 RM'000
Current year share of losses	**(53,024)**	(33,994)
Cumulative share of losses	**(169,477)**	(116,453)

(d) 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 2021	% of ownership 2020	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)

(e) 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. 2021 RM'000	Grupo Concesionario del Oeste S.A. 2020 RM'000	Hexacon Construction Pte Limited 2021 RM'000	Hexacon Construction Pte Limited 2020 RM'000	WCE Holdings Berhad 2021 RM'000	WCE Holdings Berhad 2020 RM'000
Current						
Cash and cash equivalents	**47,581**	66,740	**402,678**	457,549	**810,193**	748,698
Other current assets (excluding cash)	**70,937**	219,902	**180,523**	173,329	**149,857**	87,058
Total current assets	**118,518**	286,642	**583,201**	630,878	**960,050**	835,756
Financial liabilities (excluding trade and other payables and provision)	**(8,169)**	-	**-**	-	**(27)**	-
Other current liabilities (including trade and other payables)	**(108,419)**	(202,828)	**(210,246)**	(249,716)	**(370,458)**	(293,699)
Total current liabilities	**(116,588)**	(202,828)	**(210,246)**	(249,716)	**(370,485)**	(293,699)
Non-current						
Assets	**286,220**	311,338	**305,247**	298,646	**5,199,880**	4,725,861
Financial liabilities	**-**	-	**-**	-	**(3,598,351)**	(3,128,492)
Other liabilities	**(115,307)**	(161,156)	**(43,491)**	(27,951)	**(1,393,378)**	(1,375,694)
Total non-current liabilities	**(115,307)**	(161,156)	**(43,491)**	(27,951)	**(4,991,729)**	(4,504,186)
Non-controlling interests	**-**	-	**-**	-	**5,647**	(24,336)
Net assets (excluding non-controlling interests)	**172,843**	233,996	**634,711**	651,857	**803,363**	739,396
Market value (Group's share)	**32,924**	47,043	**-***	-*	**389,694**	146,136

* 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 2021

32 ASSOCIATES (cont'd)

(e) 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	**179,351**	272,116	**222,029**	338,163	**372,055**	820,715
Depreciation and amortisation	**(5,093)**	(4,431)	**(8,003)**	-	**(4,692)**	(738)
Interest income	**185,225**	296,590	**-**	-	**725**	2,312
Finance cost	**(86,536)**	(119,795)	**-**	-	**(162,345)**	(93,864)
(Loss)/profit before taxation	**(132,858)**	(247,388)	**(24,053)**	56,183	**(108,851)**	(56,440)
Income tax credit/(expense)	**58,084**	44,482	**(1,681)**	(10,296)	**771**	1,704
(Loss)/profit after taxation from continuing operations	**(74,774)**	(202,906)	**(25,734)**	45,887	**(108,080)**	(54,736)
Other comprehensive income/(loss)	**-**	-	**948**	(195)	**-**	-
Less: Profit after taxation attributable to non-controlling interests	**-**	-	**-**	-	**29,985**	17,638
Total comprehensive (loss)/ income	**(74,774)**	(202,906)	**(24,786)**	45,692	**(78,095)**	(37,098)
Dividends received from associates	**3,555**	28,353	**-**	3,529	**-**	-

Note: The summarised financial information above reflects the amounts presented in the financial statements of the associates.

32 ASSOCIATES (cont'd)

(e) Set out below are the summarised financial information for material associates which are accounted for using the equity method: (cont'd)

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net assets at 1 April 2020/2019	**233,996**	519,337	**651,857**	604,484	**739,396**	694,176
Less: Gross dividends distributed during the year	**(17,689)**	(141,060)	**-**	(7,757)	**-**	-
Net (loss)/profit for the financial year	**(74,774)**	(202,906)	**(25,734)**	45,887	**(78,095)**	(37,098)
Other comprehensive income/(loss)	**-**	-	**948**	(195)	**-**	-
Additional shares issued arising from the conversion of RCPS	**-**	-	**-**	-	**142,062**	82,318
Foreign exchange differences	**31,310**	58,625	**7,640**	9,438	**-**	-
Net assets at 31 March	**172,843**	233,996	**634,711**	651,857	**803,363**	739,396
Interests in associates	**34,742**	47,033	**288,792**	296,595	**289,116***	304,354*
Less: Net assets attributable to non-controlling interests	**-**	-	**-**	-	**(58,513)**	(51,907)
Carrying value	**34,742**	47,033	**288,792**	296,595	**230,603**	252,447

* Including RCPS of RM76,426,167 (2020: RM108,710,465).

(f) Set out below are the financial information of all individually immaterial associates on an aggregate basis.

	2021 RM'000	2020 RM'000
Carrying amounts of interest in associates	**38,752**	84,255
Share of associates' losses	**(30,069)**	(54,657)
Share of associates' other comprehensive (losses)/income	**(167)**	1,847
Share of associates' total comprehensive losses	**(30,236)**	(52,810)

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

33 JOINT VENTURES

	Note	The Group 2021 RM'000	2020 RM'000
At cost:			
- In Malaysia		**111,875**	111,875
Share of post-acquisition reserves		**(20,287)**	6,950
Currency translation differences		**8,111**	9,206
		99,699	128,031
Redeemable Convertible Unsecured Loan Stocks ("RCULS")	(A)	**415,296**	396,496
Less: Allowance for impairment of RCULS		**(317,082)**	(298,282)
		98,214	98,214
Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS")	(B)	**113,609**	96,477
Amounts owing by joint ventures		**674,155**	671,815
Less: Allowance for impairment of amounts owing by joint ventures		**(127,958)**	(142,167)
		546,197	529,648
		857,719	852,370

(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.

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	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	**50,000**	50,000
Less: Allowance for impairment of investments	**(50,000)**	(50,000)
	-	-
RCULS	**415,296**	396,496
Less: Allowance for impairment of RCULS	**(317,082)**	(298,282)
	98,214	98,214
RCSIDS	**113,609**	96,477
Amounts owing by joint ventures	**26,620**	33,750
Less: Allowance for impairment of amounts owing by joint ventures	**(26,478)**	(33,567)
	142	183
	211,965	194,874

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 4.5% to 7.9% (2020: 5.0% to 7.9%) per annum and at 7.9% (2020: 7.9%) per annum respectively. As at 31 March 2021, the Group has not recognised loss allowance for the net balances of RM148,999,000 (2020: RM154,548,000) 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 2021

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 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
At 1 April 2020/2019		298,282	345,320	298,282	220,617
Allowance for impairment during the year	5(a)	18,800	-	18,800	77,665
Reversal of impairment during the year	5(b)	-	(47,038)	-	-
At 31 March		317,082	298,282	317,082	298,282

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 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
At 1 April 2020/2019		142,167	136,104	33,567	33,567
Allowance for impairment during the year	5(a)	27,286	6,063	-	-
Reversal of impairment during the year	5(b)	(10,587)	-	(7,089)	-
Bad debts written off		(30,908)	-	-	-
At 31 March		127,958	142,167	26,478	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 2021 %	Group's effective interest in joint ventures 2020 %	Principal activities
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

33 JOINT VENTURES (cont'd)

(a) Details of the joint ventures are as follows: (cont'd)

	Group's effective interest in joint ventures 2021 %	2020 %	Principal activities
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 venture related to WCE Holdings Berhad, an associate of the Company.

(b) As at 31 March 2021 and 31 March 2020, 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 2021 and 31 March 2020, 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 2021	2020	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 are no quoted market prices available for their shares.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

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:

(i) Summarised statements of financial position:

	IJM-CHEC Joint Venture		368 Segambut Sdn Bhd		Nasa Land Sdn Bhd	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current						
Cash and cash equivalents	**10**	10	**32,203**	22,209	**3,562**	2,785
Other current assets (excluding cash)	**37,095**	42,943	**335,217**	321,356	**310,214**	311,876
Total current assets	**37,105**	42,953	**367,420**	343,565	**313,776**	314,661
Other current liabilities (including trade and other payables)	**(1,843)**	(8,884)	**(27,072)**	(49,378)	**(115,244)**	(108,077)
Total current liabilities	**(1,843)**	(8,884)	**(27,072)**	(49,378)	**(115,244)**	(108,077)
Non-current						
Assets	**-**	-	**1,510**	601	**85**	288
Financial liabilities (excluding trade and other payables)	**-**	-	**(280,724)**	(251,340)	**(134,251)**	(141,253)
Total non-current liabilities	**-**	-	**(280,724)**	(251,340)	**(134,251)**	(141,253)
Net assets	**35,262**	34,069	**61,134**	43,448	**64,366**	65,619

(ii) Summarised statements of comprehensive income:

	IJM-CHEC Joint Venture		368 Segambut Sdn Bhd		Nasa Land Sdn Bhd	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	**236**	97,039	**109,396**	202,265	**25,246**	18,639
Interest income	**-**	-	**262**	208	**121**	302
Finance cost	**-**	-	**(1,188)**	(1,405)	**(5,132)**	(5,504)
Profit/(loss) before taxation	**1,193**	7,281	**24,720**	48,621	**(1,212)**	(4,494)
Income tax expense	**-**	-	**(7,034)**	(11,662)	**(41)**	(1,066)
Net profit/(loss) for the year/Total comprehensive income/(loss)	**1,193**	7,281	**17,686**	36,959	**(1,253)**	(5,560)

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)

(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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net assets at 1 April 2020/2019	**34,069**	26,788	**43,448**	12,482	**65,619**	72,133
Net profit/(loss) for the financial year	**1,193**	7,281	**17,686**	36,959	**(1,253)**	(5,560)
Others	**-**	-	**-**	(5,993)	**-**	(954)
Net assets at 31 March	**35,262**	34,069	**61,134**	43,448	**64,366**	65,619
Interests in joint ventures	**21,157**	20,441	**30,567**	21,724	**32,183**	32,810
Goodwill	**-**	-	**-**	-	**11,597**	11,597
Carrying value	**21,157**	20,441	**30,567**	21,724	**43,780**	44,407

(e) Set out below are the financial information of all individually immaterial joint ventures on an aggregate basis.

