IJM CORPORATION BERHAD

# STRONGER CORE NEW GROWTH ENGINES

ANNUAL REPORT 2024

# 40th

## ANNUAL GENERAL MEETING
## IJM CORPORATION BERHAD

**Thursday, 29 August 2024**
**10.00 a.m.**

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

Scan to view our Annual Report online at **www.ijm.com**

# INSIDE THIS REPORT

### OVERVIEW



### ORGANISATION AND STEWARDSHIP



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# COVER RATIONALE


## STRONGER CORE NEW GROWTH ENGINES

In FY2024, we strengthened our core businesses, delivering solid results and reaping the benefits of our strategic focus on the *Drive Growth* pillar. This year's Annual Report theme highlights our pursuit of new growth engines as we venture into new development sectors such as industrial buildings — logistics, data centres and manufacturing facilities — and international expansions to the United Kingdom and Indonesia. These strategic moves position us for robust growth and reinforce our position as a Group built on synergistic partnerships, shared values and a unified vision.

# 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 and services
- Trusted client relationships
- Safety, health and 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 with everyone we deal with, always delivering on our promise.

## TEAMWORK

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

## INNOVATION

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

## CUSTOMER FOCUS

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

# ENERGISED FOR GROWTH

IJM is on an uptrend, bouncing back with net profit nearly tripling from the previous year.  This success stems from the Group's inner engineering efforts and the recovering Malaysian economy that created market opportunities. We are aggressively pursuing growth in existing and new segments, both at home and abroad, as a contractor, developer, building materials supplier and asset owner. Our order book has expanded, mature investments are yielding healthy returns and new revenue sources are being incubated.


Newly designed workspace at Wisma IJM, inspiring collaboration, productivity and ideas

# IJM AT A GLANCE

## IJM's growth is fueled by a twin focus: strengthening our existing foothold while venturing into new markets.

This duality is embedded into our business philosophy from the start, allowing us to better navigate the constantly changing operating landscape across different regions and industries.

**Overview**

**ESTABLISHED**
1983

**LISTED**
1986

**PRESENCE IN**
6 **COUNTRIES**

3,502
**EMPLOYEES**

4 **BUSINESS DIVISIONS**

**Business Highlights**

**OUTSTANDING CONSTRUCTION ORDER BOOK**
RM6.0 billion

**PROPERTY GROSS DEVELOPMENT VALUE (GDV)**
RM44.90 billion

Across a **LANDBANK** of
3,072.9 acres

**INDUSTRIAL CONCRETE PRODUCTS PILES BALANCE ORDER BOOK**
0.9 million MT

**Financial Highlights**

**REVENUE**
RM5.92 billion

**DIVIDEND PER SHARE**
8 sen

**EARNINGS PER SHARE**
17.11 sen

**PROFIT BEFORE TAX**
RM964.17 million

**TOTAL ASSETS**
RM21.32 billion
(Growth of 124x since 1986)

**MARKET CAPITALISATION**
RM8.52 billion
(CAGR of 14% since listing in 1986)

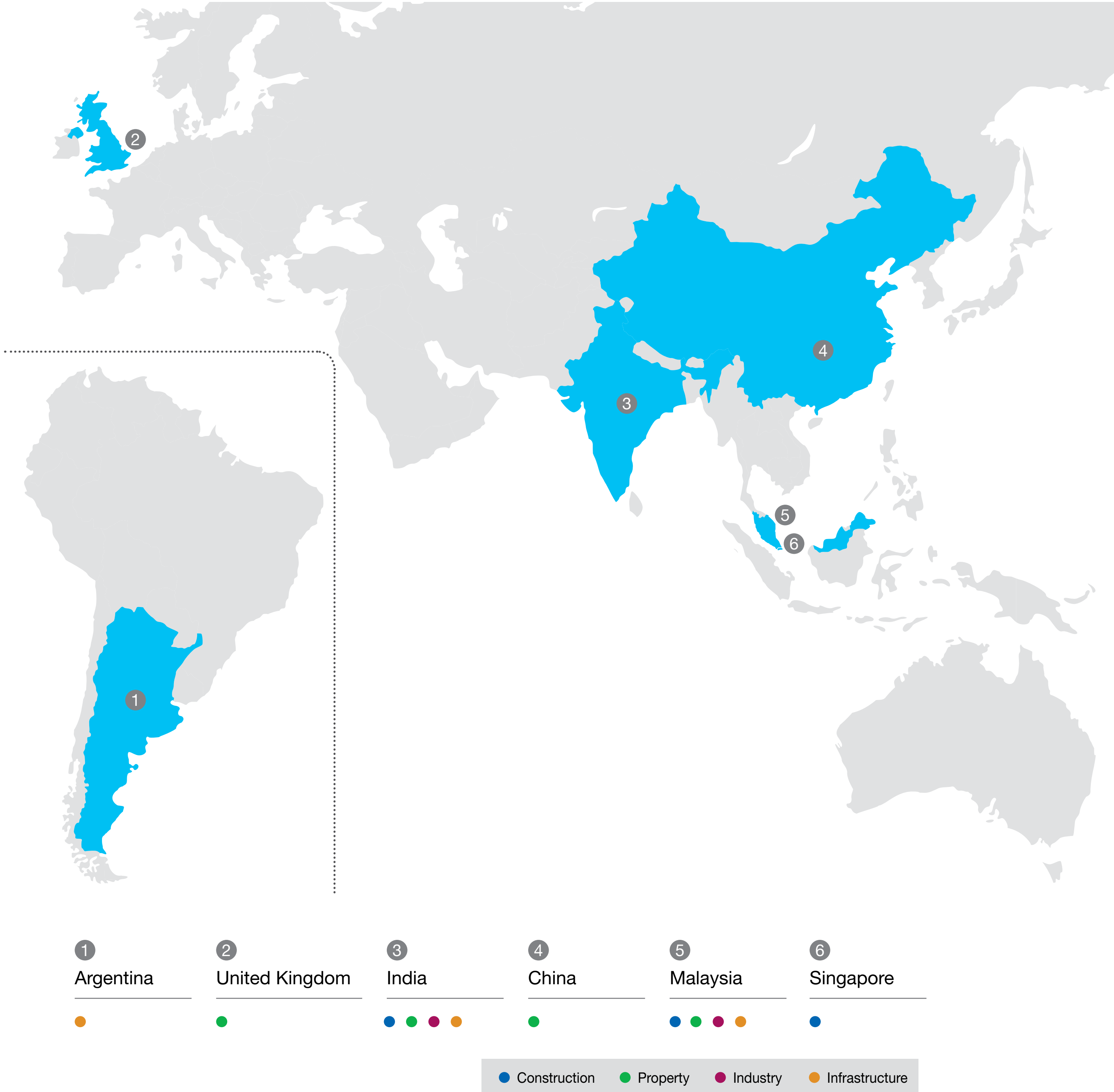
Figures updated as at 31 March 2024

# WHERE WE OPERATE

## Expanding Horizons: Seizing Opportunities and Building New Growth Pipelines

IJM takes pride in its presence across six countries, recognised for delivering quality and innovative solutions. These achievements are a testament to our strong execution capabilities, adaptability and operational excellence in diverse geographies.

Looking ahead, IJM will continue to pursue projects that align with our vision, mission, core values and business charter. With a strong track record and strategic outlook, IJM is poised to build new growth pipelines and expand our geographical footprint, positioning ourselves for sustainable growth.



# BUILDING THE FUTURE. DIVERSIFYING FOR GROWTH

We are back on a growth trajectory. FY2024 was strong, and we are poised to perform even better in the coming years. Our outstanding order book stood at RM6 billion as of FY2024, continuing to grow with top-tier public and private contracts. We diversified into high-demand industrial buildings and are well-positioned to capitalise on new public infrastructure opportunities. Beyond Peninsular Malaysia, our strategic expansions in East Malaysia, Indonesia and India showcase our capability to adapt and thrive in evolving markets.

HSBC Malaysia's new headquarters in Tun Razak Exchange (TRX) was completed in May 2021 by IJM Construction, and is a new iconic landmark within the TRX development

# CORPORATE PROFILE


Wisma IJM, Petaling Jaya

Headquartered in Malaysia, IJM Corporation Berhad is a leading construction group with an international footprint. Our success lies in harnessing synergies between our four core businesses: Construction, Property, Industry and Infrastructure. Each business division is an industry leader in their own right, driven by the Group's shared vision and mission.

For over 40 years, IJM has been redefining skylines, connecting communities and enriching lives both in Malaysia and globally. Our multidisciplinary workforce, progressive leadership, financial prudence and enterprise have made us a sought-after partner for privatisation as well as iconic and complex projects across various sectors.

Incorporated in 1983 through the merger of three mid-size construction companies to professionalise the Malaysian construction industry, IJM was listed on Bursa Malaysia in 1986 and has been growing from strength to strength ever since. A significant milestone was the acquisition of Road Builder Group in 2007, enhancing our portfolio with an impressive array of iconic buildings, townships and infrastructure projects.

IJM has demonstrated exceptional resilience, successfully navigating three economic crises and numerous policy shifts, while continuously finding opportunities to thrive amid the cyclical nature of the industries we operate in. Through unwavering commitment, we have remained steadfast in fulfilling our promise to stakeholders as a successful business.

## OUR CORE BUSINESSES

IJM began its journey as a construction company, subsequently diversifying into property development, industry and infrastructure concessions. Our core businesses have played pivotal roles in our growth:

### Construction

As one of Malaysia's leading construction firms, IJM excels in both greenfield and brownfield projects, contributing significantly to nation-building and urban renewal. Our portfolio includes iconic skyscrapers in the Kuala Lumpur city centre, extensive infrastructure connecting communities, and national railway projects like the MRT, LRT and KTM, enhancing urban mobility. Additionally, IJM is shifting its focus to the industrial, logistics and data centre sectors, demonstrating our ability to adapt to industry opportunities and drive economic growth with comprehensive infrastructure solutions.

### Property

The Group's property arm, IJM Land Berhad, one of Malaysia's largest real estate developers, is renowned for its award-winning developments in strategic growth areas. With a commitment to creating living spaces that inspire harmony and a sense of community, IJM Land's portfolio includes expansive townships, commercial buildings and high-rise condominiums. Internationally, IJM Land is involved in projects in London, United Kingdom and China, and the Group is recognised for township development in India, with credentials extending to Orlando, USA, Singapore and Australia.

### Industry

Spearheaded by Industrial Concrete Products Sdn. Bhd. ("ICP"), this division is involved in quarrying and manufacturing building materials, providing a reliable supply chain for the Group's construction operations. ICP is a market leader in pretensioned spun high-strength concrete piles in Southeast Asia and commands a strong presence in Malaysia and India. Additionally, IJM IBS Sdn Bhd offers SMART IBS industrialised building systems solutions, providing prefabricated building components that enhance construction efficiency and quality. The division also supplies essential materials such as aggregates, ready-mixed concrete, sand and scaffolding, further integrating into IJM's value chain and bolstering our construction and property development projects.






### Infrastructure

The Group is also an investor, owner and operator of privatised infrastructure concessions that generate steady recurring income streams.

***Toll:*** In Malaysia, the ownership includes prominent expressways such as NPE, BESRAYA and LEKAS. IJM also holds an equity interest in the West Coast Expressway, currently under construction with IJM Construction serving as the main contractor. Building on its track record as a concessionaire in Malaysia, IJM has garnered further recognition through Build-Operate-Transfer projects abroad. Notable investments include the Dewas Bypass Tollway and Solapur-Bijapur Tollway in India, as well as the Western Access Tollway in Argentina.

***Port:*** Kuantan Port, which celebrates its $50^{th}$ anniversary this year, is one of the Group's key strategic assets on the East Coast. Positioned as the "Gateway to the East", Kuantan Port offers seamless connectivity to the Malaysia-China Kuantan Industrial Park and the East Coast Rail Link which will be ready in 2027. Serving a vast hinterland, the Port facilitates the movement of goods and bolsters economic activities in the region. Its expansion and modernisation efforts have significantly increased its capacity and operational efficiency, cementing its role as a vital logistics hub. The Port's robust performance underscores our commitment to enhancing regional connectivity and trade capabilities.

### SYNERGY AND GROWTH STORY

The synergy across IJM's diverse divisions forms the backbone of our growth story. Each business complements and enhances the others, creating a robust value chain that drives efficiency, innovation and sustainable growth. Our construction projects benefit from the reliable supply of high-quality materials from our Industry division, while our property developments leverage the comprehensive infrastructure solutions we provide. This integrated approach enables us to deliver complex and large-scale projects with precision and excellence, reinforcing our reputation as a trusted and reliable partner in the industry.

### SUSTAINABILITY COMMITMENT

Entering our fifth decade of business, IJM has prioritised the United Nations Sustainable Development Goals. We focus on delivering sustainable value – economic, social and environmental – in alignment with global standards and practices. Our aim is to be a more responsible builder, elevating industry standards and upholding sustainable practices.

At IJM, we firmly believe in our shared destiny with employees, recognising that their contributions are key to our ongoing success. Our commitment to ethical business conduct and responsible growth, driven by sustainability principles, defines the core of our character. As of 31 March 2024, our market capitalisation stood at RM8.5 billion, with total assets valued at RM21.3 billion, and a dedicated workforce of approximately 3,500 employees, showcasing our financial strength and human capital.

1. Equatorial Plaza, Kuala Lumpur
2. Sutera at S2 Heights Aman, Negeri Sembilan
3. ICP Piles stockyard
4. NPE Highway
5. Kuantan Port

## Our Brand Promise: *We Deliver*

At IJM, we are committed to meeting the needs of our stakeholders with our brand promise: We deliver. This guiding philosophy drives all our business decisions and actions. We promise our stakeholders that we will leverage our experience and know-how to deliver inspired solutions that bear the IJM Mark of Excellence.

# IJM IN THE NEWS

## NEWS HIGHLIGHTS IN FINANCIAL YEAR 2024

EXPLORING OPPORTUNITIES

## IJM Land, Network Rail to explore UK projects

## IJM optimistic about ending FY24 on a high

Company records strong 3Q24 results

CORPORATE

## IJM Corp 3Q net profit jumps 34%

PETALING JAYA: IJM Corp ...

## IJM seeks recurring income

Lebih 8,000 pelari sertai NPE Highway Challenge siri ke-2

6 News

## IJM Corp buoyed by strong showing across divisions

Company's property segment reports record sales

CONSTRUCTION

PETALING JAYA: IJM Corp Bhd expects a positive outlook ahead for its core business segments, especially in light of encouraging order-book replenishment prospects for its construction and industry divisions.

Chairman Tan Sri Krishnan Tan said the group's improving outlook is further supported by strong property sales that were recorded for its financial year ended March 31, 2023 (FY23), improving cargo throughput at its port operations, and complete recovery of tollway traffic to pre-pandemic levels.

"Having secured RM1.5bil worth of new ...

## IJM LAND LAUNCHES 'MAD' CAMPAIGN

## IJM Corp expects rebound in its operations

Encouraging prospects seen in construction division

CORPORATE

PETALING JAYA: IJM Corp Bhd sees an encouraging rebound in its operations and positive outlook for all business divisions.

In a statement, the group said its construction and industry divisions are witnessing encouraging prospects for order book replenishment.

"The group's improving outlook is also supported by continued strong property sales in financial year ended March 31, 2024 (FY24), increased cargo throughput at its Kuantan Port operations and the final stages of restructuring its tollway concessions with the government," it said.

"The group's improving outlook is also supported by continued strong property sales in FY24, increased cargo throughput at its Kuantan Port operations and the final stages of restructuring its tollway concessions with the government."

IJM Corp Bhd

... division for the year decreased 7.4% ... RM519.6mil compared with FY23, ... due to the restructuring exercise ... Besraya highway, which involved a ... toll rate and a longer concession ...

... port operations recorded higher rev...

IJM Land stands firm as the vanguard of sustainable development, sowing the seeds ... bility,' says IJM Land ...

IJM Corp inks share sale agreement to develop Shah Alam International Logistics Hub; IJM Land acquires land in UK for mixed-use development

IJM Corp enters into JV to develop two logistic hubs in Shah Alam

Selangor, IJM Corp, Lim Seong Hai Capital to study potential upgrades to road connectivity

Cabaran Duo Highway Challenge kembali

...lobal leader acros... ...frastructure.

## IJM Corp expects better outlook for all its divisions

Construction, industrial and property performing strongly

CORPORATE

PETALING JAYA: IJM Corp Bhd expects ... outlook across all its divisions ...

"Leveraging IJM's track record and robust balance sheet, we are in a prime position to expand our outstanding order book, which currently stands at RM4.5bil."

IJM Rimbayu to see new Lotus's hypermarket in 4Q next year

## CEO: IJM Corp to expand geographic footprint

PETALING JAYA: IJM Corp Bhd chief executive officer and managing director Lee Chun Fai says the company is well placed to grow its existing businesses, develop a portfolio in adjacent businesses and expand its geographic footprint.

With a net gearing of 0.27 times, he said the group would be able to undertake large-scale projects and strategic investments.

For the second quarter ended ... 2023, IJM Corp's net profit ... RM93.69mil from RM27mil in the ... corresponding period, while ... improved to RM1.46bil from RM1... year earlier.

Basic earnings per share stood ... sen versus 0.77 sen previously.

IJM Corp said its construction ... reported a notable increase in rev... 54.9% to RM416.2mil during the ... mainly driven by higher constructi... activities during the period.

"However, the division's pre-ta... declined by 37.3% to RM15.3mil co... with the corresponding quarter la... as profit margins on some ongoing ... were negatively impacted by increases in material and commodity prices, along with prolongation cost.

"Additionally, profit recognition on new projects undertaken is pending until a certain physical completion milestone is achieved," it said.

Additionally, the group said its property division reported revenue of RM463.7mil ... RM2.68bil from RM2.14bil previously.

Going forward, the group said its construction order book replenishment prospects are encouraging and is supported by its outstanding order book of RM6.4bil.

It said this included three recently secured construction contracts worth RM1.7bil in the second quarter, namely package 2A and package 2B of the ...

出席签约仪式的有雪州行政议员柏汉、雪州政府副秘书长（发展）兼雪州经济策划单位（UPEN）董事拿督佐哈里、怡保工程大道部门总执行长旺莎瓦妮、林上海资本执行主席拿督林景源，以及董事经理林碧莲。

# AWARDS & ACCOLADES

As a Group, we are proud to be recognised by the marketplace as well as national and international organisations for our leadership, projects and products. Here, we showcase the recognition we have received to spur us to continue our pursuit of excellence in all that we do.