	2021 RM'000	2020 RM'000
Carrying amounts of interest in joint ventures	**4,195**	41,459
Share of joint ventures' profits/share of joint ventures' total comprehensive income	**4,064**	10,204

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 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.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

35 LONG TERM RECEIVABLES

	Note	The Group 2021 RM'000	The Group 2020 RM'000
Finance lease receivables	(a)	**961**	1,148
Less: Amount receivable within 12 months (included in trade and other receivables - Note 39)		**(76)**	(114)
		885	1,034
Amounts due from non-controlling interests	(b)	**53,668**	56,125
Less: Allowance for impairment of amounts due from non-controlling interests		**(4,000)**	(4,000)
		49,668	52,125
Advances for plasma schemes	(c)	**96,049**	76,131
Other receivables	(d)	**136,188**	135,229
Less: Allowance for impairment of other receivables		**(63,704)**	(63,704)
		72,484	71,525
Prepayment		**39,859**	19,916
		258,945	220,731

(a) Finance lease receivables

	The Group 2021 RM'000	The Group 2020 RM'000
Finance lease receivables:		
- Receivable within 1 year	**102**	146
- Receivable between 1 and 5 years	**1,536**	1,731
	1,638	1,877
Less: Unearned interest income	**(677)**	(729)
	961	1,148
Finance lease receivables (net of unearned interest income):		
- Receivable within 1 year	**76**	114
- Receivable between 1 and 5 years	**885**	1,034
	961	1,148

The finance 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.

35 LONG TERM RECEIVABLES (cont'd)

(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 on the outstanding balances in the future. Management does not intend to demand for repayment of the amounts due from the non-controlling interests within the next twelve months from the reporting date. As a result, the amounts are classified as non-current assets as at the reporting date.

In the preceding 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.

The Group has assessed the likelihood of the irrecoverability of the balances by reviewing the financial viability of the operations of the plasma schemes and the expected cash flows derived from the operations. Based on the cash projections, the outstanding balances are expected to be recovered in full. 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% (2020: 6.5%) per annum. As at 31 March 2021, the Group has not recognised loss allowance for the net balances of RM72,484,000 (2020: RM71,525,000) which were past due as the receivables are secured by collaterals.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

36 INTANGIBLE ASSETS

The Group	Goodwill on consolidation RM'000	Quarry development expenditure RM'000	Total RM'000
2021			
Cost			
At 1 April 2020	1,083,900	77,700	1,161,600
Additions	275	3,273	3,548
Written off (Note 5(a))	-	(2,836)	(2,836)
At 31 March 2021	1,084,175	78,137	1,162,312
Accumulated amortisation			
At 1 April 2020	-	(56,045)	(56,045)
Amortisation for the financial year (Note 5(a))	-	(3,783)	(3,783)
Written off (Note 5(a))	-	2,392	2,392
At 31 March 2021	-	(57,436)	(57,436)
Accumulated impairment			
At 1 April 2020	(1,004,439)	-	(1,004,439)
Impairment for the financial year (Note 5(a))	-	(5,637)	(5,637)
At 31 March 2021	(1,004,439)	(5,637)	(1,010,076)
At 31 March 2021	79,736	15,064	94,800
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

During the financial year, amortisation of quarry development expenditure of RM3,783,000 (2020: RM3,869,000) was included in cost of sales.

37 INVENTORIES

	Note	The Group 2021 RM'000	The Group 2020 RM'000
Non-current			
Land held for property development	(a)	507,056	672,337
Oil palm nurseries		4,860	6,886
Total non-current		511,916	679,223
Current			
At cost:			
Raw materials:			
- Construction materials		10,091	6,270
- Other raw materials		59,588	92,373
Finished goods:			
- Completed buildings		777,870	630,107
- Quarry and manufactured products		111,535	175,734
Palm and palm oil products:			
- Crude palm oil		18,405	-
- Crude palm kernel oil		1,749	5,559
- Oil palm nurseries		143	36
- Palm kernels		3,521	1,911
- Palm kernel expellers		118	444
Consumables:			
- Fertilisers and chemicals		15,901	8,604
- Stores and spares		19,617	21,118
		1,018,538	942,156
At net realisable value:			
Finished goods:			
- Completed buildings		376,660	896,148
- Consumables		5,517	5,084
Palm and palm oil products:			
- Crude palm oil		19,864	44,407
- Crude palm kernel oil		388	-
- Palm kernel expellers		952	-
- Compost		54	-
		403,435	945,639
		1,421,973	1,887,795
Property development costs	(b)	5,924,328	5,799,219
Total current		7,346,301	7,687,014
Total inventories		7,858,217	8,366,237

Inventories recognised as an expense during the financial year amounted to RM1,374,472,000 (2020: RM2,390,523,000).

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

37 INVENTORIES (cont'd)

(a) Land held for property development

	The Group 2021 RM'000	The Group 2020 RM'000
Cost:		
Freehold land	**262,982**	439,134
Leasehold land	**125,306**	114,270
Development costs	**42,860**	43,025
	431,148	596,429
Net realisable value:		
Freehold land	**72,236**	72,236
Leasehold land	**3,672**	3,672
	75,908	75,908
	507,056	672,337
At 1 April 2020/2019	**672,337**	631,921
Additions during the financial year	**10,896**	43,875
Disposals during the financial year	**(440)**	-
Transferred to property development costs (Note 37(b)):		
- Land cost	**(175,737)**	-
Exchange differences	**-**	(3,459)
At 31 March	**507,056**	672,337

The carrying values of freehold land and leasehold land amounting to RM543,000 and RM3,371,000 respectively (2020: RM543,000 and RM3,371,000 respectively) are pledged as security for the term loans of the subsidiaries (Note 18).

37 INVENTORIES (cont'd)

(b) Property development costs

	Note	The Group 2021 RM'000	The Group 2020 RM'000
At 1 April 2020/2019		5,799,219	6,819,288
Less: Completed development properties:			
Freehold land – at cost		(18,691)	(20,232)
Leasehold land – at cost		(244,401)	(32,108)
Development costs		(1,541,704)	(481,506)
Accumulated costs charged to profit or loss		1,124,572	369,280
Completed units transferred to inventories		680,224	164,566
		-	-
		5,799,219	6,819,288
Completed units transferred to inventories		(142,129)	(866,096)
Costs charged to profit or loss		(474,303)	(1,398,681)
Costs incurred during the financial year:			
- Purchase of land		(14,016)	4,339
- Development costs		580,230	1,282,056
		566,214	1,286,395
Disposal during the financial year		-	(8,017)
Write down during the year (net)	5(a)	(18,030)	(13,231)
Transferred to investment properties	29	(1,920)	(7,209)
Transferred from land held for property development:	37(a)		
- Land cost		175,737	-
Exchange differences		19,540	(13,230)
At 31 March		5,924,328	5,799,219
At 31 March:			
Freehold land – at cost		624,859	672,551
Leasehold land – at cost		2,735,485	2,865,497
Development costs		6,055,938	7,364,876
Accumulated costs charged to profit or loss		(3,016,802)	(3,827,681)
Completed units transferred to inventories		(415,432)	(1,234,334)
Allowance for write down		(59,720)	(41,690)
		5,924,328	5,799,219

During the financial year, the Group has recorded a net write down of its inventories for property development costs of RM18,030,000 (2020: RM13,231,000) on the basis that the net realisable value (determined via latest estimated selling price) is below the costs of the inventories.

During the financial year, employee benefits cost and finance cost of RM Nil (2020: RM149,000) (Note 6) and RM85,506,000 (2020: RM92,615,000) (Note 9) respectively have been capitalised in property development costs.

The carrying values of freehold land and leasehold land amounting to RM210,022,000 (2020: RM232,688,000) and RM1,550,524,000 (2020: RM1,259,883,000) respectively are pledged as security for certain revolving credits (Note 46) and term loans of the subsidiaries (Note 18).

As at 31 March 2021, land titles to leasehold land with a carrying value of RM1,529,000 (2020: RM1,529,000) are in the process of being transferred.

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

38 PRODUCE GROWING ON BEARER PLANTS

Produce growing on bearer plants comprises oil palm fresh fruit bunches ("FFB") growing on palm trees.