## CONSTRUCTION

- **Construction Industry Development Board (CIDB) Quality Excellence Awards and Achievements**
  - High QLASSIC Excellence Award for TRX Affin Bank in 2023
  - High QLASSIC Achievement for IJM Rimbayu Phase 12B in 2022
  - High QLASSIC Achievement for Seremban 2 Phase 3i BW01 Parcel 2 in 2023
  - High QLASSIC for Seremban 2 Phase 3i BW02 Parcel 2 in 2023
  - High QLASSIC Achievement for HSBC Bank in 2022
  - High QLASSIC Achievement for TRX Affin Bank in 2022
  - 5-star SCORE Rating Award in 2018 and 2016
- **Malaysian Construction Industry Excellence Awards (MCIEA)**
  - Best Project Award for Major Project (Building) in 2019, 2018, 2016, 2015 and 2013
  - Best Infrastructure Project for Major Project in 2016
- **LEED and GBI Achievement in Projects**
  - LEED 2009 Core and Shell Development for Imazium in 2022 – Gold
  - LEED v4 Building Design and Construction for HSBC in 2022 – Gold
  - GBI Achievement for Equatorial Plaza in 2022 – Gold
- **Construction Industry Development Board (CIDB) – Safety and Health Assessment System (SHASSIC)**
  - 5-star rating for TRX Residence in 2023
  - 5-star rating for the HSBC, WCE Section 3, Kuchai Link 2 and Seremban 2 project sites in 2019
- **Construction Industrial Development Council (CIDC) of India Annual Vishwakarma Awards won by IJM India Infrastructure Limited**
  - Best Professionally Managed Company in Construction in 2021
  - Best Project Achievement Award for the Solapur-Bijapur road project in 2021
  - Chairman's Commendation Trophy Award for the Solapur-Bijapur road project in 2020
- **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
- **Limca Book of Records** for Most Bituminous Concrete Poured – Single Day 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
- **Malaysia Canada Business Council (MCBC) 25th Anniversary Business Excellence Awards**
  - Excellence Through Quality Award
- **National Occupational Safety and Health Award (OSH)**
  - Construction Category for Puteri Cove Residences, Johor in 2017
- **Sime Darby Property**
  - Contractor Top Performance Award for Integrated Development (Building) in 2023

- **Pertubuhan Akitek Malaysia (PAM) Award**
  - Category 9 Commercial High-Rise for TRX Affin Bank in 2023
- **The Institution of Engineers, Malaysia (IEM) Award**
  - Contribution to the Engineering Industry in Malaysia for the Engineering Construction Category in 2023

## PROPERTY

- **FIABCI World Prix D'Excellence Awards**
  - World Gold in Master Plan Category for IJM Rimbayu in 2017
- **FIABCI Malaysia Property Award**
  - Residential Low-Rise Category (Winner) for Saujana Duta in 2023
- **Putra Brand Awards**
  - Property Development Category (Gold) in 2023
  - Property Development Category (Silver) in 2022
  - Property Development Category (Gold) in 2021
  - 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 Awards**
  - All-Stars Award for IJM Land; for the Top 10 Listed Companies; the Neighbourhood Award - Best Comprehensive Township - Above 2,000 acres (Excellence) for Seremban 2; The Resort- Living Home Award - Best Resort Features Development (Excellence) for Sebana Cove; The Skyline Award - Best High-Rise Residential Development (Luxury) and StarProperty Readers' Choice Award - Most Preferred Architectural Buildings (Excellence) for Mezzo in 2023
  - All-Stars Award for IJM Land; for the Neighbourhood Award (Excellence) - IJM Rimbayu; the Starter Home Award (Excellence) - Residensi Suria Pantai, Pantai Sentral Park; the Neighbourhood Award (Honours) - Seremban 2 in 2022
  - All-Stars Award for IJM Land; the Close-To-Home Award (Excellence) – Riana Dutamas; the Borneo Star Award (Excellence) – Bandar Utama Sandakan in 2021
  - All-Stars Award for Best Overall Champion; Long Life Award (Excellence) and Neighbourhood Award – 500 - 2,000 acres (Honours) for IJM Rimbayu; and Skyline Award (Merit) for Secoya Residences at Pantai Sentral Park in 2020
  - All-Stars Award for Top Ranked Developer of the Year and the Poseidon Award Category (Excellence) Best Waterfront Development for The Light Waterfront Penang in 2018
  - All-Stars Award for 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
- **EdgeProp Malaysia's Best Managed & Sustainable Property Awards**
  - Below 10 years Specialised Category (Bronze) for The ARC, IJM Rimbayu
- **The Edge Malaysia Property Excellence Awards**
  - Outstanding Overseas Project Award for Royal Mint Gardens in 2023
  - Top 10 Property Developers Awards in 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015
- **BCI Asia Top 10 Developer Awards (Malaysia)**
  - 2023, 2022, 2021, 2020, 2018, 2016, 2015 and 2014
- **Construction Industry Development Board (CIDB) Quality Excellence Awards and Achievements**
  - High QLASSIC Achievement Awards for Taman Austin Duta Phase 6 in 2021
  - High QLASSIC Achievement for IJM Rimbayu Swans Phase 11A and 11B in 2021
  - High QLASSIC Achievement for 3 Residence, Penang in 2021
  - High QLASSIC Achievement for IJM 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 DeBunga Residensi in 2017
- **MIP Planning Excellence Awards 2016**
  - Place Making and Public Space Award for The ARC at IJM Rimbayu and Merit in Design Excellence for IJM Rimbayu
- **Malaysia Developer Awards (MDA)**
  - Top-of-the-Chart Top 10 (for Market Cap RM1 Billion and Above)

## GOVERNANCE, REPORTING, INVESTOR RELATIONS AND SUSTAINABILITY

- **APEC Port Service Network (APSN) Green Port 2022**
  - Kuantan Port
- **The Edge Malaysia Best Managed & Sustainable Property Awards 2022**
  - Menara Prudential, Below 10 Years: Non-strata Office (Gold Winner)
- **MSWG-ASEAN Corporate Governance Awards**
  - Industry Excellence Award (Construction) in 2019
  - Excellence Award for Corporate Governance Disclosure; Industry Excellence Award (Construction) 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 2023, 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.
- **Anugerah Integriti, Governans dan Antirasuah (AIGA) 2020**
  - Silver Award (Kuantan Port)
- **UNGCMYB Forward Faster Sustainability Awards**
  - Pioneer Sustainable Development Action Recognition in 2023
  - Partnership for the Goals Recognition in 2022
- **Star Outstanding Business Award (SOBA) 2022**
  - Best Green Initiative for BESRAYA
- **Anugerah Kecemerlangan Personel Industri Lebuh Raya 2021**
  - BESRAYA, LEKAS, NPE
- **ASEAN India Business Council (AIBC) ASEAN**
  - India Achievement and Excellence Award 2017
- **Anugerah Inovasi dan Keselamatan Lebuhraya**
  - Gold Award for BESRAYA in 2021
- **Malaysia Highway Authority at Outstanding Personnel Service Award of the Highway Industry**
  - Anugerah Pencapaian Memeterai Perjanjian Pajakan Tanah for BESRAYA in 2023

## WORKPLACE AND DIVERSITY

- **Malaysia's 100 (M100)**
  - 1st Runner-up in 100 Most Popular Graduate Employers in the Construction and Property & Development Sector in 2023
  - 2nd Runner-up in 100 Most Popular Graduate Employers in the Property & Development Sector in 2022
  - 1st Runner-up in 100 Most Popular Graduate Employers in the Property & Development Sector in 2021
  - Leading Graduate Employers Awards in 2020 and 2019
- **CIMB-Principal Corporate PRS Conference 2018**
  - Highest AUM for Large Corporation
- **Graduates' Choice Award**
  - Top 5 in Most Attractive Graduate Employers To Work For in Property Developer and Construction Categories in 2023
  - 2nd Runner-up in Most Attractive Graduate Employers To Work For in Construction Category in 2022
  - Top 5 in Most Attractive Graduate Employers To Work For in Property Developer Category in 2022
  - Top 10 Best Employer Brands in the Real Estate/Property category in 2018 and 2020
- **GRADUAN Brand Awards**
  - 2nd Runner-up in Malaysia's Most Preferred Employer in the Construction & Property Category in 2021

# IJM GROUP STRUCTURE

## CONSTRUCTION

- ■ IJM Construction Sdn Bhd
  - Road Builder (M) Sdn Bhd
    - RBM-PATI JV
  - Commerce House Sdn Bhd
  - IJM Investments J. A. Limited
    - IJM Construction (Pakistan) (Private) Limited
    - IM Technologies Pakistan (Private) Limited
  - Jurutama Sdn Bhd
  - Prebore Piling & Engineering Sdn Bhd

## 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
  - IJM Building Systems Sdn Bhd

## INFRASTRUCTURE

**TOLL**

- ■ Road Builder (M) Holdings Bhd
  - Besraya (M) Sdn Bhd
  - New Pantai Expressway Sdn Bhd
  - ITD Media & Advertising Sdn Bhd
  - West Coast Expressway Sdn Bhd
- ■ IJM Investments (M) Limited
  - IEMCEE Infra (Mauritius) Limited
  - IJM Rajasthan (Mauritius) Limited

## OTHERS

- ■ IJM Shared Services Sdn Bhd
- ■ Globalcomm Solutions Sdn Bhd
  - Globalcomm Telecommunications Sdn Bhd
- ■ IJM Treasury Management Sdn Bhd

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- ■ Direct subsidiary/associate/joint venture of IJM Corporation Berhad
- ● Subsidiaries
- ● Associates
- ● Joint Ventures
- ● Joint Operation
- ◈ 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 entities are not included

- Azam IJMC UDSB Sdn Bhd
- IJM Construction Sdn Bhd
  JV Ganda Imbuhan Sdn Bhd
- IJMC - PESTECH Joint Venture
- Hexacon Construction Pte Limited
- Integrated Water Services (M) Sdn Bhd
- Highway Master Sdn Bhd
- CHEC - IJMC Joint Venture
- IJMC - KEB Joint Venture

■ IJM Construction (Middle East) LLC
IJMII (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.
- Sierra Ukay Sdn Bhd
- RB Land Sdn Bhd
  - Aras Varia 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
  - 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
- RB Development Sdn Bhd
- Mintle Limited
  - RMS (England) Limited
    - RMS (England) Rentals Limited
    - RMS (Welwyn Garden City) Limited (formerly known as RMS Welwyn Limited)
- Asas Panorama Sdn Bhd
- MCKILP Development Sdn Bhd
- Kuantan Pahang Holding Sdn Bhd
- Urban Reach Sdn Bhd
- Elegan Pesona Sdn Bhd
- Nasa Land Sdn Bhd
- 368 Segambut Sdn Bhd
- Innova Investment Partnership GP Limited
- Innova Investment Limited Partnership

■ IJM RE Sdn Bhd
- IJM RE Commercial Sdn Bhd
  - Fairview Valley Sdn Bhd
- Global Vision Logistics Sdn Bhd
- Exio Logistics Sdn Bhd
- IJM Perennial Development Sdn Bhd

IJM Raintree Park Private Limited (formerly known as 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
  - Warga Sepakat Sdn Bhd

- 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 Investments (L) Limited
■ IJM Highway Services Sdn Bhd
■ Grupo Concesionario del Oeste S. A.
■ WCE Holdings Berhad
■ Lebuhraya Kajang-Seremban Sdn Bhd

## PORT

Kuantan Port Consortium Sdn Bhd
- KP Port Services Sdn Bhd
  - KP Depot Services Sdn Bhd

# CORPORATE DIARY AND HIGHLIGHTS

## APRIL 2023

**3 April**

**Inaugural Town Hall with IJM's New Group CEO & MD, Mr. Lee Chun Fai**

During his first week, IJM's new Group CEO & MD, Mr. Lee Chun Fai, held a hybrid town hall session at Wisma IJM, which was also livestreamed on IJM's Facebook @ Work. IJM staff had the opportunity to hear from and engage with Mr. Lee alongside IJM's Senior Leadership Team.


**7 April**

**MCKIP Celebrates 10 years of Successful Bilateral and Investment Opportunities**

MCKIP, alongside IJM-owned Kuantan Port, celebrated its 10th anniversary with its Malaysian and Chinese stakeholders through various activities at the Year of Investing in China programme in MCKIP and Kuantan Port.

**13 April**

***Majlis Menandatangani Perjanjian Pajakan Diantara Pesuruhjaya Tanah Persekutuan (PTP) bersama Prolintas dan BESRAYA***

The agreement to optimise the development of Federal land for a more competitive economy was signed by IJM Group CEO & MD on behalf of BESRAYA and witnessed by YB Dato' Sri Alexander Nanta Linggi, Minister of Works.

## MAY 2023

**5 May**

***Anugerah Kecemerlangan Personel Industri Lebuhraya Tahun 2022***

Toll Division was honoured as the recipient of the prestigious 2022 Outstanding Personnel Service Award in the Highway Industry. This recognition was bestowed by the Malaysian Highway Authority in acknowledgment of Toll Division's contributions and service.

**11 May**

**HSE Awareness Competition Award Presentation for FY2022/2023**

The HSE Awareness Competition Award Presentation for FY2022/2023 celebrated winners from ICP factories, MRP/KRP quarries and SMC plant. The event highlighted achievements and encouraged innovation in safety initiatives.

**11 May**

**Toll Division *Hari Raya* Celebration**

Toll Division celebrated *Hari Raya* 2023 with an open house at Putrajaya, featuring several events, including *duit raya* and donations to *Rumah Kasih Nurul Hasanah* along with the *Penyampaian Agihan Zakat* (distribution of *Zakat*) ceremony.

**11 May**

**ICP Kuantan Factory Expands Solar PV Capacity, Achieves Significant $CO_2$ Reduction**

ICP Kuantan Factory has successfully commissioned 324 kWp of Solar PV, contributing to the Group's Industry Division's total installed Solar PV capacity of 5.45 MWp and achieving an approximate annual reduction of 4,800 $tCO_2e$.

**12 May**

***Hari Raya Aidilfitri 2023* celebration at Wisma IJM**

IJM celebrated Hari Raya at Wisma IJM with an array of activities, showcasing the vibrant traditions of the festival.

**14 May**

**Executive Leadership Workshop**

A two-day Leadership Workshop was held to enhance collaboration amongst the businesses within the Group and to align to the performance expectations with the Senior Leadership Team.


**18 May**

**IJM Land Shines at Star Property Awards 2023**

IJM Land received Malaysia's Top 10 Developers title, while Seremban 2, Sebana Cove, and Mezzo @ The Light City developments were also recognised with individual property awards at the StarProperty Awards.


**19 May**

**Launching of MyIJM App**

Construction Division advances into a new dimension of managing the project sites through the MyIJM app that helps users to record, trace and analyse project quality and safety which contains modules to streamline work processes.

**21 May**

**IJM Allianz Duo Highway Challenge 2023 @ BESRAYA**

IJM held the first leg of its IJM Allianz Duo Highway Challenge 2023 at BESRAYA Highway. Unfortunately, the event was cancelled due to adverse weather conditions.

**27 May**

**Malaysian Highway Concessionaires Association (PSKLM) Charity Golf 2023**

PSKLM Charity Golf 2023 was held at Glenmarie Golf & Country Club, with IJM participating as one of the Platinum Sponsors.

**29 May**

**IJM Highlights Positive Outlook in Analyst Briefing on FY2023 Financial Results**

IJM held a briefing session with analysts to discuss its financial results for the year ended 31 March 2023. During the session, IJM's Group CEO & MD, reflected on a positive outlook.

## JUNE 2023

**5 June**

**Desa Serdang Lay-By, BESRAYA Highway New Look**

The Desa Serdang Lay-by on BESRAYA Highway, renovated with an eco-friendly concept has been completed and opened to the public.

**6 June**

**Climate Action Journey at SBTi Symposium 2023**

IJM shared its climate action journey at the UNGCMYB Science-Based Targets Initiative (SBTi) Symposium 2023. The symposium aimed to raise awareness of science-based targets for private sector decarbonisation, supporting Malaysia's carbon neutrality goal.


**7 June**

**IJM Land Partners with Alliance Bank Malaysia**

IJM Land signed a memorandum of understanding (MoU) with Alliance Bank Malaysia to drive adoption of IJM Land's green-certified properties to contribute towards a more sustainable community and environment.


**23 June**

**IJM Land – Top 10 Developer at BCI Asia Awards 2023 Malaysia**

IJM Land was recognised as one of the Top 10 Developers in Malaysia at the BCI Asia Awards 2023.

# CORPORATE DIARY AND HIGHLIGHTS

**28 June**
**IJM's 'Flash-Tastic' Movie Night**

IJM hosted an engaging movie night featuring "The Flash" for our financial partners and investor relations stakeholders in Pavilion Kuala Lumpur.

**28 June**
**Uniform Launching and Townhall Session for Toll Division**

New uniforms for toll collectors, patrolmen, toll supervisors and office staff were introduced during a townhall session led by the Toll Division's management.

## JULY 2023


**5 July**
**Kuantan Port Celebrates ECERDC's 15th Anniversary**

In celebration of the 15th Anniversary of the East Coast Economic Region Development Council (ECERDC), Kuantan Port participated in Invest@ECER and Career@ECER event at the Sultan Ahmad Shah International Convention Center.

**6 July**
**Kuantan Port Town Hall with CEO**

As part of Kuantan Port's commitment to employee engagement and communication, the Kuantan Port Town Hall with CEO 2023 was conducted both in-person and virtually, engaging employees company-wide.


**9 July**
**IJM Allianz Duo Highway Challenge 2023 @ NPE**

The second leg of the IJM Allianz Duo Highway Challenge concluded at NPE Highway, flagged off by YB Hannah Yeoh, Minister of Youth and Sports. The NPE Run, themed 'King of the Highway', attracted over 8,500 runners.

**12 July**
**IJM's Group CEO & MD Delivers Key Insights at RAM Insight Series**

IJM's Group CEO & MD joined RAM Insight Series as a panellist for the webinar "Infra Sector: Navigating the Road Ahead – Energising the Future Path" to share insights of the nuances of highway infrastructure.

**12 July**
**ICP Klang Factory Boosts Solar Capacity, Achieves Significant $CO_2$ Reduction**

ICP Klang Factory has successfully launched a 1.16 MWp Solar PV system, contributing to IJM Industry Division's total Solar PV capacity of 6.61 MWp. This initiative reduces approximately 5,500 MT of $CO_2$ equivalent emissions annually.


**15 July**
**IJM Construction Receives Prestigious IEM Award for Engineering Excellence 2022**

IJM Construction was honoured with the IEM Award for Contribution to Malaysia's Engineering Industry 2022 in recognition of its excellence in the Engineering Construction category, showcasing a commitment to innovation and quality.

**17 July**
**IJM enters JV to develop leading edge logistics hub**

IJM entered into a joint venture agreement with FMM Elmina Sdn Bhd to develop two logistic hubs in The City of Elmina, Shah Alam.

## AUGUST 2023

**17 July**

**IJM $40^{th}$ Anniversary celebration at Wisma IJM**

IJM marked its $40^{th}$ anniversary with a celebration at Wisma IJM, attended by staff and senior management.

**22 July**

**IJM Land's Nexus Phase 1 Achieves 80% Take-Up Rate**

The first phase of IJM Land's Nexus, comprising 166 shop offices in the Seremban 2 township garnered solid take-up rates of 80% during its launch.


**4 August**

**IJM Land hosts a CEO Dialogue 2023**

IJM Land hosted a dialogue session with consultants, contractors and solicitors to engage its stakeholders.

**6 August**

**IJM Land Half Marathon 2023**

After a three-year hiatus due to the pandemic, the IJM Land Half Marathon 2023 returned to Seremban 2 township, uniting 10,000 participants. The event not only promoted a healthier lifestyle but supported charitable causes.

**10 August**

**SEDC Exchanges MoU with Industrial Concrete Products to Set Up Manufacturing Base in Sarawak**

The Industry Division signed an a MoU enabling Industrial Concrete Products Sdn Bhd (ICP) to establish its first manufacturing base in Sarawak. This initiative aims to enhance economic growth, sustainability and local workforce development, reinforcing ICP's leadership in building materials and quarrying.

**14 August**

**Kuantan Port Welcomes MISC Berhad's FPSO Bunga Kertas**

With its overall length of 223m and crude oil storage capacity of 619,000 bbl, FPSO Bunga Kertas has operated for 17 years at the Penara Field offshore in Terengganu. After undergoing minor maintenance at the NDWT, it departed for its next destination to undergo a major refurbishment before resuming its operations.

**22 August**

**Road Safety Programme – Safety Talk & Mini Exhibition**

A Road Safety Programme was conducted in collaboration with the Road Transport Department Negeri Sembilan at LEKAS Highway.

**23 August**

**Visit by Tepa Transit Terminal Songkhla**

Kuantan Port received delegates from Tepa Transit Terminal Songkhla, Thailand, led by the President of Tepa Transit Terminal, Mr. Anumat.

**24 August**

**LHDN Penang Project Achieves High QLASSIC Score**

IJM Construction's LHDN Penang project achieved the highest QLASSIC, showcasing exceptional construction score quality and adherence to stringent criteria, reflecting a commitment to excellence in construction practices.

# CORPORATE DIARY AND HIGHLIGHTS


**24 August**
**Malaysia Developer Awards (MDA) 2023**

IJM Land was recognised as one of the Top 10 Developers in Malaysia at the MDA Awards 2023.

**29 August**
**IJM 39th Annual General Meeting**

IJM's 39th Annual General Meeting of IJM was successfully conducted at Wisma IJM. The Group CEO & MD also presented the Group's performance for FY2023 and outlined our prospects based on the implementation of the Group's Strategic Focus.


**30 August**
**Menara Prudential Receives Green Building Award from DBKL**

Menara Prudential received a green building award form the Department of Building (JKB), Dewan Bandaraya Kuala Lumpur (DBKL).

## SEPTEMBER 2023

**8 September**
**Wonda Coffee Distribution at BESRAYA, NPE & LEKAS Highways for Road Users**

In conjunction with Malaysia Day, BESRAYA, NPE and LEKAS distributed 1,000 cans of Wonda Coffee to highway users.

**12 September**
**Kuantan Port Participated in the Multi-Agency Disaster Management Simulation Training**

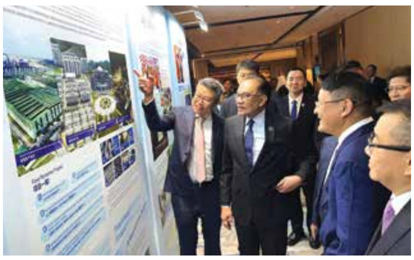
The Disaster Management Exercise (DMEx) Gebeng 2023, held in the operational area of Kuantan Port, engaged nearly 400 participants. Its primary aim was to assess emergency preparedness and response capabilities across 22 agencies in the Gebeng area.


**15 September**
**IJM Land Launches "Make-a-Difference" Campaign**

In celebration of IJM's 40th Anniversary, IJM Land launched its "Make-a-Difference" campaign from 15 September to 31 December that has inspired communities across its projects and townships to embrace eco-conscious practices, making tangible contributions to environmental protection and community engagement.


**19 September**
**IJM Land Wins High QLASSIC Achievement Award**

IJM Land was honoured with the High QLASSIC Achievement Award at the Safety & Health, Environment, and Quality (SHEQ) DAY 2023, recognising their exceptional QLASSIC scores of 86% for Austin Duta Phase 10B and 83% for Nasa City Phase 3 projects in Johor Bahru.



**19 September**
**Delegation at the 20th China-ASEAN Expo (CAEXPO) and The China ASEAN Business and Investment Summit (CABIS)**

IJM's Group CEO & MD, who is also the Chairman of the Malaysia-China Kuantan Industrial Park (MCKIP), participated in a Malaysian delegation at the 20th China-ASEAN Expo (CAEXPO) and the China ASEAN Business and Investment Summit (CABIS) held in Nanning, Guangxi Zhuang Autonomous Region, China.


**19 September**
**IJM Land and Construction Receive Awards at CIDB**

IJM Land & IJM Construction achieved notable success in QLASSIC scoring for the Nasa City and Austin Duta developments in Johor Bahru, and the Affin Bank headquarters in Tun Razak Exchange (TRX) during the 2023 QLASSIC (Quality Assessment System in Construction) and SHASSIC (Safety and Health Assessment System in Construction) organised by CIDB.

## OCTOBER 2023


**22 September**
**The 26th PAQS Annual Congress**

The Industry Division took part in the 26th PAQS Annual Congress, hosted by The Royal Institution of Surveyors Malaysia (RISM) in collaboration with the Pacific Association of Quantity Surveyors (PAQS). The event, themed "Decarbonising the Future: The Role of a QS," was held from 22 to 26 September 2023.

**25 September**
**LinkedIn Learning Launch**

IJM has adopted LinkedIn Learning to facilitate continuous learning anytime, anywhere. The launch aims to improve access to learning resource.

**2 October**
**The 27th World Road Congress (WRC) Themed 'Prague 2023 – Together on the Road Again'**

The Group CEO & MD, with key personnel from the Toll Division, attended the 27th World Road Congress in Prague. Organised by PIARC, the congress facilitated global exchanges on infrastructure construction and road transportation.


**2 October**
***Majlis Pelancaran Pelaksanaan Sistem Kutipan Tol Secara Pembayaran Terbuka***

Toll Division's Open Payment System was launched by YB Dato' Sri Alexander Nanta Linggi, Minister of Works, at Plaza Tol Loke Yew. BESRAYA and NPE Highway were among the 12 highways that implemented OPS starting on 29 September 2023.


**6 October**
**IJM 40th Anniversary Annual Dinner**

IJM celebrated four decades of unwavering commitment, synergy and progress at our Annual Dinner held at One World Hotel, Petaling Jaya.

**8 October**
**Bursa Bull Run 2023**

After a hiatus due to the pandemic, the Bursa Bull Run organised by Bursa Malaysia is back and Team IJM could not be more thrilled to be part of the action.

**10 October**
**IJM Serves Up Gold at HSBC Badminton Tournament**

Team IJM clinched the gold trophy at the HSBC Corporate Badminton Tournament, which saw participation and spirited competition from 12 corporate teams.


**11 October**
**Industry Division Explores Energy Harvesting Collaboration with MMU towards Net-Zero Carbon Goal**

The Industry Division visited Multimedia University (MMU) to explore opportunities for implementing energy harvesting in our factory machinery. This collaboration with the MMU team marks a milestone in our journey towards achieving our goal of net-zero carbon emissions by 2050.

**11 October**
**Menara Prudential Achieves LEED Gold Certification**

Menara Prudential was awarded the Leadership in Energy and Environmental Design (LEED) Gold certification under LEED 2009 Core and Shell Development.

# CORPORATE DIARY AND HIGHLIGHTS

**12 October**
**Sustainable Practices in Construction: Insights from MBAM Seminar**

IJM Construction participated as one of the speakers at a Master Builders Association Malaysia (MBAM) seminar, themed Shaping the Future of Sustainability in Construction.


**16 October**
**Arrival of East Coast Rail Link (ECRL) Locomotives in Kuantan Port**

The arrival of six DF8B diesel locomotives at Kuantan Port via the Xin Da Qiang vessel is pivotal for advancing the East Coast Rail Link (ECRL) project. These locomotives, with a maximum speed of 100km/h, enhance cargo transport efficiency from spur lines to the main line, supporting construction and engineering activities.

**19 October**
**IJM Construction Hosted a Delegation from "DIG.IT.ALL Forum Series" Seminar in Penang**

IJM Construction Penang hosted a delegation from the "DIG.IT.ALL Forum Series" seminar, organised by the Construction Research Institute of Malaysia (CREAM) and by CIDB.


**22 October**
**RHB LEKAS Highway Ride 2023**

The 8th Edition of the RHB LEKAS Highway Ride 2023 attracted over 6,000 cyclists from various countries, including Germany, Japan, France, South Korea, Australia, Singapore and Brunei.


**23 October**
**IJM Bags The Edge BRC 2023 Award for the Highest Growth in Profit**

IJM clinched the *Highest Growth in Profit After Tax Over Three Years* Award for the Construction sector at The Edge Billion Ringgit Club 2023 Awards (The Edge BRC). The Edge BRC celebrates Malaysia's top companies for profitability and shareholder value creation.

**31 October**
**Signing Ceremony between LEKAS & Bank MOU Pembangunan Malaysia Berhad (BPMB) for Tawarruq Asset Financing**

Bank Pembangunan Malaysia Berhad (BPMB) is providing Tawarruq Asset Financing to LEKAS Highway through a Memorandum of Understanding. This initiative supports the Malaysian government's effort to reduce urban living costs by lowering toll rates.

## NOVEMBER 2023


**1 November**
**IJM Land and OCBC Bank Launch Green Home Ownership Programme for Sustainable Living**

IJM Land partnered with OCBC Bank (Malaysia) for a green home ownership programme, promoting sustainable living and rewarding ESG-oriented purchasers of green-certified properties, reducing carbon footprint and ownership costs.


**7 November**
**IJM Sponsors the 2023 50th COBRA 10s Rugby Tournament**

IJM is once again one of the main sponsors for the 50th COBRA 10s Rugby Tournament. This year's event not only celebrated its 50th milestone but also marked the first after a hiatus caused by the pandemic.

**15 November**
**Launch of IJM Land's Sutera at S2 Heights Aman**

IJM Land launched Sutera at S2 Heights Aman, making the first residential phase of the development with 204 two-storey link homes. Since its launch, 70% of these homes have been taken up.


**15 November**

***Sesi Penyampaian Sumbangan Syarikat Konsesi/Rakan Strategik Kementerian Kerjaraya ke Tabung Kemanusiaan Rakyat Palestin***

Toll Division donated RM30,000 in support of the programme organised by the Ministry of Works (MOW) as a humanitarian gesture towards Palestine.

**20 November**

**The Edge Top Property Awards 2023**

IJM Land was recognised as one of the Top 10 Developers in Malaysia at the Edge Malaysia Property Excellence Awards 2023. Additionally, its overseas project, Royal Mint Gardens in London, won The Edge Malaysia Outstanding Overseas Project Award.


**24 November**

**Annual IJM Scholarship Award 2023**

IJM held its *IJM Scholarship Award 2023* presentation ceremony at Connexion Conference & Event Centre. Eleven outstanding students received scholarships to pursue their tertiary education in various fields, including Civil Engineering, Mechanical Engineering, Quantity Surveying and Computer Science.


**24 November**

**Lotus's Hypermarket Breaks Ground at IJM Rimbayu Township**

IJM Land celebrated the groundbreaking of Lotus hypermarket at its Rimbayu township. The hypermarket, set to be completed in 4Q 2024, reflects its commitment to elevate the township with retail offerings aligned with the community's expectations.


**24 November**

**IJM Recognised for Sustainability Efforts at UNGCMYB Sustainability Celebration Night 2023**

IJM's Sustainability team received the Pioneer Sustainable Development Action Recognition award at the UNGCMYB Forward Faster Award 2023, held at Park Royal Hotel, Kuala Lumpur.

## DECEMBER 2023

**7 December**

***Tinjauan YB Menteri Kerjaraya Ke Pembinaan Tambahan Tempat Berteduh Penunggang Motosikal Bagi Melihat Pencapaian Pelaksanaan Berakhir Tahun 2023***

The *Inisiatif Bitara Madani Kementerian Kerja Raya* event was held at the motorcycle shelter of NPE Highway. The event was attended by the Minister of Works, YB Dato Sri Alexander Nanta Linggi.


**19 December**

**IJM Land Partnership with AYDA**

Asia Young Designer Awards (AYDA) concluded the local edition for the year 2023 by naming the winners in the Architecture and Interior Design categories. IJM Land continued to be the official partner of AYDA by Nippon Paint Malaysia, nurturing and empowering local young talents in our industry. IJM Land has been a partner of this initiative since 2014.

## JANUARY 2024

**12 January**

**IJM Expands Investment in Warehousing Logistics as well as UK Property Development**

IJM unveiled two property-related developments – a further investment in the warehousing logistics sector in Malaysia and a property site acquisition in the United Kingdom.

**18 January**

**IJM Collaborates with MBAM in Organising Seminar on New Technology - Transforming the Malaysian Construction Industry**

In partnership with MBAM, IJM conducted a seminar on New Technology - Transforming the Malaysian Construction Industry. Attended by industry leaders, including G7 contractors, government agencies and suppliers, the event aimed to advance Malaysia's construction sector.

# CORPORATE DIARY AND HIGHLIGHTS


**19 January**
**2023 Putra Brand Awards**

IJM Land won the Gold Award for the Property Development category at the 2023 Putra Brand Awards.


**22 January**
**Launch of IJM Land's ViO Banj'ran**

IJM Land launched ViO Banj'ran, a high-end bungalow development featuring spacious, low-density bungalow units perched at 146 metres above sea level in S2 Heights, allowing discerning residents to enjoy the privacy and luxury of space.

**23 January**
**The Light City's Penang Waterfront Convention Centre Tops Out**

The Penang Waterfront Convention Centre (PWCC) at The Light City, a joint venture between IJM and Perennial Holdings Private Limited, is making progress. The partners celebrated this achievement with a topping-out ceremony, graced by Guest-of-Honour YAB Chow Kon Yeow, Chief Minister of Penang.

## FEBRUARY 2024

**26 January**
**IJM Land Partners Astro for Festive 2024 Kickoff Celebrations**

IJM Land kicked off 2024 on a celebratory note in partnership with Astro. The festivities began with the highly anticipated Chinese New Year Countdown Gala at IJM Rimbayu on 26 and 27 January, and concluded with the iconic Chap Goh Mei Celebration at Seremban 2 on 24 February.

**2 February**
**Kuantan Port Honours *Skuadron Pakar Pelabuhan Kuantan* for Top Performance at Annual Training Camp 2023**

Kuantan Port celebrates the achievement of its *Pasukan Wataniah 2, Skuadron Pakar Pelabuhan Kuantan*, for securing first place in the *Pertandingan Merentas Halangan* and being named Best Squadron at the Annual Training Camp 2023.

**6 February**
**Kuantan Port Hosts Perodua Delegation to Discuss Automotive Logistics in Southeast Asia**

Kuantan Port hosted delegates from Perusahaan Otomobil Kedua Sendirian Berhad (Perodua), led by President and Chief Executive Officer Dato' Sri Zainal Abidin Ahmad. The delegation received detailed briefings on Kuantan Port's history and future plans, followed by discussions on the evolving automotive logistics landscape across Southeast Asian ports.

**7 February**
**ICP Kapar Factory Supports Youth Sports Development**

ICP Kapar Factory sponsored Sekolah Kebangsaan Tok Muda, Kapar for their Softball & Archery School's Development Programme and officiated the Softball Training Centre. This annual sponsorship reflects ICP's commitment to cultivating and encouraging youth involvement in sports activities, fostering their development and enthusiasm.

**19 February**
**Pahang Police Chief, YDH CP Dato' Seri Yahaya bin Othman visits Kuantan Port**

Kuantan Port received a courtesy visit from the Pahang Police Chief, YDH CP Dato' Seri Yahaya Bin Othman. The visit aimed to discuss crime prevention strategies and security enforcement alongside the roles of our port auxiliary police.

**22 February**
**IJM Chinese New Year Celebration**

IJM hosted a lively Chinese New Year celebration with more than 500 employees at Wisma IJM. The festivities kicked off with a traditional lion dance blessing at Wisma IJM Annexe, followed by a directors' tour to showcase our newly renovated office space.

**23 February**
**IJM at the Launch of TRX as Malaysia's International Financial Centre**

Our Group CEO & MD, joined Prime Minister Anwar Ibrahim and other plot owners in inaugurating TRX as Malaysia's international financial centre. Reflecting on our journey, Menara Prudential was the first building in TRX to be completed and occupied in 2019.

**23 February**
**Rugby Legend Sonny Bill Williams Inspires at Leadership Session**

IJM served as a corporate sponsor for an engaging session with Sonny Bill Williams at the Asia School of Business, part of the school's Financial Education District series. This event, held in collaboration with the Malay College Old Boys Association explored the interconnected worlds of rugby, life and leadership.


**29 February**
**IJM Land Signs MoUs for International School at Riverine GEMZ, Kuching**

IJM Land signed MoUs with two tenants for Riverine GEMZ at Kuching Riverine Resort. Together with Aquila Education Pte Ltd, IJM Land entered into a synergistic partnership to develop their first international school in Malaysia, which will provide high quality education to the Kuching community.

## MARCH 2024

**6 March**
**Wisma IJM Reopening Celebration**

IJM celebrated the reopening of Wisma IJM with lion dance, a handover building ceremony, a celebratory lunch and a treasure hunt, fostering camaraderie in our newly revamped office space.


**8 March**
**PNSB, IJM and LSH Collaborate to Transform Selangor Economy with Cohesive ESG Infrastructure Initiatives**

IJM, Permodalan Negeri Selangor Berhad and Lim Seong Hai Capital Berhad ("LSH") have unveiled a strategic collaboration targeted at transforming the road transportation infrastructure in the southern districts of Selangor.


**9 March**
**IJM Land – Recognition at the Malaysia Property Award TM 2023**

Saujana Duta, S2 Heights in Seremban, IJM Land's luxury development was recognised at the Malaysia Property Award TM 2023 by the FIABCI Malaysian Chapter in the Residential Low-Rise Category, solidifying its reputation for excellence.

**12 March**
**Kuantan Port Welcomes NORDBORG MAERSK, Launches New China Route**

Kuantan Port welcomed NORDBORG MAERSK, marking the launch of MAERSK's new direct route from China. The MAERSK Intra Asia 9 (IA9) service included strategic ports such as Qingdao, Shanghai, Ningbo, Ho Chi Minh, Sihanoukville, Kuantan Port, Singapore, Tanjung Pelepas and Penang, highlighting our port's pivotal role in regional maritime trade.


**19 March**
**Donation to 'Pusat Jagaan Rukaiyah'**

Toll Division donated RM12,000 to *Pusat Jagaan Rukaiyah* together with electrical goods and shoes for the children as well as *duit raya* in conjuction with *Ramadan* month.

**23 March**
**Earth Hour 2024**

Wisma IJM, Annexe and Menara Prudential in TRX stood in solidarity with over 190 countries and territories worldwide to commemorate Earth Hour 2024.

# TRANSFORMING SPACES. FOSTERING VIBRANT, SUSTAINABLE COMMUNITIES

IJM Land's innovative solutions and commitment to desirable, sustainable designs underpinned the division as the largest contributor to the Group's profits in FY2024. Property sales were strong, completed residential inventory reduced and ongoing developments continue to attract vibrant interest. The IJM brand is well-recognised in Malaysia and India. Additionally, our strategic initiatives emphasise creating vibrant, well-planned communities. Our international ventures, particularly in the UK, further demonstrate our ability to transform urban landscapes and enhance community living.

Saujana Duta, S2 Heights in Seremban, an exclusive low density enclave developed by IJM Land

# PROFILE OF DIRECTORS AND SECRETARY

*Age: 71*
*Gender: Male*
*Nationality: Malaysian*

## Tan Sri Dato' Tan Boon Seng @ Krishnan

*PSM, DSPN, SMS*
Non-Executive Chairman

### Academic/Professional Qualification

- Master of Business Administration, Golden Gate University, San Francisco, USA
- Bachelor of Economics (Honours), University of Malaya
- 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 joined the Board on 12 June 1984 as an alternate Director and last served as Deputy Non-Executive Chairman before assuming his current role as Non-Executive Chairman.

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

- Financial Controller (1983 - 1984)
- Alternate Director (1984 - 1990)
- Director (1990 - 1993)
- Deputy Managing Director (1993 - 1997)
- Group Managing Director (1997 - 2004)
- Chief Executive Officer & Managing Director (2004 - 2010)
- Executive Deputy Chairman (2011 - 2013)
- Deputy Non-Executive Chairman (2014 - 2019)

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

- Group Financial Controller (last position), Kumpulan Perangsang Selangor Berhad (1975 - 1982)
- 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)
- Independent Director (2014 - 2017) and Chairman (2017 - 2022), HSBC Bank Malaysia Berhad

### Present Directorship(s)

**Listed Companies**

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

**Other Public Companies**

- 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
- Member, Pahang Economic Advisory Council
- Member, Advisory Council, Azman Hashim International Business School, Universiti Teknologi Malaysia

### Other Information

- No family relationship with any other Director and/or major shareholders of the Company.
- No conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.

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

## Lee Chun Fai

Group Chief Executive Officer & Managing Director

### Academic/Professional Qualification

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

### Board Committee Membership(s)

- Operating Committee (Chairman)

### Date Appointed/Working Experience

Mr Lee was re-designated as the Group Chief Executive Officer ("CEO") & Managing Director ("MD") of IJM Corporation Berhad ("IJM") on 1 June 2024. He previously served as the CEO & MD of IJM from 1 April 2023 to 31 May 2024.

Prior to his appointment as the CEO & MD, he was the Deputy CEO & Deputy MD (6 April 2015 - 31 March 2023), Deputy Chief Financial Officer and Head of Information Systems Department for IJM Group.

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
- Malaysian South-South Corporation Berhad
- Perdana Leadership Foundation (Trustee)

### Other Current Position(s) Held

Nil

### Other Information

- No family relationship with any other Director and/or major shareholders of the Company.
- No conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.


## Dato' David Frederick Wilson

*DIMP*

Independent Non-Executive Director

### 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 (Chairman)

### 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) in Public Companies

Nil

### Other Current Position(s) Held

Nil

### Other Information

- No family relationship with any other Director and/or major shareholders of the Company.
- No conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.


## Goh Tian Sui

Independent Non-Executive Director

### 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) in Public Companies

Nil

### Other Current Position(s) Held

Nil

### Other Information

- No family relationship with any other Director and/or major shareholders of the Company.
- No conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.

# PROFILE OF DIRECTORS AND SECRETARY

*Age: 60*
*Gender: Female*
*Nationality: Malaysian*

## Tunku Alina Binti Raja Muhd Alias

Independent Non-Executive Director

### Academic/Professional Qualification

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

### Board Committee Membership(s)

- Nomination & Remuneration Committee (Chairman)

### Date Appointed/Working Experience

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

As a legal practitioner, she has had 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 an advisor with the UN Global Compact Network Malaysia & Brunei that supports small and medium-sized enterprises (SMEs) to contribute towards the Sustainable Development Goals (SDGs) thereby achieving business excellence, and as a mentor with Endeavor Malaysia, a network that supports founders and start-ups in their journey towards scale and growth. She is also an active member of the Institute of Corporate Directors, Malaysia and of FideForum, both of which are leaders in corporate governance practices.