	The Group	
	2021 RM'000	2020 RM'000
Current:		
Oil palm FFB	**19,380**	11,892
At 1 April 2020/2019	**11,892**	7,750
Harvest produce transferred to inventories	**(11,892)**	(7,750)
Change in fair value less cost to sell	**18,903**	12,429
Exchange differences	**477**	(537)
At 31 March	**19,380**	11,892

During the financial year, the Group harvested approximately 1,064,678 tonnes (2020: 1,061,771 tonnes) of FFB. The quantity of unharvested FFB of the Group as at 31 March 2021 is approximately 45,872 tonnes (2020: 47,395 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 RM432 to RM641 per metric tonne (2020: from RM276 to RM328 per metric tonne) would cause the fair value of the Group's produce growing on bearer plants to increase or decrease equally by approximately RM2.4 million (2020: RM1.7 million).

39 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade receivables	**1,276,887**	1,429,896	**54,056**	54,728
Trade advances	**75,026**	135,464	**1,897**	1,840
Other receivables	**201,078**	212,215	**1,883**	15,429
Amounts owing by subsidiaries	**-**	-	**1,800,011**	2,216,255
Amounts owing by associates	**150,026**	107,655	**2,815**	6,735
Amount owing by a joint operation partner *	**68,888**	58,698	**-**	-
Deposits	**38,043**	38,345	**355**	359
	1,809,948	1,982,273	**1,861,017**	2,295,346
Less: Allowance for impairment of trade and other receivables	**(194,118)**	(191,153)	**(73,934)**	(79,329)
	1,615,830	1,791,120	**1,787,083**	2,216,017
Prepayments	**77,966**	66,287	**248**	251
Costs to secure contracts **	**13,997**	8,257	**-**	-
	1,707,793	1,865,664	**1,787,331**	2,216,268

Other receivables include the current portion of the following items:

	The Group	
	2021 RM'000	2020 RM'000
Finance lease receivables (Note 35)	**76**	114

39 TRADE AND OTHER RECEIVABLES (cont'd)

The currency exposure profile of trade and other receivables is as follows:

	The Group	
	2021 RM'000	2020 RM'000
United States Dollar	**23,768**	19,775
Singapore Dollar	**11,560**	7,070
Brunei Dollar	**-**	261
	35,328	27,106

* 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 RM15,924,000 (2020: RM30,085,000).

Trade and other receivables that are neither past due nor impaired:

Credit terms of trade receivables range from payment in advance to 120 days (2020: 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 2021

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 2021, trade and other receivables of the Group and the Company of RM194,118,000 (2020: RM191,153,000) and RM73,934,000 (2020: RM79,329,000) 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:

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
At 1 April 2020/2019		**191,153**	191,461	**79,329**	73,934
Allowance for impairment of receivables during the year	5(a)	**18,721**	19,153	**-**	5,395
Write back of allowance for impairment of receivables	5(b)	**(7,022)**	(11,483)	**-**	-
Bad debts written off		**(6,188)**	(4,094)	**(5,395)**	-
Disposal of a subsidiary		**(3,138)**	-	**-**	-
Transferred to assets of disposal group classified as held for sale		**(153)**	-	**-**	-
Foreign currency exchange differences		**160**	(4,588)	**-**	-
Others		**585**	704	**-**	-
At 31 March		**194,118**	191,153	**73,934**	79,329

Of the above Group impairment, RM157,721,000 (2020: RM156,191,000) related to trade receivables.

Of the above Company impairment, RM32,122,000 (2020: 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 4.5% to 7.9% (2020: 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 (2020: 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Contract Assets:				
Contract assets from construction (Note (a))	**65,549**	30,705	**-**	-
Contract assets from property development (Note (b))	**234,004**	314,631	**-**	-
Total	**299,553**	345,336	**-**	-
Analysed as:				
Current	**299,553**	345,336	**-**	-
Contract Liabilities:				
Contract liabilities from construction (Note (a))	**209,376**	551,323	**917**	1,136
Contract liabilities from property development (Note (b))	**114,281**	115,043	**-**	-
Total	**323,657**	666,366	**917**	1,136
Analysed as:				
Current	**323,657**	666,366	**917**	1,136

(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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Contract assets	**65,549**	30,705	**-**	-
Contract liabilities	**(209,376)**	(551,323)	**(917)**	(1,136)
	(143,827)	(520,618)	**(917)**	(1,136)
At 1 April 2020/2019	**(520,618)**	(489,010)	**(1,136)**	(891)
Acquisition of a subsidiary (Note 48)	**72,740**	-	**-**	-
Revenue recognised during the year	**1,919,995**	2,041,225	**-**	-
Progress billings issued during the year	**(1,718,441)**	(2,217,736)	**-**	-
Advances given on contracts	**100,101**	70,995	**-**	-
Exchange translation differences	**2,189**	(648)	**12**	105
Others	**207**	-	**207**	(350)
Reclassification of accounts	**-**	74,556	**-**	-
At 31 March	**(143,827)**	(520,618)	**(917)**	(1,136)

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

40 CONTRACT ASSETS AND CONTRACT LIABILITIES (cont'd)

(a) Contract assets and contract liabilities from construction (cont'd)

The unsatisfied performance obligations at the end of the reporting period are expected to be recognised in the following periods:

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Within 1 year	**1,750,756**	2,848,903	**-**	-
Between 1 and 4 years	**1,812,727**	1,936,529	**-**	-
	3,563,483	4,785,432	**-**	-

(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	
	2021 RM'000	2020 RM'000
Contract assets	**234,004**	314,631
Contract liabilities	**(114,281)**	(115,043)
	119,723	199,588
At 1 April 2020/2019	**199,588**	41,969
Revenue recognised during the year	**1,244,937**	2,130,431
Progress billings issued during the year	**(1,325,362)**	(1,973,707)
Exchange translation differences	**560**	895
At 31 March	**119,723**	199,588

The unsatisfied performance obligations at the end of the reporting period are expected to be recognised in the following periods:

	The Group	
	2021 RM'000	2020 RM'000
Within 1 year	**419,069**	373,751
Between 1 and 4 years	**282,703**	278,048
	701,772	651,799

41 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Quoted securities in Malaysia				
- held for trading:				
Quoted shares	**1,736**	2,227	**-**	-
Quoted real estate investment trusts	**1,504**	4,844	**1,504**	4,844
Quoted unit trusts	**686,117**	527,559	**111,217**	22
	689,357	534,630	**112,721**	4,866

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.

42 DEPOSITS, CASH AND BANK BALANCES

	Note	The Group		The Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deposits with licensed banks	50	**731,214**	812,313	**48,637**	97,204
Cash and bank balances		**1,067,459**	910,110	**45,187**	85,018
Housing Development Accounts (a)		**607,508**	500,225	**-**	-
	50	**1,674,967**	1,410,335	**45,187**	85,018
		2,406,181	2,222,648	**93,824**	182,222

(a) Cash and bank balances include balances amounting to RM607,508,000 (2020: RM500,225,000) 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.

The currency exposure profile of deposits with licensed banks is as follows:

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
United States Dollar	**49,727**	30,706	**41,439**	-
Japanese Yen	**756**	800	**-**	-
	50,483	31,506	**41,439**	-

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

42 DEPOSITS, CASH AND BANK BALANCES (cont'd)

The currency exposure profile of cash and bank balances is as follows:

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
United States Dollar	**74,418**	86,869	**10,327**	37,442
Singapore Dollar	**10,641**	4,260	**-**	-
Argentine Peso	**925**	564	**925**	564
Pakistan Rupee	**29**	74	**29**	74
Japanese Yen	**57**	44	**-**	-
	86,070	91,811	**11,281**	38,080

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	
	2021 %	2020 %	2021 %	2020 %
Deposits with licensed banks:				
Ringgit Malaysia	**1.73**	2.64	**1.58**	2.33
US Dollar	**0.25**	1.45	**0.18**	-
Indian Rupee	**4.33**	6.54	**5.83**	6.43
Indonesian Rupiah	**3.38**	4.75	**-**	-
Cash at bank held under Housing Development Accounts	**1.15**	1.91	**-**	-

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 (2020: 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.

43 (a) ASSETS HELD FOR SALE

	Note	The Group		The Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Investment properties (Note 29)	(i)	**-**	531	**-**	-
Associate	(ii)	**-**	3,134	**-**	4,095
Subsidiary	(iii)	**-**	-	**4,685**	-
		-	3,665	**4,685**	4,095

43 (a) ASSETS HELD FOR SALE (cont'd)

(i) 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. The disposal was completed during the current financial year and a gain of RM1,119,000 was recognised in profit or loss (Note 5(b)).

(ii) In the preceding financial year, the Directors of the Company 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") for a total cash consideration of RM7.01 million. The transaction was completed on 25 June 2020 and a loss of RM4.19 million was recognised in profit or loss (Note 5(a)).