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**
- Batu Kawan Berhad
- Nestle (Malaysia) Berhad

**Other Public Companies**
- United Overseas Bank (Malaysia) Berhad

### Other Current Position(s) Held

Nil

### Other Information

- No family relationship with any other Director and/or major shareholders of the Company.
- No conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.

*Age: 55*
*Gender: Female*
*Nationality: Malaysian*

## Tan Ting Min

Independent Non-Executive Director

### Academic/Professional Qualification

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

### Board Committee Membership(s)

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

Nil

**Other Public Companies**
- CIMB Investment Bank Berhad

### Other Current Position(s) Held

Nil

### Other Information

- No family relationship with any other Director and/or major shareholders of the Company.
- Save as disclosed below, Ms Tan does not have any other conflict of interest or potential conflict of interest with the Company or its subsidiaries:-
  - Ms Tan is an Independent Non-Executive Director of CIMB Investment Bank Berhad ("CIMB"); and CIMB was appointed by IJM Treasury Management Sdn Bhd ("IJMTM"), a wholly-owned subsidiary of IJM, as the principal adviser and lead arranger for IJMTM's Sukuk Murabahah Programmes during financial year 2024. The interest is only to the extent of common directorship.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.

*Age: 66*
*Gender: Male*
*Nationality: Malaysian*

## Dato' Ir. Tan Gim Foo

*DSDK*
Independent Non-Executive Director

### Academic/Professional Qualification

- Master in Business Administration, Charles Sturt University of New South Wales, Australia
- Bachelor of Engineering (1st Class Honours) in Civil Engineering, University of Malaya
- Professional Engineer, Board of Engineers Malaysia
- Member of the Institution of Engineers, Malaysia

### Board Committee Membership(s)

- Audit Committee (Member)
- Operating Committee (Member)

### Date Appointed/Working Experience

Dato' Ir. Tan was appointed as an Independent Non-Executive Director of IJM Corporation Berhad on 23 November 2021.

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

- Site Engineer, Mudajaya Construction Sdn Bhd (1983 - 1986)
- Planning & Design Engineer, IJM Corporation Berhad ("IJM") (1986 - 1990)
- Deputy Project Manager, IJM Construction Sdn Bhd ("IJMC") (1990 - 1991)
- Project Manager, IJMC (1991 - 1993)
- Senior Manager (Project), IJMC (1994 - 1997)
- Project Director, IJMC (1998 - 2005)
- Executive Director, IJMC (2005 - 2010)
- Managing Director, IJMC (2010 - 2013)
- Deputy Chief Executive Officer & Deputy Managing Director, IJM (2011 - 2013)
- Council Member, Master Builders Association Malaysia (2020 - 2022)

### Present Directorship(s)

**Listed Companies**

- Aneka Jaringan Holdings Berhad

**Other Public Companies**

Nil

### Other Current Position(s) Held

Nil

### Other Information

- No family relationship with any other Director and/or major shareholders of the Company.
- Save as disclosed below, Dato' Ir. Tan does not have any other conflict of interest or potential conflict of interest with the Company or its subsidiaries:-
  - Dato' Ir. Tan is an Independent Non-Executive Director of IJM Construction Sdn Bhd ("IJMC") and Aneka Jaringan Holdings Berhad ("AJHB"). IJMC, a wholly-owned subsidiary of IJM has awarded some of its construction projects to Aneka Jaringan Sdn Bhd, a subsidiary of AJHB. The interest is only to the extent of common directorship.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.

*Age: 65*
*Gender: Female*
*Nationality: Malaysian*

## Loh Lay Choon

Independent Non-Executive Director

### Academic/Professional Qualification

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

### Board Committee Membership(s)

- Audit Committee (Chairman)
- Risk Management & Sustainability Committee (Member)

### Date Appointed/Working Experience

Ms Loh was appointed as an Independent Non-Executive Director of IJM Corporation Berhad on 7 July 2022.

She has extensive experience in the audits of large listed local and multinational corporations, assisting companies with initial public offerings and funds raising exercises in both the Malaysian and international markets as well as financial due diligences and other advisory services.

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

- 41 years with PricewaterhouseCoopers PLT Malaysia ("PwC") and started her career as an articled clerk. She was a Partner of PwC for 21 years and retired on 30 June 2019. During her tenure in PwC, she was also the Head of the Consumers and Industrial Products and Services Assurance Practice, Corporate Reporting Leader and the Capital Market Services Leader
- Council Member, MICPA (2004 - 2021) and served in various committees
- Chairperson, Adjudication and/or Organising Committees of the National Annual Corporate Report Awards (NACRA) (2010 - 2017)
- Member of the Financial Reporting Foundation ("FRF") (2007 - 2013) *(Appointed by the Ministry of Finance)* and also Audit Committee Member of FRF
- Member of the Law Reform Committee of the High-Level Finance Committee on Corporate Governance (1999)

### Present Directorship(s)

**Listed Companies**

- Genting Plantations Berhad

**Other Public Companies**

Nil

### Other Current Position(s) Held

Nil

### Other Information

- No family relationship with any other Director and/or major shareholders of the Company.
- Save as disclosed below, Ms Loh does not have any other conflict of interest or potential conflict of interest with the Company or its subsidiaries:-
  - Ms Loh is an Independent Non-Executive Director of Genting Plantations Berhad, which is involved in property development and property investment through its subsidiaries; these activities may be competing businesses with the property division of IJM Group. The interest is only to the extent of common directorship.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.

# PROFILE OF DIRECTORS AND SECRETARY

*Age: 61*
*Gender: Male*
*Nationality: Malaysian*

## Datuk Ir. Ahmad 'Asri bin Abdul Hamid

Independent Non-Executive Director

### Academic/Professional Qualification

- Master of Business Administration, Open University, United Kingdom
- Bachelor in Mechanical Engineering (1st Class Honours), University of Adelaide, Australia
- Professional Engineer with Practising Certificate, Board of Engineers Malaysia
- Fellow of The Institution of Engineers, Malaysia
- Patron of the Chartered Institute of Building
- Honorary Fellow, ASEAN Federation of Engineering Organizations

### Board Committee Membership(s)

- Risk Management & Sustainability Committee (Chairman)

### Date Appointed/Working Experience

Datuk Ir. Ahmad 'Asri was appointed as an Independent Non-Executive Director of IJM Corporation Berhad on 4 September 2023.

Datuk Ir. Ahmad 'Asri has extensive experience in the construction industry for almost 37 years through his services in the public sector. He served Construction Industry Development Board Malaysia ("CIDB") for the last 21 years, and prior to joining CIDB, he was with Public Works Department (JKR)

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

- Mechanical Engineer, Public Works Department (JKR) (1985 - 1991)
- Senior Mechanical Engineer, Public Works Department (JKR) (1991 - 1998)
- Senior Manager, CIDB (1998 - 2007)
- Deputy Chief for the Special Unit for Overseas Projects, Economic Planning Unit, Prime Minister's Department (2007 - 2008)
- President, Professional Services Development Corporation Sdn Bhd (2008 - 2011)
- General Manager, CIDB (2011 - 2012)
- Senior General Manager, CIDB (2012 - 2016)
- Chief Executive, CIDB (2016 - 2023)

### Present Directorship(s)

**Listed Companies**

- Hume Cement Industries Berhad

**Other Public Companies**

Nil

### Other Current Position(s) Held

Nil

### Other Information

- No family relationship with any other Director and/or major shareholders of the Company.
- Save as disclosed below, Datuk Ir. Ahmad 'Asri does not have any other conflict of interest or potential conflict of interest with the Company or its subsidiaries:-
  - Datuk Ir. Ahmad 'Asri is an Independent Non-Executive Director of Hume Cement Industries Berhad ("HCIB"), which is involved in manufacturing and sale of cement and concrete related products. HCIB Group supplies building materials to IJM Group. The interest is only to the extent of common directorship.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.

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

## Datuk Lee Teck Yuen

*PJN*

Non-Executive Director

### 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 (Member)

### Date Appointed/Working Experience

Datuk Lee joined the Board on 30 May 2007 as a Non-Executive Director. He was re-designated as Senior Independent Non-Executive Director on 9 November 2012 and as Non-Executive Director on 1 June 2022. He has more than 40 years of experience in both the local and international property business.

### Present Directorship(s)

**Listed Companies**

Nil

**Other Public Companies**

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

### Other Current Position(s) Held

- Vice President, Malaysian South-South Association (MASSA)

### Other Information

- No family relationship with any other Director and/or major shareholders of the Company.
- No conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.

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

## Azhar Bin Ahmad
Non-Executive Director

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

### Board Committee Membership(s)
- Risk Management & Sustainability Committee (Member)

### 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)
**Listed Companies**
Nil

**Other Public Companies**
- Projek Lebuhraya Usahasama Berhad
- PLUS Malaysia Berhad

### Other Current Position(s) Held
Nil

### Other Information
- No family relationship with any other Director and/or major shareholders of the Company.
- Save as disclosed below, Encik Azhar does not have any other conflict of interest or potential conflict of interest with the Company or its subsidiaries:-
  - Encik Azhar is a Non-Executive Director of PLUS Malaysia Berhad and Projek Lebuhraya Usahasama Berhad, which are involved in toll expressway operations; these activities are considered competing businesses with the toll division of IJM Group. The interest is only to the extent of common directorship.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.

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

## Ng Yoke Kian
Company Secretary

### 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 of 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
- Head, Corporate Services Department

# GROUP ORGANISATION CHART

## BOARD OF DIRECTORS

- **Risk Management & Sustainability Committee**
  - Risk Management & Integrity
- **Audit Committee**
  - Internal Audit
- **Operating Committee**
- **Nomination & Remuneration Committee**
- **Securities & Options Committee**
- **Company Secretary**

**Group Chief Executive Officer & Managing Director**
Lee Chun Fai

## DIVISIONS

**Construction**
Wong Heng Wai

**Property**
Datuk Wong Tuck Wai

**Industry**
Lau Liang See

**Toll**
Wan Salwani Binti Wan Yusoff

**Port**
Management Committee
Mazlim Bin Husin
Chan Weng Yew

## INTERNATIONAL VENTURES

**India**
Viswanathan Nagarajan

**United Kingdom**
Mark Lahiff

**Argentina**
Adam Eleod

## GROUP SERVICES

**Accounts & Finance Information Systems**
Dato' Edward Chong Sin Kiat

**Human Resource & Administration**
Tham Tsu-San

**Investor Relations & Sustainability**
Shane Guha Thakurta

**Internal Audit**
Yusri Yunus

**Risk Management & Integrity**
Sonia Lim Wan Wei

**Corporate Services**
Ng Yoke Kian

**Legal & Contract Management**
Michelle Chong Ann Ching

**Corporate Strategy & Investment**
Tan Yang Cheng

**Business Development**
Dr Md Zarulazam Bin Md Eusofe

**Health, Safety & Environment**
Rozaimy Bin Amiruddin

**Quality**
S Ramesh A/L V Subramaniam

**Corporate Communications**
Mandy Chen Man Lee

# PROFILE OF KEY SENIOR MANAGEMENT


## Dato' Edward Chong Sin Kiat

*DBNS*
Group Chief Financial Officer

### 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 re-designated as the Group Chief Financial Officer of IJM Corporation Berhad ("IJM") on 1 June 2024. He previously served as the Chief Financial Officer of IJM from 7 August 2020 to 31 May 2024.

Prior to joining IJM Group, 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 IJM Group were as follows:-

- Assistant General Manager of Corporate Affairs, RB Land Holdings Berhad ("RBL") [now known as IJM Land Berhad ("IJML")] (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)
- Managing Director, IJML (2015 - 2022)

### 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

- Vice President, Rehda Malaysia (2022 - 2026)
- Deputy Chairman, Rehda Selangor (2022 - 2026)

### Other Information

- No family relationship with any other Director and/or major shareholders of the Company.
- No conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.


## Wong Heng Wai

Chief Executive Officer
IJM Construction Sdn Bhd

### Academic/Professional Qualification

- Master of Business Administration, University of Malaya
- Bachelor of Civil Engineering (Honours), Universiti Kebangsaan Malaysia
- Professional Engineer (Civil) – Board of Engineers Malaysia

### Date Appointed/Working Experience

Mr Wong was appointed Managing Director of IJM Construction Sdn Bhd ("IJMC") on 24 August 2021 and subsequently re-designated as the Chief Executive Officer on 1 January 2023.

Prior to joining IJMC in 2001, he was with BHP Engineering (M) Sdn Bhd, Mudajaya Corporation Berhad and Tonkin & Taylor Konsult (M) Sdn Bhd from 1996 to 2001.

He pursued his career with Sunrise Berhad and Sunway Construction Sdn Bhd before he rejoined IJMC in 2011 as Senior Project Manager.

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

- Design Engineer (2001 - 2003)
- Senior Planning Engineer (2004 - 2005)
- Project Manager (2005 - 2008)
- Senior Project Manager (2011 - 2014)
- Project Director (2015 - 2018)
- Chief Operating Officer (2019 - 2021)

### Present Directorship(s) in Public Companies

Nil

### Other Current Position(s) Held

Nil

### Other Information

- No family relationship with any other Director and/or major shareholders of the Company.
- No conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.

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

## Datuk Wong Tuck Wai

*PGDK*
Chief Executive Officer
IJM Land Berhad

### Academic/Professional Qualification

- General Certificate of Education

### Date Appointed/Working Experience

Datuk Wong was appointed Chief Executive Officer ("CEO") of IJM Land Berhad on 1 July 2022 to oversee the operations of the Property Division.

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

- Site Manager, Syarikat Pembinaan Setia Sdn Bhd
- CEO, Setia Putrajaya Sdn Bhd
- Executive Vice President, SP Setia Berhad
- Deputy President & Chief Operating Officer, SP Setia Berhad

### Present Directorship(s)

**Listed Companies**
Nil

**Other Public Companies**

- ERMS Berhad
- Sebana Golf & Marina Resort Berhad

### Other Current Position(s) Held

Nil

### Other Information

- No family relationship with any other Director and/or major shareholders of the Company.
- No conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.

*Age: 55*
*Gender: Male*
*Nationality: Malaysian*

## Lau Liang See

Chief Executive Officer
Industrial Concrete Products Sdn Bhd

### Academic/Professional Qualification

- Bachelor of Science in Mechanical Engineering, Universiti Teknologi Malaysia

### Date Appointed/Working Experience

Mr Lau was appointed Chief Executive Officer and Director of Industrial Concrete Products Sdn Bhd ("ICP") on 12 December 2022 to oversee the operations of the Industry Division. Prior to this, he was the Chief Operating Officer of ICP since 1 January 2022. He was also the Alternate Director to Mr Tan Boon Leng from 16 February 2022 to 11 December 2022.

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

- Facilities Engineer, Hitachi Semicon (1991 - 1993)
- Engineer, Anadrill Schlumberger (1993 - 1996)
- Factory Manager, Focal Products (1996 - 2002)
- Project Manager, LS Con. Eng. (2002 - 2006)
- Factory Manager, ICP (2006 - 2011)
- Senior Factory Manager, ICP Jiangmen Co. Ltd (2011 - 2017)
- Country Head, IJM Concrete Products Private Limited (2017 - 2021)

### Present Directorship(s) in Public Companies

Nil

### Other Current Position(s) Held

Nil

### Other Information

- No family relationship with any other Director and/or major shareholders of the Company.
- No conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.

# PROFILE OF KEY SENIOR MANAGEMENT

*Age: 57*
*Gender: Female*
*Nationality: Malaysian*

## Wan Salwani Binti Wan Yusoff
Chief Executive Officer
Toll Division, Malaysia

### Academic/Professional Qualification
- Master in Business Administration, Universiti Putra Malaysia
- Bachelor of Science in Electrical Engineering, University of Arizona, USA

### Date Appointed/Working Experience
Puan Wan Salwani was appointed the Chief Executive Officer of Toll Division on 1 April 2022 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 (2003 - 2007)
- Senior Manager, NPE (2008 - 2009)
- General Manager, Toll Division (2009 - 2013)
- Chief Operating Officer, Toll Division (2013 - 2022)

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) in Public Companies
Nil

### Other Current Position(s) Held
Nil

### Other Information
- No family relationship with any other Director and/or major shareholders of the Company.
- No conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.

*Age: 63*
*Gender: Male*
*Nationality: Indian*

## Viswanathan Nagarajan
Country Head
IJM India

### Academic/Professional Qualification
- Bachelor's Degree in Commerce, Nizam College, Hyderabad
- Postgraduate, London School of Economics

### Date Appointed/Working Experience
Mr Viswanathan was appointed the Country Head for IJM India on 16 June 2023. He joined IJM India in February 2020 as the Head of Business Development – Liaison & Corporate Strategy.

He has diverse experience across various industries and geographical locations, including Jamaica, Hong Kong, Mauritius and India.

### Present Directorship(s) in Public Companies
Nil

### Other Current Position(s) Held
Nil

### Other Information
- No family relationship with any other Director and/or major shareholders of the Company.
- Save as disclosed below, Mr Viswanathan does not have any other conflict of interest or potential conflict of interest with the Company or its subsidiaries:-
  - Mr Viswanathan is a shareholder of Team Universal Infratech Private Limited ("TUIPL"), a subsidiary of IJM Corporation Berhad. He and a family member are Non-Executive Directors and shareholders of Matrix Technical Services Pvt Ltd ("MTSPL"), a family-owned company of Mr Viswanathan. TUIPL has appointed MTSPL as the subcontractor for certain projects.
  - a family member of Mr Viswanathan is a Non-Executive Director of TUIPL.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.

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

## Chan Weng Yew

Management Committee Member
Kuantan Port Consortium Sdn Bhd

### Academic/Professional Qualification

- Bachelor of Arts (BA), Economics, The University of Sheffield, England
- Fellow, Association of Chartered Certified Accountants
- Certified Internal Auditor, The Institute of Internal Auditors

### Date Appointed/Working Experience

Mr Chan was appointed the General Manager, Finance, Administration and Human Resource of Kuantan Port Consortium Sdn Bhd on 1 October 2021.

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

- Senior Manager, BDO Binder Malaysia (1999 - 2008)
- Senior Internal Audit Manager, DKSH Singapore Pte Ltd (2008 - 2014)
- Head of Internal Audit, DKSH Holdings (Malaysia) Berhad (2012 - 2013)
- Director - Internal Audit SEA, Shaklee Corporation (2014 - 2015)
- Head of Internal Audit, Heineken Malaysia Berhad (2016 - 2017)
- General Manager, Internal Audit/Chief Audit Executive, IJM Corporation Berhad (2017 - 2021)

### Present Directorship(s) in Public Companies

Nil

### Other Current Position(s) Held

Nil

### Other Information

- No family relationship with any other Director and/or major shareholders of the Company.
- No conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.

*Age: 57*
*Gender: Male*
*Nationality: Malaysian*

## Mazlim Bin Husin

Management Committee Member
Kuantan Port Consortium Sdn Bhd

### Academic/Professional Qualification

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

### Date Appointed/Working Experience

Encik Mazlim was re-designated as the Chief Commercial Officer of Kuantan Port Consortium Sdn Bhd ("Kuantan Port") on 15 September 2022 from his previous position as the Chief Operating Officer.

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), Kuantan Port (2016 - 2017)
- General Manager (Operations), Kuantan Port (2017 - 2018)
- Chief Operating Officer, Kuantan Port (2018 - 2022)

### Present Directorship(s) in Public Companies

Nil

### Other Current Position(s) Held

- Secretary, Persatuan Pelombong Pahang (2015)
- Vice President, Malaysia China Chamber of Commerce Pahang

### Other Information

- No family relationship with any other Director and/or major shareholders of the Company.
- No conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- No conviction for offences within the past five (5) years, and public sanction or penalty imposed during the financial year 2024.

# GATEWAY TO GROWTH

In FY2024, Kuantan Port celebrated its 50th anniversary, marking a half-century of facilitating trade and growth. The Port's performance was bolstered by government-approved tariff adjustments and increased throughput. As a vital node of the Belt and Road Initiative, our developments ensure enhanced connectivity, driving regional and international trade. Growth is further supported by the expansion of Malaysia-China Kuantan Industrial Park and connectivity with the East Coast Rail Line. Future phases of the deepwater terminal expansion cater to an expanding hinterland of new customers and diverse cargo types, making the Port an essential gateway to growth in the east coast region.


Strategically located, Kuantan Port is Malaysia's largest dry bulk port, serving local and international trade demands


CMA CGM
Hapag-Lloyd
SAMUDERA
EVERGREEN
MAERSK
KESTREL

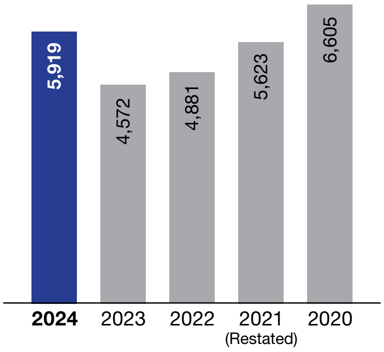
# GROUP FINANCIAL HIGHLIGHTS

| | | 2024 | 2023 | 2022 | 2021 (Restated)[N1] | 2020 |
|---|---|---|---|---|---|---|
| **OPERATING REVENUE** | RM'000 | | | | | |
| Construction | | **1,675,559** | 1,069,906 | 1,529,306 | 1,947,865 | 2,051,848 |
| Property development | | **2,029,273** | 1,615,215 | 1,273,667 | 1,296,758 | 2,189,547 |
| Manufacturing & quarrying | | **1,191,956** | 1,001,887 | 856,942 | 690,958 | 829,479 |
| Plantation | | **-** | - | 472,512 | 935,693 | 739,133 |
| Infrastructure - Toll | | **519,552** | 553,185 | 384,001 | 347,249 | 417,578 |
| Infrastructure - Port | | **467,014** | 331,791 | 364,477 | 403,784 | 376,656 |
| Investment & others | | **35,460** | 501 | 587 | 563 | 860 |
| | | **5,918,814** | 4,572,485 | 4,881,492 | 5,622,870 | 6,605,101 |
| **PROFIT/(LOSS) BEFORE TAXATION** | RM'000 | | | | | |
| Construction | | **36,809** | 90,984 | 121,678 | 137,655 | 173,199 |
| Property development | | **390,966** | 366,747 | 99,201 | 180,265 | 203,261 |
| Manufacturing & quarrying | | **181,789** | 152,180 | 68,500 | 68,215 | 44,895 |
| Plantation | | **-** | - | 782,411 | 272,129 | (50,472) |
| Infrastructure - Toll | | **128,308** | (176,976) | (77,535) | 18,737 | 73,893 |
| Infrastructure - Port | | **151,387** | 34,163 | 99,179 | 98,333 | 79,353 |
| Investment & others | | **74,910** | 15,930 | 6,848 | 7,944 | (6,364) |
| | | **964,169** | 483,028 | 1,100,282 | 783,278 | 517,765 |
| **EARNINGS BEFORE INTEREST, TAX, DEPRECIATION & AMORTISATION** (EBITDA) | RM'000 | **1,572,275** | 1,063,992 | 1,660,663 | 1,412,545 | 1,203,068 |
| **NET PROFIT FOR THE FINANCIAL YEAR** | RM'000 | **665,192** | 211,596 | 885,204 | 647,261 | 328,186 |
| **NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY** | RM'000 | **600,278** | 158,275 | 794,890 | 433,879 | 250,590 |
| **EARNINGS PER SHARE** (Basic) | Sen | **17.11** | 4.49 | 22.19 | 11.97 | 6.91 |
| **EARNINGS PER SHARE** (Fully Diluted) | Sen | **17.11** | 4.49 | 22.18 | 11.97 | 6.91 |
| **GROSS DIVIDEND PER SHARE** | Sen | **8.00** | 8.00 | 21.00 | 6.00 | 3.00 |
| **FINANCIAL POSITION** | | | | | | |
| **ISSUED SHARE CAPITAL** | RM'000 | **6,132,406** | 6,132,406 | 6,127,731 | 6,117,056 | 6,112,042 |
| **SHAREHOLDERS' FUNDS** | RM'000 | **10,216,514** | 9,843,764 | 9,937,547 | 9,972,407 | 9,602,366 |
| **TOTAL ASSETS** | RM'000 | **21,315,323** | 20,510,595 | 21,012,048 | 23,486,446 | 23,453,267 |
| **TOTAL BORROWINGS** | RM'000 | **5,534,298** | 5,364,842 | 5,529,609 | 6,791,981 | 6,917,096 |
| **NET ASSETS PER SHARE** | RM | **2.91** | 2.80 | 2.81 | 2.76 | 2.65 |
| **RETURN ON TOTAL ASSETS** | % | **2.82** | 0.77 | 3.78 | 1.85 | 1.07 |
| **RETURN ON EQUITY** | % | **5.88** | 1.61 | 8.00 | 4.35 | 2.61 |
| **GEARING** (Net Debt/Equity) | % | **26.07** | 25.80 | 26.37 | 43.98 | 48.89 |
| **MARKET CAPITALISATION** | RM'000 | **8,519,984** | 5,620,643 | 5,898,704 | 6,113,384 | 5,770,829 |
| **SHARE PRICE** | | | | | | |
| High | RM | **2.47** | 1.92 | 2.06 | 2.02 | 2.51 |
| Low | RM | **1.43** | 1.47 | 1.39 | 1.20 | 1.15 |
| Close | RM | **2.43** | 1.60 | 1.67 | 1.69 | 1.59 |

[N1] FY2021 figures had been restated following the adoption of IFRIC Agenda Decision on IAS 23 "Borrowing Costs"

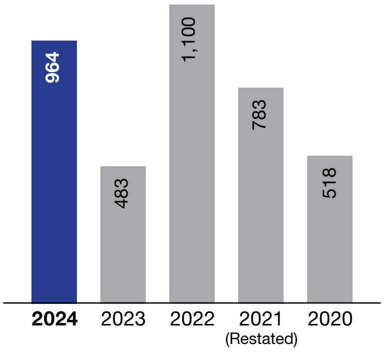
**OPERATING REVENUE**
(RM million)

RM**5,919**million



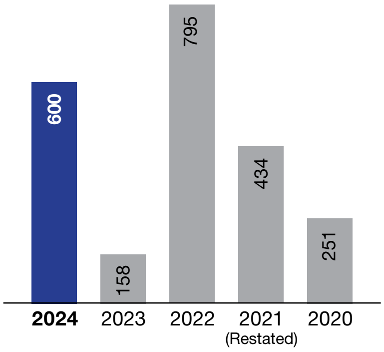

**PROFIT BEFORE TAXATION**
(RM million)

RM**964**million



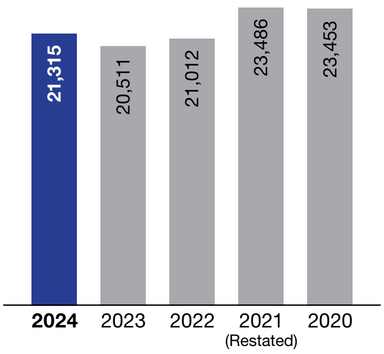

**NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY**
(RM million)

RM**600**million



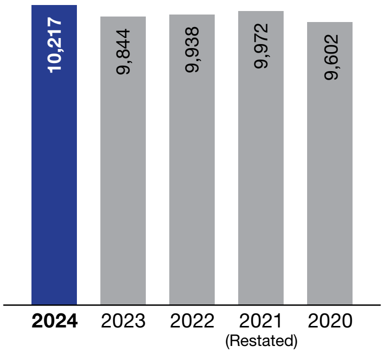

**TOTAL ASSETS**
(RM million)

RM**21,315**million



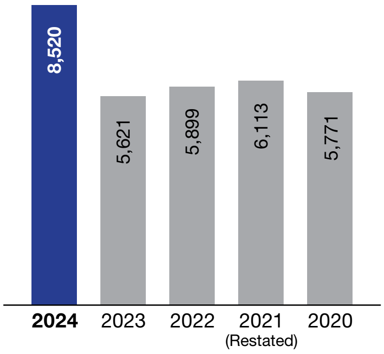

**SHAREHOLDERS' FUNDS**
(RM million)

RM**10,217**million



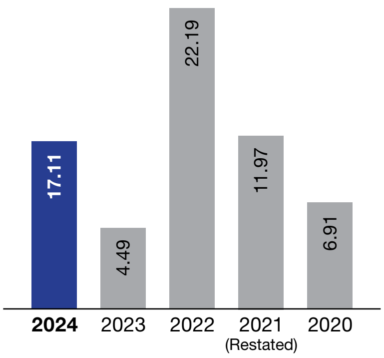

**MARKET CAPITALISATION**
(RM million)

RM**8,520**million



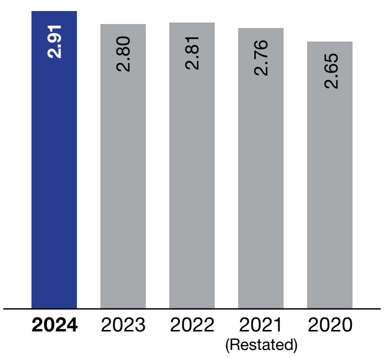

**EARNINGS PER SHARE** (Basic)
(sen)

**17.11**sen



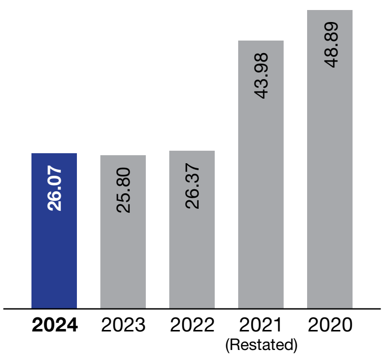

**NET ASSETS PER SHARE**
(RM)

RM**2.91**




**GEARING** (Net Debt/Equity)
(%)

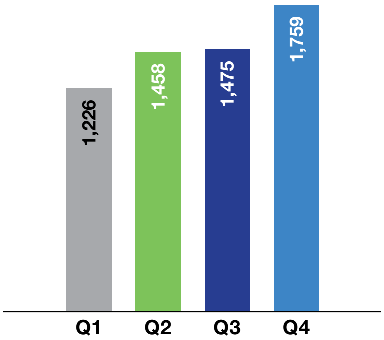
**26.07**%



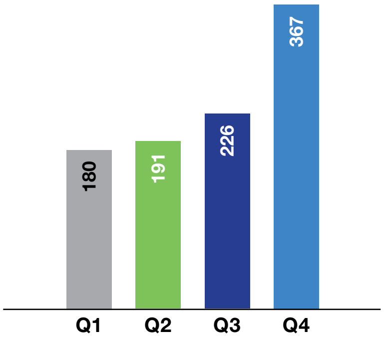
# GROUP QUARTERLY PERFORMANCE

| | | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|---|---|---|---|---|---|
| **OPERATING REVENUE** | RM'000 | | | | |
| Construction | | 307,155 | 416,149 | 427,552 | 524,703 |
| Property development | | 369,490 | 463,695 | 501,370 | 694,718 |
| Manufacturing & quarrying | | 307,378 | 316,011 | 293,586 | 274,981 |
| Infrastructure - Toll | | 139,813 | 120,438 | 125,947 | 133,354 |
| Infrastructure - Port | | 101,916 | 121,917 | 114,223 | 128,958 |
| Investment & others | | 74 | 20,147 | 12,704 | 2,535 |
| | | 1,225,826 | 1,458,357 | 1,475,382 | 1,759,249 |
| **PROFIT/(LOSS) BEFORE TAXATION** | RM'000 | | | | |
| Construction | | 11,223 | 15,281 | 11,798 | (1,493) |
| Property development | | 81,188 | 76,184 | 122,535 | 111,059 |
| Manufacturing & quarrying | | 44,433 | 44,738 | 44,934 | 47,684 |
| Infrastructure - Toll | | 23,496 | 11,860 | 15,714 | 77,238 |
| Infrastructure - Port | | 24,930 | 41,886 | 35,567 | 49,004 |
| Investment & others | | (5,148) | 1,066 | (4,315) | 83,307 |
| | | 180,122 | 191,015 | 226,233 | 366,799 |
| **EARNINGS BEFORE INTEREST, TAX, DEPRECIATION & AMORTISATION** (EBITDA) | RM'000 | 324,041 | 343,439 | 389,145 | 515,650 |
| **NET PROFIT FOR THE PERIOD** | RM'000 | 114,859 | 112,427 | 108,659 | 329,247 |
| **NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY** | RM'000 | 100,642 | 93,687 | 100,429 | 305,520 |
| **EARNINGS PER SHARE** (Basic) | Sen | 2.87 | 2.67 | 2.86 | 8.71 |
| **EARNINGS PER SHARE** (Fully Diluted) | Sen | 2.87 | 2.67 | 2.86 | 8.71 |
| **GROSS DIVIDEND PER SHARE** | Sen | - | 2.00 | - | 6.00 |
| **FINANCIAL POSITION** | | | | | |
| **ISSUED SHARE CAPITAL** | RM'000 | 6,132,406 | 6,132,406 | 6,132,406 | 6,132,406 |
| **SHAREHOLDERS' FUNDS** | RM'000 | 9,746,707 | 9,843,068 | 9,870,735 | 10,216,514 |
| **TOTAL ASSETS** | RM'000 | 20,535,049 | 20,614,757 | 21,299,857 | 21,315,323 |
| **TOTAL BORROWINGS** | RM'000 | 5,274,396 | 5,485,165 | 5,595,322 | 5,534,298 |
| **NET ASSETS PER SHARE** | RM | 2.78 | 2.81 | 2.82 | 2.91 |
| **RETURN ON TOTAL ASSETS** (Annualised) | % | 1.93 | 1.87 | 1.84 | 2.82 |
| **RETURN ON EQUITY** (Annualised) | % | 4.01 | 3.87 | 3.94 | 5.88 |
| **GEARING** (Net Debt/Equity) | % | 28.3 | 27.1 | 24.1 | 26.1 |
| **MARKET CAPITALISATION** | RM'000 | 5,228,494 | 6,521,469 | 6,591,592 | 8,519,984 |
| **SHARE PRICE** | | | | | |
| High | RM | 1.68 | 1.92 | 1.95 | 2.47 |
| Low | RM | 1.46 | 1.43 | 1.76 | 1.86 |
| Close | RM | 1.49 | 1.86 | 1.88 | 2.43 |

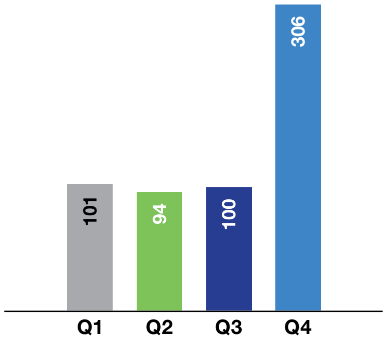
**OPERATING REVENUE**
(RM million)



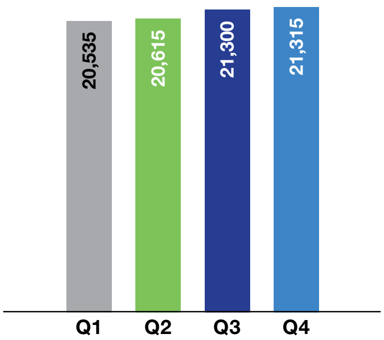

**PROFIT BEFORE TAXATION**
(RM million)



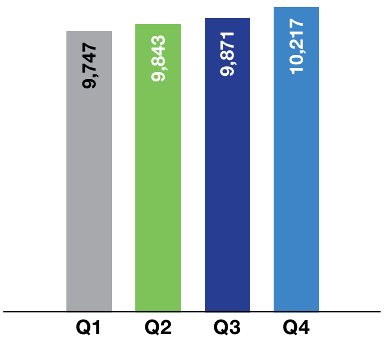

**NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY**
(RM million)



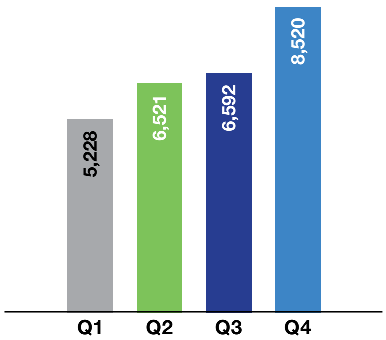

**TOTAL ASSETS**
(RM million)



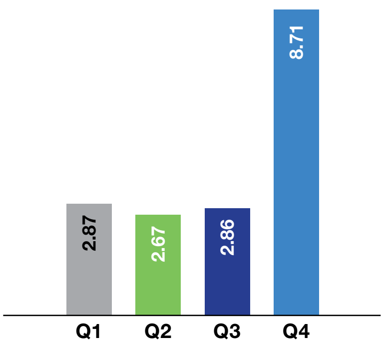

**SHAREHOLDERS' FUNDS**
(RM million)



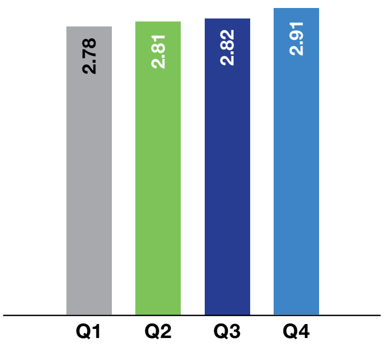

**MARKET CAPITALISATION**
(RM million)



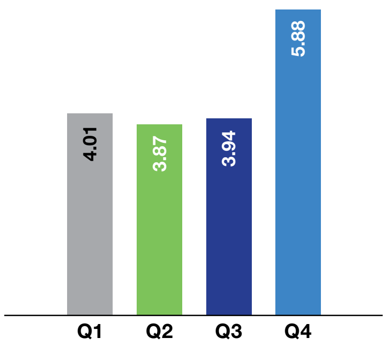

**EARNINGS PER SHARE** (Basic)
(sen)




**NET ASSETS PER SHARE**
(RM)




**RETURN ON EQUITY** (Annualised)
(%)



# STATEMENT OF VALUE ADDED AND DISTRIBUTION

| | 2024 RM'000 | 2023 RM'000 |
|---|---|---|
| **VALUE ADDED:** | | |
| Operating revenue | 5,918,814 | 4,572,485 |
| Purchases of goods & services | (4,067,932) | (3,276,838) |
| Value added by the Group | 1,850,882 | 1,295,647 |
| Share of losses of associates | (31,217) | (16,624) |
| Share of profits of joint ventures | 29,743 | 14,359 |
| Total value added | 1,849,408 | 1,293,382 |
| **DISTRIBUTION:** | | |
| To employees | | |
| - Salaries & other staff costs | 323,828 | 275,945 |
| To Governments | | |
| - Taxation | 298,977 | 271,432 |
| To providers of capital | | |
| - Dividends | 280,666 | 211,393 |
| - Finance cost | 307,137 | 255,572 |
| - Non-controlling interests | 18,219 | 6,766 |
| Retained for future reinvestment & growth | | |
| - Depreciation and amortisation | 300,969 | 325,392 |
| - Retained profits/(accumulated losses) | 319,612 | (53,118) |
| Total Distributed | 1,849,408 | 1,293,382 |

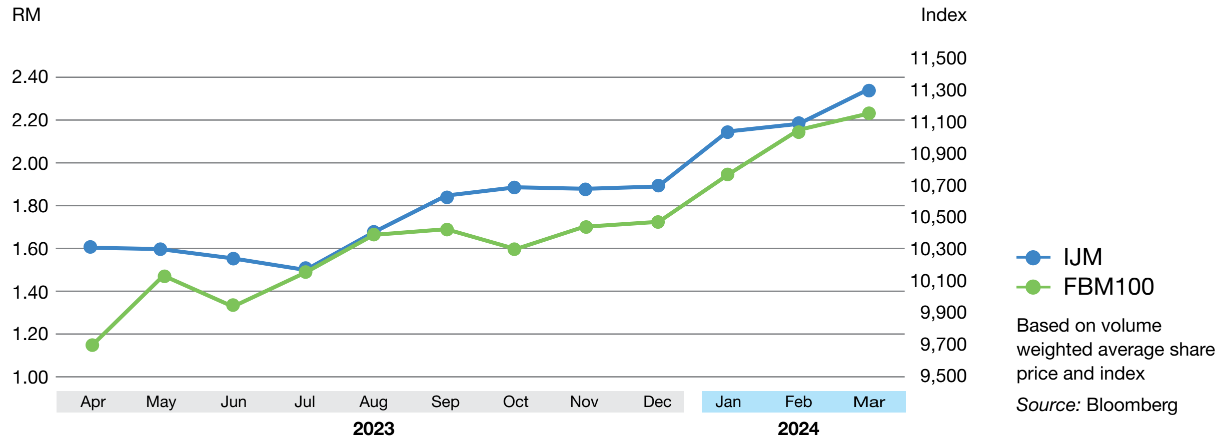
Value added is a measure of wealth created. The above statement shows the Group's value added for 2024 and 2023 and its distribution by way of payments to employees, governments and capital providers, with the balance retained in the Group for future reinvestment and growth.