(iii) The Directors of the Company have approved the disposal of 1,100,000 ordinary shares of RM1 each, representing 55% equity interests in Kemena Industries Sdn Bhd ("KISB") to Kemena Global Sdn Bhd for a total cash consideration of RM18 million. As at 31 March 2021, the disposal is subject to fulfilment of conditions precedent. The assets and liabilities of KISB have been presented as assets and liabilities of disposal group classified as held for sale, as shown in Note 43(b).

43 (b) ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

Assets of disposal group classified as held for sale:

	Note	The Group 2021 RM'000	2020 RM'000
Property, plant and equipment	27	**6,366**	-
Right-of-use assets	28	**879**	-
Investment properties	29	**171**	-
Inventories		**4,048**	-
Trade and other receivables		**8,212**	-
Deposits, cash and bank balances	50	**3,491**	-
		23,167	-

Liabilities of disposal group classified as held for sale:

	Note	The Group 2021 RM'000	2020 RM'000
Deferred tax liabilities	22	**511**	-
Trade and other payables		**2,436**	-
Current tax liabilities		**148**	-
		3,095	-

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

44 TRADE AND OTHER PAYABLES

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Trade payables		**1,298,283**	1,211,988	**250**	253
Trade accruals *		**963,407**	1,033,085	**28,622**	37,648
Amounts owing to subsidiaries		**-**	-	**84,583**	84,341
Amounts owing to associates		**143**	1	**1**	1
Amounts owing to joint ventures		**10,189**	10,696	**-**	-
Government support loans	19	**9,930**	36,645	**-**	-
Land and development costs payable I **		**-**	241,290	**-**	-
Land and development costs payable II	23(b)	**15,500**	13,750	**-**	-
Other payables and accruals		**627,347**	574,974	**5,039**	6,153
Lease payable to Kuantan Port Authority	23(e)	**6,239**	6,220	**-**	-
		2,931,038	3,128,649	**118,495**	128,396
Retirement benefits payable	25	**1,586**	2,350	**-**	-
		2,932,624	3,130,999	**118,495**	128,396

* Included in the trade accruals is mainly in respect of the provision for costs amounting to RM810,643,000 (2020: RM892,838,000) to complete the property development projects.

Trade accruals include interest payables of the Group and Company amounting to RM51,149,000 and RM24,949,000 (2020: RM55,980,000 and RM29,789,000) respectively.

** The balance was in relation to the land cost for a mixed development at Royal Mint Street, United Kingdom ("UK"), which became payable upon surplus cash flow being available from the development.

The currency exposure profile of trade and other payables is as follows:

	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
United States Dollar	**8,300**	1,478	**-**	-

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 (2020: range from payments in advance to 120 days).

45 PROVISIONS

	Note	The Group 2021 RM'000	The Group 2020 RM'000
Provisions (current)	(a)	**1,640**	2,476
Provision for maintenance			
At 1 April 2020/2019		**2,476**	2,870
Current year provision		**3,251**	5,222
Utilised during the year		**(2,882)**	(3,631)
Over provision in respect of prior years		**(1,205)**	(1,907)
Reclassification		**-**	(78)
At 31 March		**1,640**	2,476

(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.

46 BORROWINGS

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Secured					
Bonds	17	**60,000**	60,000	**-**	-
Term loans	18	**75,250**	135,689	**-**	-
Revolving credits (A)		**133,027**	147,721	**-**	-
		268,277	343,410	**-**	-
Unsecured					
Bonds	17	**150,000**	150,000	**150,000**	150,000
Term loans	18	**570,809**	827,528	**82,780**	173,140
Bankers' acceptances		**7,158**	19,239	**-**	-
Revolving credits		**466,131**	567,105	**27,500**	127,500
Revolving loans		**362,163**	302,995	**-**	302,995
Bank overdrafts	50	**14,755**	118,860	**-**	-
Letters of credit		**529**	1,380	**-**	-
		1,571,545	1,987,107	**260,280**	753,635
		1,839,822	2,330,517	**260,280**	753,635

The currency exposure profile of the above bank borrowings is as follows:

	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
United States Dollar	**739,125**	701,574	**82,780**	476,135
Chinese Yuan	**-**	2,276	**-**	-
Japanese Yen	**9,914**	10,489	**-**	-
	749,039	714,339	**82,780**	476,135

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

46 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 17 and 18 respectively, of the Group and the Company are as follows:

	The Group 2021			
	Bankers' acceptances %	Revolving credits %	Revolving loans %	Bank overdrafts %
Ringgit Malaysia	**2.36**	**3.67**	**-**	**2.75**
Indian Rupee	**-**	**7.29**	**-**	**6.98**
United States Dollar	**-**	**0.95**	**3.04**	**-**

	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 Company			
	2021		2020	
	Revolving credits %	Revolving loans %	Revolving credits %	Revolving loans %
Ringgit Malaysia	**2.93**	**-**	3.79	-
United States Dollar	**-**	**-**	-	2.70

The security for bonds and term loans are disclosed in Notes 17 and 18 respectively.

(A) As at the reporting date, the following revolving credits of the Group are secured as follows:

		The Group	
	Note	2021 RM'000	2020 RM'000
Revolving credit (i)	(a)	**23,056**	19,600
Revolving credit (ii)	(b)	**9,071**	6,121
Revolving credit (iii)	(c)	**71,400**	60,500
Revolving credit (iv)	(d)	**29,500**	29,500
Revolving credit (v)	(e)	**-**	30,000
Revolving credit (vi)	(f)	**-**	2,000
		133,027	147,721

(a) The security for revolving credit (i) of RM23,056,000 (2020: RM19,600,000) is disclosed in Note 18(C)(a).
(b) The security for revolving credit (ii) of RM9,071,000 (2020: RM6,121,000) is disclosed in Note 18(C)(g).
(c) The security for revolving credit (iii) of RM71,400,000 (2020: RM60,500,000) is disclosed in Note 18(C)(h).
(d) The security for revolving credit (iv) of RM29,500,000 (2020: RM29,500,000) is disclosed in Note 18(C)(b).
(e) The revolving credit (v) of RM Nil (2020: RM30,000,000) was 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 RM Nil (2020: RM2,000,000) is disclosed in Note 18(C)(p).

47 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
2021				
At 1 April 2020	**56,026**	**13,132**	**10,303**	**79,461**
Acquisition of a subsidiary (Note 48)	**-**	**275**	**-**	**275**
At 31 March 2021	**56,026**	**13,407**	**10,303**	**79,736**
2020				
At 1 April 2019 / 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 2021 %	Growth rate 2020 %	Discount rate 2021 %	Discount rate 2020 %
Manufacturing and Quarrying	Financial budgets approved by management covering a 5-year period based on past performance and expectations of market development	**3.0**	2.2	**5.4**	6.5
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.

During the financial year, the Group recognised a goodwill arising from the acquisition of a subsidiary (Note 48) as the goodwill allocated to the Construction CGU is supportable by the net recoverable amounts.

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 2021

48 ACQUISITION OF A SUBSIDIARY

On 18 September 2020, IJM Engineering (Mauritius) Limited, a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, completed the acquisition of 11,656,884 equity shares in Team Universal Infratech Private Limited ("TUIPL"), representing 80% equity interest in TUIPL, for a total purchase consideration of INR240 million (Indian Rupees Two Hundred and Forty million only), which was equivalent to approximately RM13.45 million. The effect of the acquisition is as follows:

Details of net assets acquired are as follows:

	Note	Fair value RM'000
Identifiable assets and liabilities:		
Non-current assets		
Property, plant and equipment	27	15,007
Deferred tax assets	22	581
		15,588
Current assets		
Trade and other receivables		23,574
Contract assets	40	72,740
Inventory		9,193
Tax recoverable		2,127
Restricted deposits with licensed bank		779
Cash and bank balances		835
		109,248
Non-current liability		
Lease liabilities		(1,048)
Current liabilities		
Trade and other payables		(101,448)
Lease liabilities		(2,871)
Term loan		(3,006)
		(107,325)
Fair value of identifiable net assets acquired		16,463
Less: Non-controlling interests		(3,293)
		13,170
Less: Purchase consideration		(13,445)
Goodwill on acquisition	36,47	(275)

48 ACQUISITION OF A SUBSIDIARY (cont'd)

Details of cash flows arising from the acquisition are as follows:

	The Group RM'000
Total purchase consideration	(13,445)
Less: Cash and cash equivalents of a subsidiary acquired	835
Cash outflow to the Group on acquisition	(12,610)

The acquired business contributed revenue and profit before taxation of RM5,454,000 and RM763,000 to the Group for the period from 18 September 2020, date of completion of acquisition, to 31 March 2021.

49 DISPOSAL OF A SUBSIDIARY

On 24 December 2020, Industrial Concrete Products Sdn Bhd, a wholly-owned subsidiary of the Company entered into a conditional share sale agreement to dispose 73,886,506 equity shares, representing 96% of the issued and paid-up share capital of ICP Jiangmen Co. Ltd. ("ICPJM") to Masterich Limited for a total consideration of RM62.4 million. Following the completion of the disposal, ICPJM ceased to be a subsidiary of the Group.