<u>Reconciliation</u>

| | 2024 RM'000 | 2023 RM'000 |
|---|---|---|
| Profit for the year | 600,278 | 158,275 |
| Add: Depreciation and amortisation | 300,969 | 325,392 |
| Finance cost | 307,137 | 255,572 |
| Staff costs | 323,828 | 275,945 |
| Taxation | 298,977 | 271,432 |
| Non-controlling interests | 18,219 | 6,766 |
| Total value added | 1,849,408 | 1,293,382 |

# INFORMATION FOR INVESTORS

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




IJM Corporation Berhad's ("IJM") share price (stock code: 3336) improved steadily over the course of the financial year, reaching its 12-month high of RM2.32 in March 2024. The rise in share price was driven by an improved outlook of the construction sector that was supported by continued job flows from a burgeoning industrial property subsector that included data centres, logistic warehouses and electrical and electronics manufacturing plants. The positive momentum continued in the later months of the financial year on the optimism that Budget 2024 would further drive growth and provide more opportunities for contractors and developers. IJM was seen as a strong contender for large-scale infrastructure projects given its financial strength and execution track record.

IJM's share price increased 45% compared to a 15% gain by the FBM100 in the same period of IJM's financial year of 2024.

## B. IJM 2014/2034 Sukuk Murabahah (RM3.0 billion)

RAM Ratings has affirmed the AA3/Stable rating of IJM Corporation Berhad's RM3.0 billion Sukuk Murabahah Programme in October 2023. Details of the programme are disclosed in Note 16 to the Financial Statements.

Additionally, RAM Ratings has assigned respective AA3(s) and P1(s) ratings to IJM Treasury Management Sdn Bhd's proposed Islamic Medium-Term Notes Programme and Islamic Commercial Papers Programme, collectively known as the proposed Sukuk Murabahah Programmes. These financial instruments, with a combined limit of RM5.0 billion, are issued under IJM Treasury Management Sdn Bhd, which serves as the funding vehicle for the Group.


CREDIT RATING RATIONALE

CORPORATE RATINGS

RAM

RATINGS

**IJM Corporation Berhad**

- RM3 billion Sukuk Murabahah Programme (2014/2034)

**IJM Treasury Management Sdn Bhd**

- Proposed Islamic Commercial Papers Programme and Islamic Medium-Term Notes Programme, with a combined limit of up to RM5.0 billion in nominal value based on the Shariah principle of Murabahah (collectively the proposed Sukuk Murabahah Programmes)

October 2023

# INFORMATION FOR INVESTORS

Singgah Sana Plaza, Tun Razak Exchange, Kuala Lumpur

## FINANCIAL CALENDAR

| | | |
|---|---|---|
| **Financial Year End** | | 31 March 2024 |
| **Announcement of Results** | First Quarter | 28 August 2023 |
| | Second Quarter | 30 November 2023 |
| | Third Quarter | 28 February 2024 |
| | Fourth Quarter | 29 May 2024 |
| **Notice of Annual General Meeting** | | 31 July 2024 |
| **Annual General Meeting** | | 29 August 2024 |

## INVESTOR SERVICE

The Group maintains a dynamic website at 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:

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

For financial performance or company development matters, please contact:

**Shane Guha Thakurta**
Chief Sustainability & Investor Relations Officer
Tel : +603 79858041
E-mail: shane@ijm.com

# ANALYSIS OF SHAREHOLDINGS

as at 30 June 2024

**Number of Issued Share : 3,647,566,120***
**Class of Shares : Ordinary Shares**
**Voting Rights**
**On show of hands : 1 vote**
**On a poll : 1 vote for each share held**

* inclusive of 141,400,000 shares bought-back by the Company and retained as treasury shares as at 30 June 2024

## DISTRIBUTION OF SHAREHOLDINGS

| Range of Shareholdings | Number of Shareholders | Number of Shares | Percentage of Issued Shares |
|---|---|---|---|
| Less than 100 | 346 | 9,904 | 0.00% |
| 100 – 1,000 | 3,417 | 2,494,486 | 0.07% |
| 1,001 – 10,000 | 8,939 | 39,029,316 | 1.11% |
| 10,001 – 100,000 | 2,928 | 94,478,979 | 2.70% |
| 100,001 to less than 5% of issued shares [(1)] | 966 | 2,563,399,199 | 73.11% |
| 5% and above of issued shares | 3 | 806,754,236 | 23.01% |
| | 16,599 | 3,506,166,120 | 100.00% |

[(1)] excluding 141,400,000 treasury shares

## REGISTER OF SUBSTANTIAL SHAREHOLDERS

| | Number of Shares | | Percentage of Issued Shares |
|---|---|---|---|
| | Direct | Deemed | |
| 1. Employees Provident Fund Board | 571,730,375 | - | 16.31% |
| 2. AmanahRaya Trustees Berhad – Amanah Saham Bumiputera | 226,500,000 | - | 6.46% |
| 3. Kumpulan Wang Persaraan (Diperbadankan) | 339,800,500 | - | 9.69% |

## THIRTY LARGEST SHAREHOLDERS

| | Number of Shares | Percentage of Issued Shares |
|---|---|---|
| 1. Kumpulan Wang Persaraan (Diperbadankan) | 305,032,100 | 8.70% |
| 2. Citigroup Nominees (Tempatan) Sdn Bhd<br>Employees Provident Fund Board | 275,222,136 | 7.85% |
| 3. AmanahRaya Trustees Berhad<br>Amanah Saham Bumiputera | 226,500,000 | 6.46% |
| 4. Citigroup Nominees (Tempatan) Sdn Bhd<br>Urusharta Jamaah Sdn. Bhd. (1) | 130,225,200 | 3.71% |
| 5. Citigroup Nominees (Tempatan) Sdn Bhd<br>Employees Provident Fund Board (Islamic) | 110,290,124 | 3.15% |
| 6. AmanahRaya Trustees Berhad<br>Amanah Saham Malaysia 2 - Wawasan | 108,189,500 | 3.09% |
| 7. AmanahRaya Trustees Berhad<br>Amanah Saham Malaysia | 103,000,000 | 2.94% |
| 8. Citigroup Nominees (Tempatan) Sdn Bhd<br>Exempt AN for AIA Bhd. | 74,348,680 | 2.12% |
| 9. Maybank Nominees (Tempatan) Sdn Bhd<br>Maybank Trustees Berhad for Public Ittikal Fund (N14011970240) | 74,000,000 | 2.11% |

# ANALYSIS OF SHAREHOLDINGS

as at 30 June 2024

## THIRTY LARGEST SHAREHOLDERS (cont'd)

| | | Number of Shares | Percentage of Issued Shares |
|---|---|---|---|
| 10. | AmanahRaya Trustees Berhad<br>Amanah Saham Malaysia 3 | 68,970,100 | 1.97% |
| 11. | Citigroup Nominees (Tempatan) Sdn Bhd<br>Employees Provident Fund Board (Nomura) | 58,923,900 | 1.68% |
| 12. | AmanahRaya Trustees Berhad<br>Public Ittikal Sequel Fund | 53,895,900 | 1.54% |
| 13. | HSBC Nominees (Asing) Sdn Bhd<br>JPMCB NA for Vanguard Total International Stock Index Fund | 49,290,821 | 1.41% |
| 14. | Citigroup Nominees (Tempatan) Sdn Bhd<br>Great Eastern Life Assurance (Malaysia) Berhad (PAR 1) | 47,265,180 | 1.35% |
| 15. | HSBC Nominees (Asing) Sdn Bhd<br>JPMCB NA for Vanguard Emerging Markets Stock Index Fund | 46,358,834 | 1.32% |
| 16. | Citigroup Nominees (Tempatan) Sdn Bhd<br>Employees Provident Fund Board (AHAM AM) | 41,206,940 | 1.18% |
| 17. | HSBC Nominees (Asing) Sdn Bhd<br>HSBC BK PLC for Kuwait Investment Office (KIO) | 40,518,100 | 1.16% |
| 18. | AmanahRaya Trustees Berhad<br>Public Islamic Dividend Fund | 33,957,408 | 0.97% |
| 19. | Permodalan Nasional Berhad | 31,924,480 | 0.91% |
| 20. | AmanahRaya Trustees Berhad<br>Amanah Saham Bumiputera 3 – Didik | 31,380,900 | 0.90% |
| 21. | Cartaban Nominees (Asing) Sdn Bhd<br>Exempt AN for State Street Bank & Trust Company (WEST CLT OD67) | 30,751,600 | 0.88% |
| 22. | Citigroup Nominees (Tempatan) Sdn Bhd<br>Employees Provident Fund Board (CIMB PRIN) | 27,108,975 | 0.77% |
| 23. | Cartaban Nominees (Tempatan) Sdn Bhd<br>PAMB for Prulink Equity Fund | 25,448,200 | 0.73% |
| 24. | HSBC Nominees (Tempatan) Sdn Bhd<br>HSBC (M) Trustee Bhd for Principal Dali Equity Growth Fund | 24,581,300 | 0.70% |
| 25. | Cartaban Nominees (Asing) Sdn Bhd<br>State Street London Fund U8T8 for PineBridge Asia Ex Japan Small Cap Equity Fund (PineBridge GL F) | 24,276,700 | 0.69% |
| 26. | HSBC Nominees (Asing) Sdn Bhd<br>JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II | 24,156,700 | 0.69% |
| 27. | Citigroup Nominees (Asing) Sdn Bhd<br>Exempt AN for Citibank New York (Norges Bank 14) | 21,143,400 | 0.60% |
| 28. | AmanahRaya Trustees Berhad<br>Amanah Saham Bumiputera 2 | 21,000,000 | 0.60% |
| 29. | Citigroup Nominees (Asing) Sdn Bhd<br>UBS AG | 19,988,405 | 0.57% |
| 30. | HSBC Nominees (Asing) Sdn Bhd<br>Exempt AN for Morgan Stanley & Co. LLC (Client) | 19,451,519 | 0.55% |
| | | **2,148,407,102** | **61.30%** |

## DIRECTORS' SHAREHOLDINGS IN IJM CORPORATION BERHAD
as at 30 June 2024

| Name of Directors | Number of Shares | | Percentage of Issued Shares |
|---|---|---|---|
| | Direct | Deemed | |
| Tan Sri Dato' Tan Boon Seng @ Krishnan | 9,847,466 | 1,021,972[1] | 0.310% |
| Lee Chun Fai | 977,500 | 250,000[1] | 0.035% |
| Dato' David Frederick Wilson | - | - | - |
| Goh Tian Sui | - | 10,000[1] | Negligible |
| Tunku Alina Binti Raja Muhd Alias | - | - | - |
| Tan Ting Min | - | - | - |
| Dato' Ir. Tan Gim Foo | - | - | - |
| Loh Lay Choon | - | - | - |
| Datuk Ir. Ahmad 'Asri bin Abdul Hamid | - | - | - |
| Datuk Lee Teck Yuen | 11,764,692 | - | 0.336% |
| Azhar Bin Ahmad | - | - | - |

Note:
[1] Through a family member

## KEY SENIOR MANAGEMENT'S SHAREHOLDINGS IN IJM CORPORATION BERHAD
as at 30 June 2024

| Name of Key Senior Management | Number of Shares | | Percentage of Issued Shares |
|---|---|---|---|
| | Direct | Deemed | |
| Dato' Edward Chong Sin Kiat | 697,700 | - | 0.020% |
| Wong Heng Wai | - | - | - |
| Datuk Wong Tuck Wai | - | - | - |
| Lau Liang See | 102,000 | - | 0.003% |
| Wan Salwani Binti Wan Yusoff | 361,700 | - | 0.010% |
| Viswanathan Nagarajan | - | - | - |
| Chan Weng Yew | 37,700 | - | 0.001% |
| Mazlim Bin Husin | 37,700 | - | 0.001% |

# OPTIMISING NETWORKS. ENSURING MOBILITY

In FY2024, our toll portfolio saw mixed results. In Malaysia, a restructuring exercise at BESRAYA and LEKAS led to lower toll rates but extended concession periods, setting the stage for future growth despite short-term revenue setbacks. The New Pantai Expressway is in advanced stages of restructuring and involves major upgrading works that will enhance the highway's connectivity to Kuala Lumpur city centre.

The West Coast Expressway saw its Perak alignment fully opened to the public during the year while the Selangor stretch is due for completion in FY2026, culminating in the country's second longest tollway aimed at improving travel efficiency and supporting economic development along the corridor. In India, toll losses declined and one concession expired.

Lebuhraya Kajang Seremban (LEKAS) is a dual three-lane highway between Kajang and Seremban

# CHAIRMAN'S STATEMENT


Dear Stakeholders,

Our increasing focus on the Group's '**Drive Growth**' strategic pillar has started to bear fruit. I am delighted to report that year-on-year revenue increased by 29.4% while profit after tax and minority interest grew almost four-fold from FY2023. For the first time in six years, the company's current market value surpassed the consolidated net tangible assets.

Our business segments are seeing positive organic growth prospects. Additionally, we are reprioritising our expansion strategies geographically to leverage breakthrough successes and we are entering adjacent business verticals for potential synergies.

As our opportunities evolve, we will also explore optimising our capital profile to better distinguish our concession-related business. This would improve the Group's cost of capital and provide us a more potent balance sheet to undertake large-scale projects in future.

As we continue our journey of delivering value to our stakeholders, the Group remains committed to advancing our three-pronged strategic focus, which is anchored by our strong reputation, execution capabilities and financial discipline.


Saujana Duta, S2 Heights, Seremban

**Revenue**

RM**5,918.81** million

**PATMI**

RM**600.28** million

"This is the fifth consecutive year when our net operating cash flow exceeded RM1 billion, showcasing the consistent strength of our business operations."

## OPERATING AND FINANCIAL PERFORMANCE

The year 2023 saw continued economic recovery in Malaysia, which grew by 3.7%, normalising from a growth of 8.7% in 2022. Despite relatively high levels of global inflation, geopolitical tensions and the US dollar strength, the Malaysian economy saw a resilient domestic demand, improving labour market conditions and a resurgence in private sector capital spending, particularly in information technology and electrical and electronics. The economic vibrancy was reflected in the uplift in the Group's operating activities during the year.

In FY2024, the Group achieved revenue amounting to RM5,918.81 million, representing a 29.4% increase compared to RM4,572.49 million in the preceding year. Additionally, the Group recorded pre-tax profits of RM964.17 million, representing a substantial increase of 99.6% compared to RM483.03 million in the previous year. Correspondingly, consolidated profit after tax and minority interest increased by 279.3% to RM600.28 million from RM158.28 million last year.

With improving economic conditions, our business operations continued to generate significant cash flow. Operating activities yielded RM1,159.53 million in FY2024, 7.5% higher than RM1,078.45 million the previous year. It marked the fifth consecutive year when our net operating cash flow exceeded RM1 billion, showcasing the consistent strength of our business operations.

As of 31 March 2024, the Group held substantial cash reserves of RM2,870.39 million and had a net debt of RM2,663.91 million. Due to prudent financial management, net gearing increased slightly to 0.26 times. The consolidated balance sheet remains healthy, especially considering that the Group's business model includes using long-term non-recourse debt to develop our concession assets portfolio.

## BUSINESS OUTLOOK AND OPERATIONAL STRATEGIES FOR FY2025

The global economy is expected to sustain its steady growth path in 2024, with a projected growth of 3.2%, marginally higher than the previous year. This outlook is supported by a declining inflation trend and strong global trade, but potentially dampened by weak demand in China and Europe, as well as ongoing conflicts in the Middle East and Ukraine.

On the domestic front, Malaysia is expected to experience an accelerated growth of between 4.0% to 5.0% in 2024, supported by favourable global economic conditions and higher domestic expenditure. The healthy growth also provided the Government an opportunity to undertake necessary domestic policy reforms, such as the introduction of the National Energy Transition Roadmap and New Industrial Master Plan. Although diesel subsidy rationalisation and the hike in service tax rate have adverse bearing on the inflation outlook, targeted cash assistance to address cost of living concerns, and continued resilience in domestic public and private spending are expected to sustain the positive economic trajectory.

# CHAIRMAN’S STATEMENT

The Malaysian landscape is witnessing a resurgence in foreign direct investments and interest, primarily from multinational manufacturing companies adopting a China Plus One strategy. Additionally, there is a surge in new data centre developments, activities at the Johor-Singapore Special Economic Zone as well as the transformation of the Sarawak state’s economy. They represent opportunities for the Group, which has already made inroads in some of these new developments.

The Group is optimistic of the outlook for our business divisions. Order book replenishment prospects for the Construction and Industry Divisions are bright. Additionally, strong property sales in FY2024, improved cargo throughput at the Port operations, and tollway traffic growth are expected to sustain the Group’s growth momentum.

In FY2024, the Construction Division secured RM3.7 billion in new construction contracts, delivering an outstanding order book of RM6.0 billion at the year-end. A strong balance sheet and track record positions the Group well to pursue projects in manufacturing, large data centres, logistics warehouses, and upcoming mega public infrastructure projects like the Klang Valley MRT 3, Penang LRT, and flood mitigation initiatives.

The Property Division achieved sales of RM2.4 billion in FY2024, marking this the third consecutive year we surpassed the RM2 billion mark. While maintaining a positive outlook on property sales, the division has also diversified into the thriving logistics sector by co-developing two warehousing logistics buildings during the financial year. Both locations are earmarked to be operated by established logistics and supply chain players, which will provide these investment properties with stable recurrent income upon operational commencement.

The division also made significant inroads into the UK property market. In the near term, we will be embarking on Phase Two of the Royal Mint Gardens, London, building upon the breakthrough success of the first phase. Phase Two entails the development of a 455-unit aparthotel, in collaboration with an established operator, along with 79 residential units. Additionally, the division will redevelop a recently acquired 11-acre piece of land in Welwyn Garden City into a residential-led mixed-development that is strategically located adjacent to a train station and mature shopping area.

The division’s exclusive partnership with Network Rail Property in UK property development ventures gives us the opportunity to identify suitable brownfield sites, owned by Network Rail, and “create” new development space above railway infrastructure as part of the urban regeneration of Central London. The partnership has thus far identified eight sites that are now at the stage of detailed infrastructure and enabling design works with key stakeholders and planning authorities.

Following two successive years of record-breaking financial performance, the growth momentum of the Industry Division is expected to continue on the back of the resurgent construction sector, both domestically and abroad. The division’s balance order book, which was approximately 900,000 metric tonnes as of 31 March 2024, is expected to underpin our performance in the near term. Meanwhile, our SMART IBS capabilities continue to grow in strategic importance as part of the Group’s construction solution, especially for industrial projects with accelerated timelines.

Kuantan Port saw a marked recovery in cargo throughput in FY2024 to 26.2 million freight weight tonnes compared to 22.7 million freight weight tonnes in FY2023. Notably, there was an increase in dry bulk cargo handled during the financial year, largely driven by the growth in bauxite, coal, iron ore and steel products. During the year, the pick-up in foreign direct investments activities at the Malaysia-China Kuantan Industrial Park (“MCKIP”) signalled promising long-term growth for Kuantan Port. Furthermore,

BESRAYA Highway

ICP Piles used in Batang Lupar Bridge Project, Sarawak

"In April 2023, IJM announced our climate strategy, which entails transitioning to net-zero carbon emissions by 2050 while concurrently establishing climate resilience across the Group"

the Government's commitment to infrastructure development in the area, predominantly through the East Coast Rail Line project, positions Kuantan Port as a crucial driver for the economic growth of the East Coast region.

The Group's Toll operations experienced a complete recovery in traffic volumes to pre-Covid levels after the reopening of economic activities. The concessions of BESRAYA and LEKAS have been restructured to be operated for a longer duration. The restructuring of NPE is presently in advance stages of negotiations with the Government and involves major upgrading works. NPE2 has been identified under the KL Structure Plan 2040 as part of a planned highway network extension to enhance road connectivity with other highways, as well as facilitate smoother traffic flow and effective dispersal. Following the restructuring of the NPE, IJM will own three highways boasting established traffic profiles and with extended concessions periods. This positions the Group with considerable value-unlocking potential that may pave the way for further growth undertakings.