Details of the disposal were as follows:

	Note	At date of disposal RM'000
Non-current assets		
Property, plant and equipment	27	36,067
Right-of-use assets	28	4,105
		40,172
Current assets		
Inventories		9,862
Trade and other receivables		18,361
Cash and bank balances		312
		28,535
Non-current liability		
Lease liabilities		(4)
Current liabilities		
Trade and other payables		(27,195)
Borrowings		(5,884)
Lease liabilities		(42)
		(33,121)
Net assets		35,582
Non-controlling interests		(1,423)
Net assets disposed		34,159
Transfer from foreign exchange reserve		(5,816)
Net disposal proceeds		(62,358)
Gain on disposal of a subsidiary	5(b)	(34,015)

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

49 DISPOSAL OF A SUBSIDIARY (cont'd)

The net cash flows on disposal is determined as follows:

	At date of disposal RM'000
Total proceeds from disposal – cash consideration	62,358
Cash and cash equivalents of a subsidiary disposed of	5,572
Cash inflow to the Group on disposal	67,930

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 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Deposits with licensed banks	42	**731,214**	812,313	**48,637**	97,204
Cash and bank balances	42	**1,674,967**	1,410,335	**45,187**	85,018
Bank overdrafts					
- Unsecured	46	**(14,755)**	(118,860)	**-**	-
		2,391,426	2,103,788	**93,824**	182,222
Cash and bank balances of disposal group classified as held for sale	43(b)	**3,491**	-	**-**	-
Less:					
Restricted deposits with licensed banks	(a)	**(13,873)**	(32,579)	**-**	-
		2,381,044	2,071,209	**93,824**	182,222

(a) As at 31 March 2021, 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; deposits of an indirect subsidiary being pledged to a bank to be held as security for bank guarantee and deposits being pledged as consent for an assignment of performance bond in relation to Sukuk Wakalah.

As at 31 March 2020, the restricted deposits with licensed banks were 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.

51 FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

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 2021					
(i) Bonds	17	**3,176,586**	**3,228,000**	**1,650,000**	**1,679,720**
(ii) Term loans	18	**2,571,892**	**2,571,892**	**165,561**	**165,561**
(iii) Government support loans	19	**59,740**	**60,144**	**-**	**-**
(iv) Advances from the State Government	23(a)	**33,180**	**(aa)**	**-**	**-**
At 31 March 2020					
(i) Bonds	17	3,086,119	3,104,402	1,550,000	1,583,832
(ii) Term loans	18	2,578,360	2,578,360	346,280	346,280
(iii) Government support loans	19	95,317	97,859	-	-
(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.

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	2021 RM'000	2020 RM'000
(aa) Associates		
(i) Progress billings in respect of construction contract:		
- West Coast Expressway Sdn Bhd	**224,670**	494,267
(ii) Interest charged to:		
- Kuantan Pahang Holding Sdn Bhd	**1,036**	1,053
- KEB Builders Sdn Bhd	**2,962**	2,648
(iii) Net (advances to)/repayment from:		
- Grupo Concesionario del Oeste S.A.	**(1,473)**	-
- KEB Builders Sdn Bhd	**2,730**	2,730
- Kuantan Pahang Holding Sdn Bhd	**(1,351)**	(322)
- Scomi Group Berhad	**-**	(5,000)
- West Coast Expressway Sdn Bhd	**159,585**	513,240
(iv) Subscription of Redeemable Unsecured Murabahah Stocks:		
- West Coast Expressway Sdn Bhd	**35,320**	60,940
(v) Profits from Redeemable Unsecured Murabahah Stocks:		
- West Coast Expressway Sdn Bhd	**21,385**	15,480

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

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 Group (cont'd)	2021 RM'000	2020 RM'000
(ab) Joint ventures		
(i) Progress billings in respect of construction contract:		
- IJM Perennial Development Sdn Bhd	**29,807**	-
- Laksana Positif Sdn Bhd	**723**	-
- Sierra Ukay Sdn Bhd	**1,521**	25
(ii) Project management and sales and marketing fees charged to:		
- 368 Segambut Sdn Bhd	**2,327**	-
- IJM-CHEC Joint Venture	**844**	1,020
- Sierra Ukay Sdn Bhd	**923**	30
(iii) Toll operation and maintenance works charged to:		
- Lebuhraya Kajang-Seremban Sdn Bhd	**8,697**	10,608
(iv) Interest charged to:		
- 368 Segambut Sdn Bhd	**4,019**	3,784
- ISZL Consortium	**-**	770
- Nasa Land Sdn Bhd	**4,235**	4,224
- Sierra Ukay Sdn Bhd	**16,343**	15,665
(v) Net (advances to)/repayment from:		
- 368 Segambut Sdn Bhd	**117**	(2,050)
- Elegan Pesona Sdn Bhd	**1,002**	-
- IJM-CHEC Joint Venture	**941**	-
- IJM-Gayatri Joint Venture	**7,089**	-
- IJM-LFE Joint Venture	**(1,591)**	3,208
- IJM Perennial Development Sdn Bhd	**10,036**	41,490
- ISZL Consortium	**1,134**	727
- Lebuhraya Kajang-Seremban Sdn Bhd	**9,506**	9,991
- Sierra Ukay Sdn Bhd	**7,905**	(2,979)
(vi) Interest accretion on RCULS and RCSIDS		
- Lebuhraya Kajang-Seremban Sdn Bhd	**35,932**	32,499
(ac) Joint operation partner		
(i) Progress billings in respect of construction contracts to:		
- IJMC-KEB Joint Venture	**29,042**	84,540
(ii) Net repayment from:		
- IJMC-KEB Joint Venture	**19,570**	180,002
(ad) Other related parties *		
(i) Purchase of fresh fruit bunches	**6,568**	4,614
(ae) Corporate shareholder of a subsidiary		
(i) Interest charged by:		
- Beibu Gulf Holding (Hong Kong) Co. Ltd	**5,895**	5,045

* 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	2021 RM'000	2020 RM'000
(aa) Subsidiaries		
(i) Interest charged to/(by):		
- IJM Properties Sdn Bhd	**40,604**	41,575
- Murni Lapisan Sdn Bhd	**1,834**	2,030
- Suria Bistari Development Sdn Bhd	**4,731**	4,752
- IJM Land Berhad	**12,570**	15,446
- IJM Land Management Services Sdn Bhd	**1,218**	1,544
- IJM RE Sdn Bhd	**7,481**	11,953
- Fairview Valley Sdn Bhd	**5,705**	19,923
- RB Development Sdn Bhd	**752**	733
- Nilai Cipta Sdn Bhd	**-**	500
- New Pantai Expressway Sdn Bhd	**1**	(656)
- CIDB Inventures Sdn Bhd	**(3,119)**	(3,291)
- Panorama Jelita Sdn Bhd	**725**	678
(ii) Capital contribution via share-based payment in:		
- IJM Construction Sdn Bhd	**191**	6,602
- IJM Land Berhad	**2,526**	2,320
- IJM Plantations Berhad	**(46)**	1,176
- Industrial Concrete Products Sdn Bhd	**32**	2,613
- Road Builder (M) Holdings Bhd	**221**	1,593
(iii) Share-based payments charged to:		
- Kuantan Port Consortium Sdn Bhd	**135**	193
- Industrial Concrete Products Sdn Bhd	**570**	1,191
- IJM Plantations Berhad	**329**	1,097
- IJM Construction Sdn Bhd	**1,389**	4,920
- IJM Land Management Services Sdn Bhd	**1,495**	1,837
- Besraya (M) Sdn Bhd	**149**	471
(iv) Management fees charged to:		
- IJM Construction Sdn Bhd	**7,362**	9,300
- IJM Plantations Berhad	**1,517**	1,813
- Industrial Concrete Products Sdn Bhd	**3,523**	4,521
- New Pantai Expressway Sdn Bhd	**717**	1,137
- Kuantan Port Consortium Sdn Bhd	**1,227**	3,387
- Besraya (M) Sdn Bhd	**661**	1,050
- IJM Land Management Services Sdn Bhd	**4,706**	5,938
(v) Office rental charged by:		
- IJM Construction Sdn Bhd	**1,714**	2,054
(vi) Repayment from/(advances to):		
- IJM Investments (M) Limited	**(17,360)**	(52)
- IJM Construction Sdn Bhd	**8,391**	9,553
- IJM Properties Sdn Bhd	**7,886**	41,744
- IJM Land Berhad	**24,164**	59,628
- Panorama Jelita Sdn Bhd	**(3,988)**	5,406
- Murni Lapisan Sdn Bhd	**2,078**	2,294
- Seremban Two Holdings Sdn Bhd	**-**	5,858
- Cypress Potential Sdn Bhd	**104**	922