Meanwhile, the Group continues to nurture our highway concessions in India that are in the early stages of maturity, while working to secure additional build-operate-transfer highway concessions from the resumed tender activities post-Indian general elections.

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

## COMMITMENT TO CORPORATE GOVERNANCE AND SUSTAINABILITY

In recent years, sustainability has grown rapidly as a strategic imperative for organisations. As societies worldwide confront urgent environmental and social issues, businesses recognise the need to adopt sustainable practices for long-term success and to mitigate negative impacts on planetary health and people at large. At IJM, we prioritise sustainability to align our goals with the broader societal interest, promoting environmental stewardship, social equity, and economic resilience.

In April 2023, IJM announced our climate strategy, $R_2O$, which entails transitioning to net-zero carbon emissions by 2050 while concurrently establishing climate resilience across the Group. We made encouraging progress across our four key sustainability pillars of Marketplace, Environment, Workplace and Community.

Our Corporate Governance Statement can be found on pages 98 to 109, and our sustainability performance is detailed in the Sustainability Statement on pages 128 to 215.

## APPRECIATION

Two board members, Mr Goh Tian Sui and Tunku Alina Raja Muhd Alias will be retiring at the conclusion of our Annual General Meeting on 29 August 2024. On behalf of the Board of Directors, I wish to record our sincere appreciation for their years of service and invaluable contributions rendered to the Group.

I would like to thank our investors, customers, business associates, and partners for your continued support throughout our journey. To our Management and staff, I wish to thank you for your dedication, hard work, and unwavering commitment, which have been the cornerstone of our success. Through the various economic cycles and challenging business circumstances, your resilience and determination have exemplified the entrepreneurial spirit of our Group. Together, I am confident that we will deliver successful outcomes, like we have in the past.

**Tan Sri Dato' Tan Boon Seng @ Krishnan**
Chairman

# MANAGEMENT DISCUSSION AND ANALYSIS

**Lee Chun Fai**
Group Chief Executive Officer
& Managing Director

Dear Stakeholders,

It is my pleasure to present this report, showcasing IJM's positive "**Drive Growth**" momentum and stellar achievements, underpinned by the collective efforts of our leadership and people in propelling the Group forward on a promising journey of robust growth and innovation.

I am proud to report that our businesses have not only successfully navigated the various courses ahead of us, but also thrived despite many challenges of the past year. In FY2024, IJM recorded commendable financial results and continued to build new growth drivers. This result is the outcome of our strategic initiatives, dedication of our teams and our unwavering commitment to delivering excellence in every aspect of our operations.

IJM's strategic emphasis on driving growth, building resilience, and nurturing capabilities has been fundamental in guiding our initiatives and ensuring continuous value delivery to all stakeholders. This year's Annual Report theme of "**Stronger Core, New Growth Engines**" aptly captures the Group's existing strong business fundamentals and organic growth outlook, coupled with newly identified growth drivers.

## BUSINESS ENVIRONMENT

The global economic growth moderated to 3.1% in 2023, from 3.4% a year ago. Malaysia's economy grew 3.7% in 2023, a normalised level compared to 8.7% recorded the previous year and was mainly weighed down by the challenging external environment of slower global trade, the global tech downcycle, geopolitical tensions and tighter monetary policies. Despite these challenges, domestic growth was supported by lower unemployment, steady growth in private consumption as well as continued public and private capital spending.

Continuing the growth momentum from 2022's rebound of 5.0%, the Malaysian construction industry grew 6.1% in 2023. The private sector made a significant comeback, triggered by a demand for high-rise residential developments, logistics projects and data centre developments. In the public sector, the government took steps to boost economic growth with various national projects, including accelerating large-scale public transportation projects whilst igniting transit-oriented developments, intercity rail links with the revitalisation of real estate in the surrounding areas.

**Gross Profit**
RM **1,550.24** million

**EBITDA**
RM **1,572.28** million

**Return on Equity**
**5.88** %

**Financial Performance**

| | | FY2024 | FY2023 | Increase |
|---|---|---|---|---|
| Revenue | RM'million | 5,918.81 | 4,572.49 | 29.4% |
| Gross Profit | RM'million | 1,550.24 | 1,179.95 | 31.4% |
| EBITDA | RM'million | 1,572.28 | 1,063.99 | 47.8% |
| PBT | RM'million | 964.17 | 483.03 | 99.6% |
| Core PBT | RM'million | 821.87 | 798.03 | 3.0% |
| Net Profit | RM'million | 665.19 | 211.60 | 214.4% |
| PATMI | RM'million | 600.28 | 158.28 | 279.3% |
| Gross Profit Margin | % | 26.2 | 25.8 | |
| PBT Margin | % | 16.3 | 10.6 | |
| Net Profit Margin | % | 11.2 | 4.6 | |
| Return on Total Assets | % | 2.82 | 0.77 | |
| Return on Equity | % | 5.88 | 1.61 | |

During the financial year ended 31 March 2024 ("FY2024"), the Group recorded a notable 29.4% increase in consolidated revenue, rising from RM4,572.49 million to RM5,918.81 million. This growth was driven by higher revenue in the Construction, Property, Industry, and Infrastructure Port divisions.

The Group's earnings before interest, tax, depreciation, and amortisation ("EBITDA") surged by 47.8%, reaching RM1,572.28 million in FY2024, up from RM1,063.99 million previously. Profit before tax ("PBT") doubled to RM964.17 million, from RM483.03 million in the previous year. Increases in both the EBITDA and PBT were largely contributed by the Infrastructure Toll and Port businesses.

# MANAGEMENT DISCUSSION AND ANALYSIS

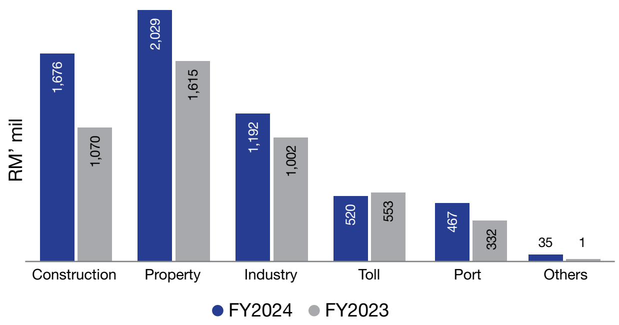
After excluding non-recurring items during the financial period for gains on foreign exchange, revaluation of WCE Holdings Bhd's warrants and impairment reversal on LEKAS's loan stocks, our core PBT was sustained at RM821.87 million, a slight increase of 3.0% from the previous year's RM798.03 million.

Moreover, the Group's profit after tax and minority interest ("PATMI") almost quadrupled, amounting to RM600.28 million compared to the previous year, and stands as a testament of our ability to deliver strong value to our shareholders.

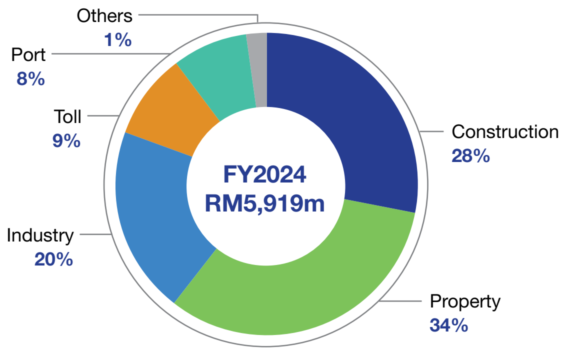
The Group's impressive financial performance in FY2024 underscores our commitment to growth and operational excellence. Our strong financial results, driven by the robust performance of our business division, affirm the strategic direction and initiatives adopted by the Group to steer ahead as a market leader in each of our businesses.

Details of individual divisional performances are elaborated in the following pages.

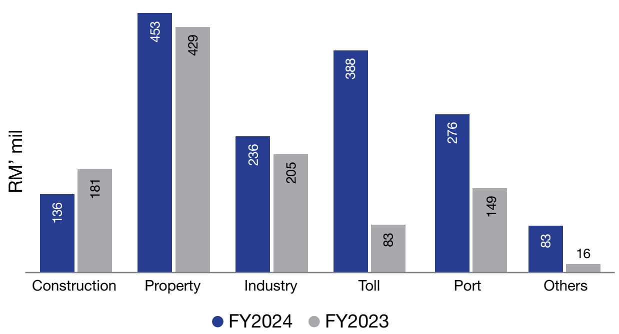
### Group Revenue by Division (RM'million)



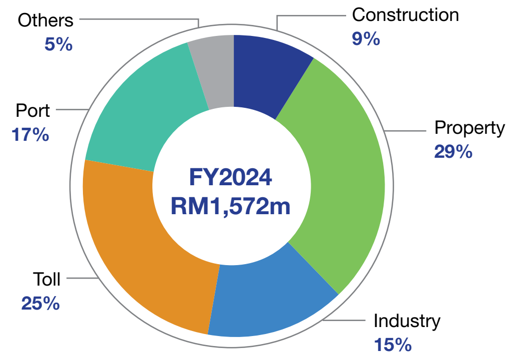

### Group Revenue by Division (Proportion %)



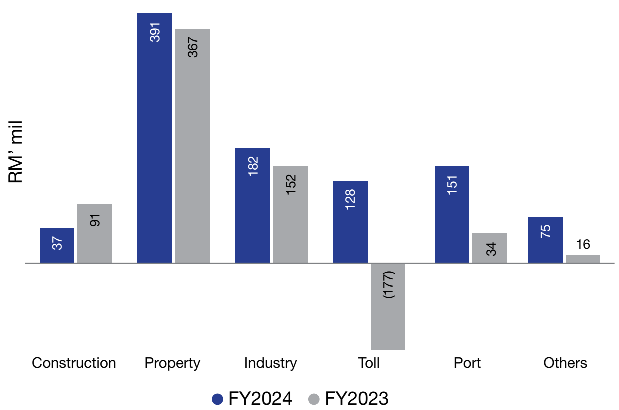

### Group EBITDA by Division (RM'million)



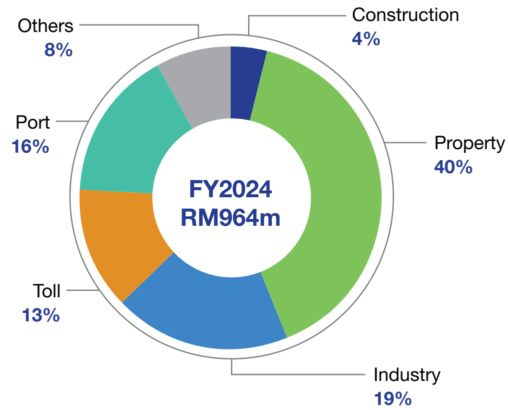

### Group EBITDA by Division (Proportion %)




### Group PBT by Division (RM'million)




### Group PBT by Division (Proportion %)



**Financial Position**

| | | FY2024 | FY2023 | Increase |
|---|---|---|---|---|
| Total Assets | RM'million | 21,315.32 | 20,510.60 | 3.9% |
| Total Liabilities | RM'million | 9,996.47 | 9,549.53 | 4.7% |
| Shareholders' Funds | RM'million | 10,216.51 | 9,843.76 | 3.8% |
| Total Equity | RM'million | 11,318.86 | 10,961.07 | 3.3% |
| Total Borrowings | RM'million | 5,534.30 | 5,364.84 | 3.2% |
| Total Bank Balances | RM'million | 2,870.39 | 2,825.16 | 1.6% |
| Net Assets per Share | RM | 2.91 | 2.80 | |
| Net Gearing | % | 26.1 | 25.8 | |

"Our strong financial results, driven by the robust performance of our business divisions, affirm the strategic direction and initiatives adopted by the Group to steer ahead as a market leader in each of our businesses."

The Group maintained a healthy balance sheet through prudent management. In FY2024, total assets rose by 3.9% to RM21,315.32 million, reflecting our ability to generate and retain value. Concurrently, total liabilities grew by 4.7% to RM9,996.47 million, demonstrating our strategic use of leverage to finance growth initiatives. This balanced increase in both assets and liabilities underscores our capacity to invest in future opportunities while maintaining a stable financial position.

Total borrowings grew by 3.2% to RM5,534.30 million by the end of FY2024, with 31.3% due within the next 12 months. The Group has sufficient fund-based facilities, bank balances, and deposits to meet its debt obligations as they become due, reinforcing our strong liquidity position. Foreign currency borrowings, which comprise a quarter of total borrowings, are predominantly long-term and used to finance the Group's overseas projects.

In October 2023, RAM Ratings reaffirmed the Company's RM3.0 billion Sukuk Murabahah Programme with a rating of 'AA3/Stable'. In addition, RAM Ratings has assigned respective AA3(s) and P1(s) ratings to the Group's established funding vehicle, IJM Treasury Management Sdn Bhd's proposed Islamic Medium-Term Notes Programme and Islamic Commercial Papers Programme with a combined limit of RM5.0 billion.

By the end of the financial year, the Group's net assets per share increased to RM2.91, up from RM2.80 the previous year. Corresponding with the rise in total borrowings, the Group's net gearing ratio slightly increased to 26.1% as of 31 March 2024, compared to 25.8% the previous year. The current low net gearing ratio provides us with ample headroom to fund new projects and seize growth opportunities.

As of 31 March 2024, total capital commitments of the Group amounted to RM254.45 million. Purchases of property, plant, and equipment constituted 72.8% of these commitments, primarily related to the Industry Division's purchase of a new factory and other asset enhancements.

# MANAGEMENT DISCUSSION AND ANALYSIS

**Cash Flows**

| Net inflow/(outflow) | | FY2024 | FY2023 | Increase/ (Decrease) |
|---|---|---|---|---|
| Operating Activities | RM'million | 1,159.53 | 1,078.45 | 7.5% |
| Investing Activities | RM'million | (294.73) | (159.04) | 85.3% |
| Financing Activities | RM'million | (835.48) | (1,001.38) | (16.6%) |
| Closing Cash and Cash Equivalents | RM'million | 2,845.75 | 2,807.82 | 1.4% |

Our net operational cash inflows remained robust at RM1,159.53 million in FY2024, reflecting our operational efficiency and the positive impact of our expanded operations. Investing activities cash outflow saw an increase of 85.3% to RM294.73 million. This rise was due to expenditures on purchases of property, plant, and equipment, right-of-use assets and investment properties to expand our business activities. We aim to optimise our investment approach and balance our capital allocation while preserving cash flow for future initiatives.

Net cash flow used in financing activities saw lower outflows in FY2024 mainly due to higher repayment of borrowings in the previous year. Overall, closing cash and cash equivalents of the Group improved marginally to RM2,845.75 million as of 31 March 2024 from a year ago.

To maintain sufficient liquidity and cash flow for managing working capital and meeting financial obligations, the Group enforces stringent credit terms and debt collection policies. We also prioritise effective credit utilisation to maintain a comfortable leverage level, alongside continuous financial planning efforts.

**Dividends**

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

For FY2024, the Company declared a single tier second interim dividend of 5 sen per share and a special dividend of 1 sen per share, both paid on 19 July 2024. Combined with a single tier first interim dividend of 2 sen per share paid earlier on 29 December 2023, the total dividends declared for this financial year amounted to 8 sen per share totalling RM280.49 million.

In FY2023, the Company paid a single tier first interim dividend of 2 sen per share on 30 December 2022 and a single tier second interim dividend of 4 sen per share, along with a special dividend of 2 sen per share, on 21 July 2023. Total dividends declared were 8 sen per share.

IJM's consistent dividend payments reflect its robust financial health and commitment to returning value to its shareholders.

Artist's impression of the integrated waterfront development, The Light City, Penang

## BUSINESS STRATEGY

The Group's Strategic Focus— Drive Growth, Build Resilience, Nurture Capabilities—initiated in early 2020, proved crucial in navigating the pandemic period. With the onset of a global recovery, we have shifted our priorities towards the Group's "Drive Growth" agenda of the Group Strategic Focus for the financial years 2023–2025.

**The Group's Strategic Focus for FY2023 – FY2025**

**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 mergers and acquisitions

**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

**NURTURE CAPABILITIES**

- Continue our digital transformation journey, embrace innovation and Industry 4.0
- Enhance best practices of sustainability across 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

### Drive Growth

Buoyed by our strong financial strength, the Group is poised to actively engage in upcoming government infrastructure projects and continue to expand our portfolio of recurring income projects through the Public-Private Partnership (PPP) model.

In the near term, the Group sees a better outlook across all our divisions. Prospects for the Construction Division are anchored by a healthy order book of RM6.0 billion as of 31 March 2024 and coming on stream of large-scale public infrastructure and industrial property projects. The Property Division, in the meantime, expects to benefit from steady pipeline of mixed-range products and unbilled sales of RM2.6 billion as of 31 March 2024.

The Industry Division achieved a record-high financial performance in FY2024 with a sustainable spun piles order book of around five months or approximately 900,000 MT as of 31 March 2024, with improving margins. In addition to that, traffic volume at the Toll Division has recovered to pre-pandemic levels for NPE and BESRAYA with a possible brownfield extension of these toll highways. Promising traffic growth is observed at LEKAS highway. The concessions of BESRAYA and LEKAS have been restructured, and the restructuring of NPE is now in advanced negotiations with the government. Upon completion, IJM will own three highways with established traffic patterns and renewed concession periods, creating opportunities for potential value realisation.

The Port Division is experiencing rising cargo throughput from improving regional activity and expanding clientele as well as sizeable opportunities due to growing investments in the Malaysia-China Kuantan Industrial Park ("MCKIP"). The tariff revisions implemented since April 2023 will auger well for future growth. In the longer term, Kuantan Port is well-positioned for further brownfield expansion following the successful implementation of Phase 1A of the New Deep Water Terminal. Further capacity expansion is vital to serve the oncoming sizeable foreign direct investments in nearby industrial parks. Notably, Alliance Steel Sdn Bhd, the current largest investor at MCKIP, is planning its Phase 2 plant expansion. Based on this, the division is planning capital expenditure requirements to cater to the sizeable uplift in future cargo volumes at the port.

The construction of the highly acclaimed integrated waterfront development, The Light City, Penang is ongoing. This mixed-development project, undertaken via a joint venture with Singapore developer Perennial Holdings Private Limited, will be a major investment property for the Group when completed. The project is planned under two phases. Phase 1 will consist of a 340,000 sq ft convention centre, a 1 million sq ft GFA retail mall, 34-storey hotels (4 - and 5 - star) and office towers, as well as a luxurious residential tower, Mezzo.

# MANAGEMENT DISCUSSION AND ANALYSIS

"While our core business divisions continue to drive organic growth, the Group has ventured into new synergistic businesses, particularly in logistics."

The first phase is targeted to complete progressively from Q1 2025. Phase 2 will consist of another 500,000 sq ft retail mall (which totals to a 1.5 million sq ft GFA, making it the largest retail mall in Penang), a commercial tower, and a second luxurious residential tower, Lightwater Residences.

While our core business divisions continue to drive organic growth, the Group has ventured into new synergistic businesses, particularly in logistics. The Group has invested in the EXIO Logistics hubs in Shah Alam, and in Global Vision Logistics Sdn Bhd ("GVL"), which is developing the Shah Alam International Logistics Hub ("SAILH"), one of ASEAN's largest logistics hub of six million sq ft and the first green certified logistics hub in Malaysia. These investments are spurred by strategic moves to address the increasing demands of the logistics sector that is riding on the e-commerce growth wave and supply chain diversification. These developments will enhance the Group's position in the industrial real estate market. The Group established its first green bond to fund the EXIO Logistics project in April 2024.

The Group is also expanding its geographical footprint in East Malaysia, UK, Indonesia and India. In East Malaysia, the Group is currently working to secure some projects allocated by the Malaysian Budget 2023 for Sabah (RM6.5 billion) and Sarawak (RM5.6 billion). During FY2024, we secured The Rembus Depot and Associated Works for the Kuching Urban Transportation System which houses the hydrogen-powered smart tram, Autonomous Rapid Transit (ART).

To participate in the development of the new administrative capital of Nusantara in Indonesia, IJM has submitted a proposal to the Indonesian Government to build 20 towers of public servants apartments with smart building features incorporating digitalisation, integrated building management system and green building development concepts. The proposal is currently under assessment.

In the UK, the Property Division is leveraging on the successful development of the Royal Mint Gardens in London. The division is partnering Network Rail Property to seek development opportunities on land adjacent to railway infrastructure and through oversite developments in the UK. The partnership has identified eight sites in Central London and its inner suburbs to be explored for development into mixed-use schemes, residential, commercial or logistics properties. Detailed infrastructure and enabling design works are currently underway. Consultation and engagement with key stakeholders and planning authorities on the regeneration schemes will occur throughout 2025.