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

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)	2021 RM'000	2020 RM'000
(aa) Subsidiaries (cont'd)		
(vi) Repayment from/(advances to): (cont'd)		
- Chen Yu Land Sdn Bhd	(5,625)	(4,375)
- Jelita Kasturi Sdn Bhd	(1,948)	2,668
- IJM Investments (L) Limited	56,411	13,406
- Kuantan Port Consortium Sdn Bhd	2,087	3,528
- IJM Land Management Services Sdn Bhd	5,802	10,744
- Industrial Concrete Products Sdn Bhd	3,208	5,869
- IJM Plantations Berhad	1,846	2,749
- RB Development Sdn Bhd	551	-
- Besraya (M) Sdn Bhd	1,006	1,437
- New Pantai Expressway Sdn Bhd	11,004	1,649
- IJM RE Sdn Bhd	(1,000)	41,490
- Fairview Valley Sdn Bhd	385,714	(38,991)
- RB Land Sdn Bhd	-	2,308
- Nilai Cipta Sdn Bhd	-	500
(vii) (Repayments to)/advances from:		
- Road Builder (M) Holdings Bhd	(15,536)	(79,918)
- CIDB Inventures Sdn Bhd	(3,147)	(3,013)
- IJM Vijayawada (Mauritius) Limited	(794)	(612)
- Nilai Cipta Sdn Bhd	-	5,170
(viii) Redemption of preference shares issued by Nilai Cipta Sdn Bhd	-	10,000
(ab) Associates		
(i) Net advances to:		
- Grupo Concesionario del Oeste S.A.	1,473	-
- Scomi Group Berhad	-	5,000
(ac) Joint ventures		
(i) Interest accretion on RCULS and RCSIDS		
- Lebuhraya Kajang-Seremban Sdn Bhd	35,932	32,499
(ii) Net repayment from IJM-Gayatri Joint Venture	7,089	-

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Wages, salaries and bonus	**8,287**	8,573	**2,542**	4,332
Defined contribution retirement plan	**1,376**	1,430	**431**	778
Fees and other employee benefits	**2,878**	10,140	**1,884**	9,521
Share-based payments	**1,396**	(2,249)	**443**	(2,153)
	13,937	17,894	**5,300**	12,478

(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	
	2021 RM'000	2020 RM'000
Progress billings during the financial year:		
- Directors and key management personnel of the Company	**-**	723
- Close family members of Directors and key management personnel of the Company	**117**	96

(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 44.

53 COMMITMENTS

Capital commitments

	The Group	
	2021 RM'000	2020 RM'000
Approved and contracted for	**463,197**	966,404
Approved but not contracted for	**156,952**	246,153
	620,149	1,212,557
Analysed as follows:		
Purchases of property, plant and equipment	**291,368**	436,716
Purchases of development land	**10,897**	11,673
Concession assets	**308,618**	744,718
Investment properties	**9,266**	19,450
	620,149	1,212,557

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

54 CONTINGENT LIABILITIES (UNSECURED)

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Stamp duty matters under appeal	**1,866**	1,886	**-**	-
Sales and service tax matters under appeal	**3,104**	3,136	**749**	757
	4,970	5,022	**749**	757

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2021

SUBSIDIARIES

Name	Country of incorporation	Effective equity interest 2021 %	2020 %	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) Limited	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 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 * (1)	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

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2021 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2021 %	2020 %	Principal activities
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
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 #	Republic of Mauritius	**100**	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

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2021 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2021 %	2020 %	Principal activities
Held by IJM Dewas (Mauritius) Limited				
Dewas Bypass Tollway Private Limited * (of which 26% (2020: 26%) is held directly by the Company)	India	**100**	100	Highway development
Held by IJM Engineering (Mauritius) Limited				
Team Universal Infratech Private Limited (2)	India	**80**	-	Construction
Held by IJMII (Mauritius) Limited				
IJM (India) Infrastructure Limited *	India	**99.9**	99.9	Construction
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
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% (2020: 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% (2020: 25.51%) is held directly by the Company)	India	**99.9**	99.9	Highway development

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2021 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2021 %	2020 %	Principal activities
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	Under alternative voluntary winding-up
RB Development Sdn Bhd	Malaysia	**100**	100	Property development
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**	100	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

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2021 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2021 %	2020 %	Principal activities
Held by IJM Properties Sdn Bhd (cont'd)				
NS Central Market Sdn Bhd	Malaysia	**70**	70	Dormant
Preferred Accomplishment Sdn Bhd	Malaysia	**100**	100	Sale of electricity
Radiant Pillar Sdn Bhd * (of which 10.6% (2020: 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
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				
Eksplorasi Cemerlang Sdn Bhd	Malaysia	**100**	100	Dormant
Jelita Kasturi Sdn Bhd	Malaysia	**100**	100	Property development
Panorama Jelita Sdn Bhd	Malaysia	**100**	100	Property development
Held by Radiant Pillar Sdn Bhd				
Bandar Rimbayu Sdn Bhd * (of which 10.6% (2020: 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% (2020: 5.3%) is held indirectly by the Company via WCE Holdings Berhad)	**	**85**	85	Dormant

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2021 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2021 %	2020 %	Principal activities
Held by Worldwide Ventures Sdn Bhd				
Island Golf View Sdn Bhd	Malaysia	**86**	86	Property development
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 #	England and Wales	**51**	51	Dormant
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

Notes to the Financial Statements (cont'd)
For the Financial Year Ended 31 March 2021

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2021 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2021 %	2020 %	Principal activities
Held by IJM Plantations Berhad (cont'd)				
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
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

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2021 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2021 %	2020 %	Principal activities
Held by Industrial Concrete Products Sdn Bhd				
Durabon Sdn Bhd	Malaysia	**100**	100	Processing and sales of steel bars
ICP Jiangmen Co. Ltd. * (3)	People's Republic of China	**-**	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
Held by Malaysian Rock Products Sdn Bhd				
Aggregate Marketing Sdn Bhd	Malaysia	**-**	100	Liquidated
Azam Ekuiti Sdn Bhd	Malaysia	**100**	100	Leaseholder of quarry land
Bohayan Industries Sdn Bhd ^^^	Malaysia	**70**	70	Under members' voluntary liquidation
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

Notes to the Financial Statements (cont'd)
For the Financial Year Ended 31 March 2021

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2021 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2021 %	2020 %	Principal activities
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	Malaysia	**100**	100	Dormant
Kuantan Port Consortium Sdn Bhd (of which 30% (2020 : 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 2021 (cont'd)

ASSOCIATES

Name	Country of incorporation	Effective equity interest 2021 %	2020 %	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
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) Limited				
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

Notes to the Financial Statements (cont'd)

For the Financial Year Ended 31 March 2021

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2021 (cont'd)

ASSOCIATES (cont'd)

Name	Country of incorporation	Effective equity interest 2021 %	2020 %	Principal activities
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
Held by KP Port Services Sdn Bhd				
KP Depot Services Sdn Bhd *	Malaysia	**18**	18	Provision of container depot services
Held by Road Builder (M) Holdings Bhd				
West Coast Expressway Sdn Bhd * (of which 21.2% (2020: 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

\# 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 PricewaterhouseCoopers 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 15 March 2021, the Company has entered into a sale and purchase agreement to dispose 1,100,000 ordinary shares, representing 55% of the issued and paid-up share capital of Kemena Industries Sdn Bhd to Kemena Global Sdn Bhd for a total consideration of RM18,000,000 (Note 43(a),(b)).

(2) On 6 February 2020, IJM Engineering (Mauritius) Limited, a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, entered into an agreement to acquire 80% equity interests in Team Universal Infratech Private Limited (Note 48).

(3) On 16 March 2021, Industrial Concrete Products Sdn Bhd, a wholly-owned subsidiary of the Company has disposed 96% of the issued and paid-up share capital of ICP Jiangmen Co. Ltd. (Note 49).

Statutory Declaration

Pursuant to Section 251(1)(b) of The Companies Act 2016

I, Dato' Edward Chong Sin Kiat, 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 194 to 370 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at Petaling Jaya on 27 May 2021.

DATO' EDWARD CHONG SIN KIAT
(MIA No. 11526)

Before me:

PESURUHJAYA SUMPAH
No B459
Nama GUNALAN
1.1.2019 - 31.12.2021
MALAYSIA

Commissioner for Oaths
Petaling Jaya

NO: 13, (TINGKAT 1) JALAN 52/18
PJ NEW TOWN
46200 PETALING JAYA, SELANGOR.

pwc

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 2021, 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 2021 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 194 to 370.

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' International Code of Ethics for Professional Accountants (including International Independence Standards) ("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
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

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: RM1,920.0 million Costs: RM1,794.3 million ii) Property development activities Revenue: RM1,244.9 million Costs: RM937.9 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 contracts 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 - RM5,924.3 million ii) Completed development units - RM1,154.5 million Refer to Notes 11(b) and 11(c) for the accounting policies and Notes 2(k), 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 RM18.0 million and RM16.6 million respectively during the financial year.	For inventories which management has relied on independent valuations, we evaluated the competency, qualifications, experience and objectivity of the independent valuers. 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 procedures performed above, we noted no material exceptions.
Recoverability of trade receivables	
Refer to Notes 14 and 22 for the accounting policies and Notes 2(j), 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 the 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 2021, the Group's and the Company's trade receivables prior to loss allowances were RM1,276.9 million and RM54.1 million of which, RM157.7 million and RM32.1 million have 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 2021 Annual Report, which are 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, actions taken to eliminate threats or safeguards applied.

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
27 May 2021

List of Material Properties

As at 31 March 2021

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	401.51	Leasehold (expiring 2111)	Under development	A: 2014	N/A	1,419,435
2	PT 9211 (HSD 119540) PT 9216 (HSD 119543) PT 9222 (HSD 119548) PT 9223 (HSD 119549)	Residential land	7.26	Leasehold (expiring 2106)	For future development	A: 2013	N/A	959,055
	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	Mukim Sungai Karang Kuantan, Pahang							708,770
	Lot 110277 - 110280 PN 28669, 28521 - 28523	Commercial	273.68	Leasehold (expiring 2065 & 2098)	Under development	A: 2013	N/A	
	Lot 110281 - 110335 PN 28525 - 28530	Industrial						
	Lot 110336 PN 28588	Residential						
	Lot 110337 - 110338, 110350 - 110353 PN 28533 - 28587	Industrial						
	Lot 110348 - 110349 PN 28524, 28532	Commercial						
	Lot 110206 PN 28927	Commercial	404.69	Leasehold (expiring 2115)	Under development	A: 2017	N/A	
4	Kutai Timur, East Kalimantan Indonesia	Agriculture land	21,178	Leasehold (expiring 2044, 2045 & 2053)	Oil Palm Estate, Palm Oil Mill and Kernel Crushing Plant	A: 2008, 2012 & 2014	9	678,404
5	PT 42406 - 42431 PT 42450 - 42474 PT 42495 - 42516 PT 42537 - 42584 PT 42605 - 42644 PT 42685 - 42724 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	Residential	6.42		Under development			

List of Material Properties (cont'd)

As at 31 March 2021

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 32965 Mukim Labu, Daerah Seremban Negeri Sembilan Darul Khusus PT 23227 - 23243 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus PT 36987 - 37048 PT 37049 - 37055 PT 37057 - 37067 PT 37069 - 37150 PT 37801 PT 37068 PT 37158 - 37323 PT 37334 - 37527 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus	Residential land	32.88	Freehold		A: 2004	N/A	507,591
	PT 256552 - 256855 PT 256927 (LP) PT 37154 PT 37327 PT 36982 - 36983 PT 36066 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus PT 23245 - 23247 PT 23996 PT 22597 PT 25326 - 25328 PT 27157 - 27158 PT 28064 - 28105 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus	Commercial land	18.59		For future development			
	PT 27161 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus PT 40174 - 40182 PT 40554 - 42087 PT 42112 - 42310 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus	Agriculture land	77.56					
6	Menara Prudential Persiaran TRX Barat Tun Razak Exchange 55188 Kuala Lumpur	Commercial	3.84	Freehold	Office building	A: 2017	2	475,232

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							
	Balance Parcel A1	Residential, Mixed development & Commercial	13.96	Freehold	Reclaimed	N/A	N/A	365,390
	Parcel A2	Mixed development & Commercial	8.75		Yet to be reclaimed			
	Parcel B1	Residential & Commercial	15.06	Leasehold				
	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	325,507
9	Bulungan, East Kalimantan, Indonesia	Agriculture land	13,836	Leasehold (expiring 2043 & 2046)	Oil Palm Estate and Palm Oil Mill	A: 2008	2	304,186
10	Block A Royal Mint Gardens Royal Mint Street London, E1 8LG	Mixed development	0.32	Leasehold (expiring 3011	Under development	A: 2012	N/A	268,411

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 37th Annual General Meeting ("AGM") of IJM CORPORATION BERHAD [198301008880 (104131-A)] will be held virtually 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 Thursday, 26 August 2021, at 10.00 a.m. to transact the following matters:-

1. To receive the audited financial statements for the year ended 31 March 2021 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) Tan Sri Dato' Tan Boon Seng @ Krishnan (Resolution 1)

   b) Goh Tian Sui (Resolution 2)

   c) Tunku Alina Binti Raja Muhd Alias (Resolution 3)

   d) Tan Ting Min (Resolution 4)

   Please refer to Note 1

3. To re-elect Azhar Bin Ahmad who retires in accordance with Clause 92 of the Company's Constitution and who being eligible, offers himself for re-election. (Resolution 5)

   Please refer to Note 1

4. To re-appoint PricewaterhouseCoopers PLT as Auditors and to authorise the Directors to fix their remuneration. (Resolution 6)

5. As special business to consider and pass the following resolutions:-

   a) DIRECTORS' FEES (Resolution 7)

   "THAT the Directors' fees of RM1,278,166 for the year ended 31 March 2021 be approved to be divided amongst the Directors in such manner as they may determine."

   Please refer to Note 2

   b) DIRECTORS' BENEFITS (Resolution 8)

   "THAT the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM445,000 for the period from 27 August 2021 until the next Annual General Meeting be approved."

   Please refer to Note 2

   c) DIRECTORS' FEES OF A SUBSIDIARY (Resolution 9)

   "THAT the payment of Directors' fees of RM418,000 for the year ended 31 March 2021 by a subsidiary to several common Directors be approved."

   Please refer to Note 2

   d) AUTHORITY TO ISSUE SHARES UNDER SECTIONS 75 AND 76 (Resolution 10)

   "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 11)

"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

f) PROPOSED DISPOSAL OF 494,865,786 ORDINARY SHARES IN IJM PLANTATIONS BERHAD ("IJMP"), REPRESENTING 56.20% EQUITY INTEREST IN IJMP TO KUALA LUMPUR KEPONG BERHAD ("KLK") FOR A TOTAL CASH CONSIDERATION OF RM1,534,083,936.60 ("PROPOSED DISPOSAL") (Resolution 12)

"THAT, subject to the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Company to dispose of 494,865,786 ordinary shares in IJMP ("Sale Shares"), representing 56.20% equity interest in IJMP to KLK for a total cash consideration of RM1,534,083,936.60 (based on RM3.10 per Sale Share), to be satisfied entirely in cash upon the terms and conditions of the Share Sale and Purchase Agreement dated 11 June 2021 entered into between the Company and KLK

THAT the Board be and is hereby authorised to utilise the proceeds from the Proposed Disposal as set out in Section 3 of the circular to shareholders dated 28 July 2021 and that, subject to the prevailing laws, rules and regulations issued by the relevant authorities, the Board be authorised with full powers to vary the purpose of the utilisation of such proceeds in such manner as the Board shall deem fit, necessary, expedient and/ or appropriate and in the best interest of the Company

AND THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be required to give full effect to the Proposed Disposal with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating to the Proposed Disposal."

Please refer to Note 5

By Order of the Board

Ng Yoke Kian
Company Secretary
CCM PC No. 202008000554
MAICSA 7018150

Petaling Jaya
28 July 2021

Notice of Annual General Meeting (cont'd)

IMPORTANT NOTICE

A. **VIRTUAL MEETING**

In view of the COVID-19 pandemic and as part of the Company's precautionary measures, the 37th AGM of the Company will be held virtually 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 37th 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 **19 August 2021** 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 25 August 2021**:-

(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 its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, 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** by following the procedures provided in the Administrative Guide for the 37th AGM; and

(vi) a member who has appointed a proxy or authorised representative to attend and vote at the 37th 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 37th AGM.

C. The Annual Report, Share Buy-Back Statement, Circular to Shareholders, 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 subject for re-election had been assessed through the Board annual evaluation. The Nomination & Remuneration Committee and the Board are satisfied with the performance and effectiveness of the Directors.

Tan Sri Dato' Tan Boon Seng @ Krishnan, Goh Tian Sui, Tunku Alina Binti Raja Muhd Alias, Tan Ting Min and Azhar Bin Ahmad, 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 26 to 31 of the Annual Report 2021.

Datuk Ir. Hamzah Bin Hasan who is also subject to retirement by rotation in accordance with Clause 88 of the Company's Constitution, will not seek re-election and will be retiring from the Board at the conclusion of this AGM.

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 7, 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 8, if approved, will authorise the payment of Directors' benefits to the NED by the Company. The Directors' benefits of RM445,000 for the period from 27 August 2021 until the next AGM in year 2022 are derived from the estimated meeting allowance payable based on the number of scheduled 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 9 is in relation to the payment of Directors' fees of RM418,000 for the financial year ended 31 March 2021 by IJM Plantations Berhad ("IJMP"), a 56% owned subsidiary to Tan Sri Dato' Tan Boon Seng @ Krishnan, Pushpanathan A/L S A Kanagarayar and Liew Hau Seng, the common Directors of the Company.

The Directors' fees 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 10, 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 28 July 2021, which is available at the Company's website at **www.ijm.com/investor/agm.**

5. **PROPOSED DISPOSAL**

The details of the proposal are set out in the Circular to Shareholders dated 28 July 2021, which is available 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 37th Annual General Meeting ("AGM") of IJM CORPORATION BERHAD to be held virtually 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 Thursday, 26 August 2021, at 10.00 a.m., and at any adjournment thereof, in the manner indicated below:-

No.	Resolutions	For	Against
1.	To re-elect Tan Sri Dato' Tan Boon Seng @ Krishnan as Director		
2.	To re-elect Goh Tian Sui as Director		
3.	To re-elect Tunku Alina Binti Raja Muhd Alias as Director		
4.	To re-elect Tan Ting Min as Director		
5.	To re-elect Azhar Bin Ahmad as Director		
6.	To re-appoint PricewaterhouseCoopers PLT as Auditors and to authorise the Directors to fix their remuneration		
7.	To approve the payment of Directors' fees of RM1,278,166		
8.	To approve the payment of Directors' benefits of RM445,000		
9.	To approve the payment of Directors' fees of RM418,000 by a subsidiary		
10.	To authorise the issuance of up to 10% of the total number of issued shares of the Company		
11.	To approve the Proposed Renewal of Share Buy-Back Authority		
12.	To approve the Proposed Disposal		

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 ______________ 2021

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 **19 August 2021** 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 **25 August 2021**:-

(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 its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, 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 by following the procedures provided in the Administrative Guide for the 37th AGM; and

(vi) a member who has appointed a proxy or authorised representative to attend and vote at the 37th 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 37th 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)

Certified to ISO 9001 : 2015
Cert. No. : QMS 00375

Certified to ISO 45001 : 2018
Cert. No. : OHS 00105

Certified to ISO 14001 : 2015
Cert. No. : EMS 00377

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: www.ijm.com

Malaysia Branch Offices

JOHOR, MALAYSIA
17-05, 17th Floor, City Plaza, Jalan Tebrau
80250 Johor Bahru, Johor Darul Ta'zim
Malaysia
Tel : 607-333 4895, 607-333 4896
Fax : 607-333 4918
E-mail : ijm@ijm.com
Website: www.ijm.com
Contact: Mr Ong Teng Cheng

PENANG, MALAYSIA
Suite 05-01, Menara IJM Land
1, Lebuh Tunku Kudin 3, 11700 Gelugor
Penang, Malaysia
Tel : 604-296 1388
Fax : 604-296 1389
E-mail : ijm@ijm.com
Website: www.ijm.com
Contact: Mr Tan Ling Jin

SARAWAK, MALAYSIA
1st Floor, Lots 7886 & 7887, Queen's Court
Jalan Wan Alwi, 93350 Kuching, Sarawak
Malaysia
Tel : 6082-463 496, 6082-463 497
Fax : 6082-461 581
E-mail : ijm@ijm.com
Website: www.ijm.com
Contact: Mr Chan Kai Leong

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: 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: www.ijmindia.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: 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: www.icpb.com.my
Contact: Mr Tan Boon Leng

MALAYSIAN ROCK PRODUCTS SDN BHD
196201000284 (4780-T)
KUANG ROCK PRODUCTS SDN BHD
199201014780 (246283-D)
STRONG MIXED CONCRETE SDN BHD
199001002259 (193822-X)
SCAFFOLD MASTER SDN BHD
198501013600 (146056-P)
Wisma IJM Annexe, Jalan Yong Shook Lin
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Malaysia
Tel : 603-7955 8888
Fax : 603-7957 4891
E-mail : mrp@ijm.com
Website: www.ijm.com
Contact: Mr Tan Khuan Beng

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: www.ijmplantations.com
Contact: Mr Joseph Tek Choon Yee

INFRASTRUCTURE

BESRAYA (M) SDN BHD
199501013021 (342223-A)
Plaza Tol Loke Yew, Lebuhraya Sungai Besi
56100 Kuala Lumpur, Malaysia
Tel : 603-9282 8382
Fax : 603-9282 8389
E-mail : info.besraya@ijm.com
Website: www.ijmtolldiv.com
Contact: Pn Wan Salwani Binti Wan Yusoff

NEW PANTAI EXPRESSWAY SDN BHD
199401022597 (308276-U)
Plaza Tol Pantai Dalam, KM 10.6
Lebuhraya Baru Pantai, 58200 Kuala Lumpur
Malaysia
Tel : 603-7783 8800
Fax : 603-7783 1111
E-mail : info.npe@ijm.com
Website: www.ijmtolldiv.com
Contact: Pn Wan Salwani Binti Wan Yusoff

LEBUHRAYA KAJANG-SEREMBAN SDN BHD
200501018592 (700707-U)
Plaza Tol Kajang Selatan, KM 3.3
Lebuhraya Kajang Seremban, 43500 Semenyih
Selangor Darul Ehsan, Malaysia
Tel : 603-8723 8021
Fax : 603-8723 0021
E-mail : info.lekas@ijm.com
Website: www.ijmtolldiv.com
Contact: Pn Wan Salwani Binti Wan Yusoff

KUANTAN PORT CONSORTIUM SDN BHD
199601002037 (374383-H)
Wisma KPC, KM 25, Tanjung Gelang
P. O. Box 199, 25720 Kuantan
Pahang Darul Makmur, Malaysia
Tel : 609-586 3888
Fax : 609-586 3777
E-mail : info.kuantanport@ijm.com
Website: www.kuantanport.com.my
Contact: En Mazlim Bin Husin

PROPERTY

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IJM LAND BERHAD
198901010104 (187405-T)

Head Office – Petaling Jaya
Ground Floor, Wisma IJM
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Selangor Darul Ehsan, Malaysia
Tel : 603-7985 8288
Fax : 603-7952 9091
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Website: www.ijmland.com
Contact: Dato' Edward Chong Sin Kiat

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Pantai Sentral Park
No.2, Jalan Pantai Sentral 1, Pantai Sentral
59200 Kuala Lumpur, Malaysia
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Website: www.pantaisentralpark.com
Contact: Dato' Hoo Kim See

Selangor
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No 1, Jalan Flora 3, Bandar Rimbayu
42500 Telok Panglima Garang
Selangor Darul Ehsan, Malaysia
Tel : 603-5525 3900
Fax : 603-5525 2500
E-mail : ask@ijm.com
Website: www.rimbayu.com
Contact: Mr Chai Kian Soon

Negeri Sembilan
PT10786, Seremban 2, 70300 Seremban
Negeri Sembilan Darul Khusus, Malaysia
Tel : 1800 222 456
Fax : 606-761 9888
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Contact: Dato' Hoo Kim See

Penang
Suite 01-01, Menara IJM Land
1, Lebuh Tunku Kudin 3, 11700 Gelugor
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Fax : 604-296 1223
E-mail : ask@ijm.com
Website: www.ijmland.com
Contact: Dato' Toh Chin Leong

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80250 Johor Bahru, Johor Darul Ta'zim
Malaysia
Tel : 607-339 1888
Fax : 607-333 4803
E-mail : ask@ijm.com
Website: www.ijmland.com
Contact: Mr Clement Pee Poh Hun

Sebana Cove
No 52, Jalan Permas 15/1
Bandar Baru Permas Jaya, 81750 Johor Bahru
Johor Darul Ta'zim, Malaysia
Tel : 607-382 3323
Fax : 607-382 4338
E-mail : ask@ijm.com
Website: www.sebanacoveresort.com
Contact: Ms Yeo Yee Khim

Nasa City
No 1, Jalan Palma Puteri 4, Desa Palma
81100 Johor Bahru, Johor Darul Ta'zim
Malaysia
Tel : 607-357 8899
Fax : 607-359 1188
E-mail : ask@ijm.com
Website: nasacity.ijmland.com
Contact: Mr Clement Pee Poh Hun

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Lot 1, Jalan Bandar Utama, Mile 6
Jalan Utara, 90000 Sandakan, Sabah
Malaysia
Tel : 6089-671 899
Fax : 6089-673 860
E-mail : ask@ijm.com
Website: www.ijmland.com
Contact: Mr Steven Goh Kiat Lee

Sarawak
Level 2, Riverine Emerald Condominium
(South Wing Mail Box), Jalan Petanak
93100 Kuching, Sarawak, Malaysia
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Fax : 6082-252 136
E-mail : ask@ijm.com
Website: www.ijmland.com
Contact: Mr Chai King Sing

UNITED KINGDOM
RMS (ENGLAND) LIMITED
43, Royal Mint Street, London E1 8LG
United Kingdom
Tel : 44 (0) 20 3752 3949
Fax : 44 (0) 20 7488 9911
E-mail : ask@ijm.com
Website: www.royalmintgardens.com
Contact: Mr Mark Lahiff

REGISTERED OFFICE

2nd Floor, Wisma IJM
Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : 603-7985 8288
Fax : 603-7952 1200
E-mail : csa@ijm.com
Website : www.ijm.com

PRINCIPAL BANKERS

- AmInvestment Bank Berhad
- CIMB Bank Berhad
- HSBC Bank Malaysia Berhad
- Malayan Banking Berhad
- OCBC Bank (Malaysia) Berhad
- RHB Banking Group
- Standard Chartered Bank Malaysia Berhad
- Sumitomo Mitsui Banking Corporation

AUDITORS

PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)
Chartered Accountants
Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur, Malaysia
Tel : 603-2173 1188
Fax : 603-2173 1288
Website : www.pwc.com/my

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : 603-2783 9299
Fax : 603-2783 9222

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
since 29 September 1986
BMSB Code : 3336
Reuters Code : IJMS.KL
Bloomberg Code : IJM MK

www.ijm.com

IJM CORPORATION BERHAD
198301008880 (104131-A)

Wisma IJM, Jalan Yong Shook Lin
46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia

ijm@ijm.com
+603-7985 8288
+603-7952 9388