The division has recently acquired an 11-acre brownfield site known as The Wheat Quarter (North Side) strategically located in Welwyn Garden City, a key commuter town in Hertfordshire County, for a residential-led mixed-used development. The development is strategically located adjacent to the Welwyn Garden City train station and connected to a mature shopping area as well as major retailers by a footbridge, it ensures easy access to London, with King's Cross Station just 28 minutes away by train.

The road infrastructure opportunities in India are very promising with the National Highways Authority of India (NHAI) set to roll out new BOT tenders totalling RM111 billion over the next few years. The Group is leveraging its extensive experience in India, where it has operated since 1998, to secure projects in the road infrastructure sector as the country recently completed its general election.

As we move forward, we remain dedicated to capitalising on growth opportunities and enhancing shareholder value.

**Build Resilience**

During FY2024, the Group recorded a strong financial performance despite moderate economic growth globally and domestically. EBITDA and PBT increased by 47.8% and 99.6% to RM1,572.28 million (FY2023: RM1,063.99 million) and 964.17 million (FY2023: RM483.03 million) respectively, supported by improved performances by our business divisions. These financial achievements reinforce our confidence in our business model and strategic direction.

It is the Group's practice to ensure that there is always sufficient liquidity and cash flow to meet our financial obligations. Improving economic activities across major sectors in FY2024 has enabled the Group to sustain healthy operating cash flow at above the RM1.0 billion level for the fifth consecutive year. Simultaneously, we focused on managing capital expenditures and optimising working capital to strengthen our balance sheet. Our deposits, cash and bank balances at the year-end stood higher at RM2.87 billion (FY2023: RM2.83 billion).

However, the net gearing increased slightly to 26.1% from 25.8% a year ago, due to higher borrowings of RM5.53 billion in FY2024 (FY2023: 5.36 billion) to fund our business operations.

The Group has consistently taken proactive measures to decrease its completed property inventory, progressively reducing it over the years to RM738.15 million (FY2023), from RM865.42 million (FY2022), and RM1,150.90 million (FY2021). As of FY2024, the balance completed property inventory was RM908.71 million, primarily due to the inclusion of newly available commercial office in Changchun, China valued at RM339.20 million. The Property Division will continue to implement strategies to market and sell these inventories effectively to maintain low inventory levels.

Following the Group's divestment of our 56.2% stake in IJM Plantations in FY2022, the Group has realigned its businesses to concentrate on the Construction, Property, Industry and Infrastructure Divisions, thereby gaining synergistic benefits. The net proceeds of RM1.53 billion from the disposal strengthened IJM's balance sheet and as of 31 March 2024, these funds have been fully deployed to various investments, capital expenditure, capital management activities, payment of dividends to shareholders, share buybacks, general working capital and incidental expenses. In FY2024, the total share buyback of 6,735,800 shares at an average price of RM1.51 totalling RM10.19 million is yielding significant benefits at current market prices.

The Group will remain vigilant and prudent in our management approach, ensuring business and financial resilience as we navigate the highly demanding business environment.

**Nurture Capabilities**

As part of our commitment to nurturing capabilities, we have made considerable investments in this area. In FY2024, IJM continued to enhance its digital transformation journey in its businesses and strengthen its digital backbone, the SAP system. Additionally, the Group continues to focus on key innovation areas for FY2023 – FY2025, under three pillars: enhancing process automation and workplace modernisation, increasing digital insights and analytics, and developing a competitive business advantage.

Our sustainability initiatives have advanced significantly following the implementation of the Group Sustainability Roadmap for FY2023 – FY2025, bolstering our efforts in the areas of Marketplace, Environment, Workplace, and Community. With our commitment to achieving net-zero carbon emissions by 2050, we are focusing on taking actions to address the evolving risks and opportunities associated with climate change as well as pursue green credentials. Furthermore, our Community Investment framework and strategy is aligning our community efforts across the Group. More details of our progress can be found in the Sustainability Statement on pages 128 to 215.

Throughout FY2024, we remained committed to enhancing the Group's compliance and risk management framework. This included ongoing assessments of divisional and departmental risk profiles, along with our annual review of the Anti-Bribery and Corruption System. More information on these efforts is detailed in the Statement on Risk Management and Internal Control on pages 116 to 125.

We are dedicated to developing our workforce capabilities by promoting a performance-oriented culture through the Group's performance management system and business strategies by aligning rewards with performance. Additionally, we prioritise robust assessments to identify future leaders as part of our succession planning efforts.

"With our commitment to achieving net-zero carbon emissions by 2050, we are focusing on taking actions to address the evolving risks and opportunities associated with climate change as well as pursue green credentials."

# MANAGEMENT DISCUSSION AND ANALYSIS

## IJM'S VALUE CREATION JOURNEY

The Group endeavours to create value for shareholders and stakeholders through our diversified businesses, excellent track record and good corporate governance. We deploy valuable resources and input capital to achieve our vision, mission and business strategies.

**The following diagram demonstrates our value creation journey:**

### HOLISTIC VALUE CREATION

### Our Businesses: Focused and Synergistic

With more than four decades of success, IJM holds leading positions across our business divisions in Construction, Property, Industry, and Infrastructure Toll and Port. Our strategy is backed by our strong delivery capabilities, good corporate governance and a drive for excellence, which resulted in a sustainable business model that has delivered and enhanced value.

### Construction

IJM Construction has been entrusted with many projects that have sculpted the landscape 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, residential and industrial 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 international market. 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 are currently the largest spun piles manufacturer in South East Asia.

### Infrastructure

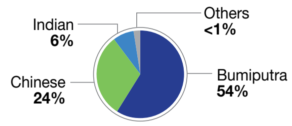
Our capabilities and expertise enable us to participate in the entire infrastructure development value chain – from investing, designing and constructing to operating infrastructure assets. Our concessions are products of public-private partnerships whereby the government leverages on private sector financing and expertise for infrastructure development whilst deploying limited public sector resources to other developmental initiatives. Our international portfolio of toll roads and port have benefitted communities in the cities and countries where we operate.

***Toll***

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, has been expanded to include a deepwater terminal that aims to catalyse the future growth of industrial and manufacturing activities in the area.

| INPUT CAPITAL | | VALUE CREATION FOR |
|---|---|---|
| **Financial Capital**<br>Funds raised from the financial markets, banks and internally generated cash flows enable our business growth and productivity. | Capital employed **RM16.3 billion ("bn")** | A leader in **construction and civil engineering**, we built to date:<br>• Roads **2,580 km** (including design and build basis)<br>• Bridges and viaducts **185 km**<br>• Railways **165 km** (including infrastructure for LRT, KTM, MRT and monorail projects in Malaysia)<br>**Building construction projects** in Malaysia to date:<br>• Commercial and cultural project **RM10.8 bn** (office towers, shopping malls, museum and convention centres and educational institutions) |
| **Intellectual Capital**<br>Significant know-how expertise and track record in the areas of construction, property, industry, and infrastructure toll and port. | **40 years** in business<br>**Business Strategy**<br>• Build Resilience<br>• Drive Growth<br>• Nurture Capabilities | • Maximising our portfolio of net attributable remaining land bank of **3,000 acres** with a **Gross Development Value (GDV)** of **RM42 bn** in Malaysia, **6 acres** with a **GDV of RM1.8 bn** in the United Kingdom and **68 acres** with GDV of **RM1.6 bn** in India<br>• **Property sales of RM2.37 bn. Unbilled sales of RM2.6 bn** |
| **Human Capital**<br>Our people's competencies and capabilities are the essence that empowers the Group to achieve its business objectives. | **3,502** employees | Malaysian workforce:<br><br> |
| **Manufactured Capital**<br>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<br>**8** Ready Mixed Concrete Plants (5 in India)<br>**7** Quarries (1 in India)<br>**1** IBS Plant<br>**1** UBON Bars Factory<br>**1** Sand Mining Plant<br>**2** Scaffold Master Stores<br>**1** IJM Building Systems<br>**8** Tollways (7 operational and 1 under-construction)<br>**1** Port | • Total weight of piles manufactured since 1977 = **36.0 m MT**<br>• Total volume of ready-mixed concrete produced since 1998 = **8.1 m m³**<br>• Total quarry sales volume since 1996 = **133.9 m MT** |
| **Social and Relationship Capital**<br>We build and maintain relationships with our diverse stakeholders to retain our social license to operate.<br>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 | **Completed green buildings** to date:<br>• **18** GBI projects<br>• **16** GreenRE projects<br>• **7** LEED projects<br>• **The Anti-Bribery and Corruption System (ABCS)** was formalised in the Group pursuant to Section 17A of the MACC Act 2018<br>• Rolled out the revised **ABCS E-learning Module 4.0**, mandated for all employees to complete<br>• All Divisions are certified with the **ISO 9001:2015 Quality Management System** |
| **Natural Capital**<br>We aim to minimise the impact of our environmental footprint and seek to optimise the use of finite natural resources while conducting our business operations. | Net attributable remaining land bank of **3,000 acres** in Malaysia, **6 acres** in United Kingdom and **68 acres** in India for property development | • Construction, Property, Industry and Toll Divisions certified with the **ISO 14001:2015 Environmental Management System**<br>• **Circular economy initiatives** were undertaken by our divisions throughout the year<br>• The **Risk Management and Sustainability Committee ("RMSC")** was formalised to provide oversight on matters relating to climate change across the Group |

| STAKEHOLDERS FY2024 | OUTCOME/IMPACT | LINK TO SDGs |
|---|---|---|
| • Hospital and medical centres **RM2.6 bn**<br>• Resorts and hotels **RM2.7 bn**<br>• High Rise Residential **RM3.5 bn** (serviced apartments and condominiums)<br>• Industrial buildings and railway depot **RM1.9 bn**<br>• Utility – water and power **RM872 m** (water supply, tunnelling, gas turbine facilities and hydroelectric power stations)<br>• Port **RM2.1 bn** (breakwater and deepwater terminal)<br>• Airport complexes **RM736 m**<br>• **Residential and Commercial projects** in India to date: **RM1.4 bn**<br>**Balance order book FY2024:**<br>• Construction order book **RM6 bn**<br>• Industrial Concrete Products Piles order book **0.9 million MT** | Since listing on the Main Market of Bursa Malaysia in 1986:<br>• Market Capitalisation **RM8.52 bn**, *increased 129 times with compounded annual growth rate of 14%*<br>• Total Assets **RM21.3 bn**, *grew 124 times*<br>• Total PBT **RM964 m**, *increased 79 times*<br>**Group Results:**<br>Revenue - **RM5.9 bn**<br>PBT - **RM964 m**<br>EBITDA - **RM1,572 m**<br>Return to Shareholders: Dividends per share **8 sen** | |
| • **Real Estate Investment** with recurring leasing income from Menara Prudential, TRX, Kuala Lumpur<br>• **Expand Overseas footprint** by participating in Nusantara, Indonesia and development opportunities on land adjacent to railway, oversite and other mixed-use developments in the UK. Ramp up tender activities in infrastructure projects in India<br>• **Venture into synergistic businesses** - EXIO Logistics hubs and Shah Alam International Logistics Hub, one of ASEAN largest logistics hub of 6 million sq ft and the first green certified logistics hub in Malaysia | Received numerous accolades, including top developer recognitions and awards for innovative projects, both locally and internationally:<br>**Corporate Awards**<br>1. The Edge Malaysia Property Excellence Awards 2023<br>2. BCI Asia Awards 2023<br>3. StarProperty Awards 2023<br>4. MDA Awards 2023<br>5. Putra Brand Awards 2023<br>**Project Awards**<br>1. StarProperty Awards 2023 - Seremban 2; Sebana Cove; Mezzo, The Light City<br>2. The Edge Malaysia Property Excellence Awards 2023 - Royal Mint Gardens, London<br>3. Malaysia Property Award 2023 - Saujana Duta, S2 Heights, Seremban<br>4. SHEDA Excellence Awards 2023 - RB Development Sdn Bhd<br>page 13 | |
| • Employee satisfaction survey results showed improvement by **seven points** from FY2022 page 178<br>• Women made up about **31%** of the total workforce page 179<br>• About **65%** of the workforce have been with the Group for >5 years page 178<br>• **RM2.6 m** was invested in employees who clocked over **93,600 training hours** page 182<br>• Conducted a total of **44 HSE** consultation programmes and **16 internal audits** in the Construction Division page 187 | • Obtained the title of **Graduates' Choice Award for Most Attractive Graduate Employers to Work For in Property Developer and Construction Categories** in 2023<br>• Received **Malaysia's 100 (M100)** – 1st Runner-up in **100 Most Popular Graduate Employers** in the Construction, Property & Development Sector in 2023<br>page 13 | |
| • **Industrialised Building System ("IBS")** BubbleDeck solution secured numerous contracts across a variety of building projects that includes educational institutions, semiconductor facilities, and data centres. page 148<br>• Utilised **Building Information Modelling ("BIM")** during the pre-construction phase, which enables early visualisation and planning using 3D, 4D and 5D model-based simulation page 163 | • Construction Division embraces digital transformation with the ***MyIJM*** mobile app, eliminating paperwork and enhancing work efficiency. Additionally, it integrates with BIM to drive innovation page 150<br>• Property Division developed **IJM-Connex App**, an end-to-end service provider platform that centralises management of unit's e-billing progress and statements as well as defect management page 150<br>• Industry Division developed **new grade 100 concrete formulation** using optimised materials and technology to improve the strength and consistency of its concrete products page 150<br>• Toll Division launched the **Open Payment Toll Collection System ("OPS")** for seamless digital payments, ultimately providing a better user experience and increased convenience page 150<br>• Port Division implements **automation and AI integration** that minimises operational downtime and enhances resource management page 150 | |
| • Construction, Industry and Port Divisions retained the **ISO 45001:2018** certification; whereas the Toll Divison has been certified the ISO 45001:2018 certification in FY2024. The safety and health data is audited and verified by **Standard and Industrial Research Institute of Malaysia (SIRIM)** page 146<br>• Received **UNGCMYB Forward Faster Sustainability Awards 2023** – Pioneer Sustainable Development Action Recognition page 136<br>• Contribution to community **RM1.3m**, accounting for **0.8% of the Group's FY2023 PATMI** page 141 | **Customer engagement and satisfaction:**<br>• Average **87%** for **Construction projects**<br>• Average **80%** satisfaction level for **Property projects**<br>• Average **95%** satisfaction level for **Industry products and services**<br>• Average **91%** satisfaction level for **Port services**<br>• Average **89%** users satisfaction level for **local highways**<br>page 147<br>• There were **zero confirmed incidences** of corruption across IJM's business operations and there were **zero monetary losses** arising from legal proceedings associated with charges of bribery or corruption in FY2024 page 145<br>• Construction Division received the **Excellent Award** at SHEQ Day 2023, for Menara AFFIN (86%) page 146<br>• Property Division received the **High QLASSIC Achievement Award** at SHEQ Day 2023, for Austin Duta Phase 10B (86%) and Nasa City Phase 3 (84%) in Johor Bahru page 146<br>• **92%** of our community investments were **strategic community investment initiatives**, while **8%** were **charitable initiatives** page 190<br>• **Eleven** scholarships were awarded totalling **RM442,000**, our scholarship programme has benefitted more than **370 students** since its inception page 196<br>• Extended the **flagship MyHome Rehabilitation Programme** to assist four families across Malaysia, contributing over RM113,500 page 201 | |
| • **Rainwater harvesting systems** installed to reduce water consumption page 170<br>• Invested in **water treatment system** at projects with high water discharge to manage our water footprint and meet environmental standards page 170<br>• Industry Division obtained **Eco Label certification by SIRIM**, **MyHIJAU Mark** by Malaysian Green Technology and Climate Change Corporation (MGTC), and **Singapore Green Label** for manufacturing of spun piles and IBS products page 139<br>• Port Division continues to optimise energy performance in line with the **Kuantan Green Port Initiative** page 163 | • The RMSC has endorsed the **integration of climate consideration within the ERM Framework**, with specific likelihood and impact criteria, given the longer time horizon they are assessed against page 156<br>• About **10.57%** of our waste footprint was reused and recycled page 172<br>• Our renewable energy generation capacity expanded to **8,050 kWp** as a result of newly commissioned solar photovoltaic (PV) panels at ICP Klang and Kuantan factories under Industry Division and Kuantan Port page 162<br>• Property, Industry, Port and Toll Divisions **harvested 2,904 m³ of rainwater** for non-potable use, namely for cleaning and landscaping purposes page 170<br>• Toll Division's BESRAYA and NPE highways received **'Gold' certifications from Green Highway Index (MyGHI)** page 165 | |

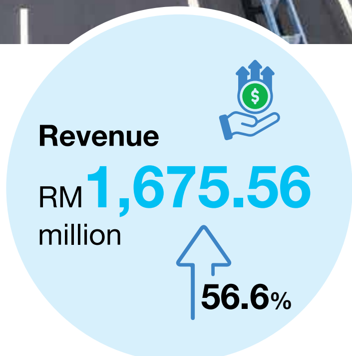
# MANAGEMENT DISCUSSION AND ANALYSIS

# Construction


Section 2, West Coast Expressway

**Key Financial Indicators**

| | FY2024 | FY2023 | Increase/ (Decrease) |
|---|---|---|---|
| Revenue (RM'million) | 1,675.56 | 1,069.91 | 56.6% |
| EBITDA (RM'million) | 136.00 | 181.41 | (25.0%) |
| PBT (RM'million) | 36.81 | 90.98 | (59.5%) |
| PBT Margin (%) | 2.2% | 8.5% | |



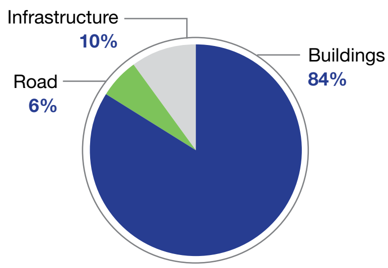
## Outstanding Order Book

In FY2024, the Construction Division secured over RM3.70 billion in new orders, significantly boosting its outstanding order book to RM6.0 billion as of 31 March 2024. These achievements were made possible by securing several substantial projects, including:

- Design, Construction and Completion of a 4-Storey Logistic Hub, 4-Storey Multilevel Parking with 1-Storey Office and ancillary buildings in Shah Alam *(RM653.63 million)*.
- Design, Construction and Completion of Package 2A Immigration Customs and Quarantine Complex (“ICQC”) and Package 2B ICQC External Works for Rapid Transit System Link (“RTS”) in Johor Bahru *(RM1,255.71 million)*.
- Construction and Completion of East Coast Rail Link Project Kuantan Spurline Section 5 in Kuantan *(RM300.27 million)*.
- Design and Build of an Ancillary Building, including pre-cast construction, piling, recreation facilities, and link bridge *(RM190.00 million)*.
- Construction and Completion of The Rembus Depot and Associated Works for the Kuching Urban Transportation System through a joint venture with local companies *(RM260.80 million)*.
- Design, Supply, Install, Testing and Commissioning for the Automated People Mover and All Associated Works at KL International Airport through a joint venture with local companies *(RM105.39 million)*.
- Main Infrastructure Works including earthworks and associated works at MCKILP Logistic Park at Kuantan through a joint venture with a China company *(RM147.36 million)*.

**New Order Book**
RM**3.7** billion

**Outstanding Order Book**
RM**6.0** billion





Commercial Phase 1, First City Project, Nagpur, India

# MANAGEMENT DISCUSSION AND ANALYSIS

### Construction Management Team

Wong Heng Wai | Tan Ling Jin | Ong Teng Cheng | Viswanathan Nagarajan

Dato' Zohari Bin Sulaiman | Chan Kai Leong | Ng Eng Aan | Dow Mun Wah

Ngow Whoong Leong | Liew Yoon Han | Fang Hoong Meng | Ho Meng Soon

Anand Adeppalli | Sim Chooi Leng | Wong Bun Hee

These projects underscore the division's capability to undertake diverse construction projects.

### Boosted by In-house Construction Projects

Furthermore, the division continued to secure in-house construction projects within our established townships such as The Light Penang, IJM Rimbayu, and Seremban 2. These townships are expected to consistently generate new projects for the division, supporting its sustainable business growth.

Internationally, the division is actively pursuing new opportunities through aggressive tendering activities in India and Indonesia, alongside ongoing in-house projects in India. In January 2024, the NHAI announced plans to initiate 49 new BOT projects totalling Rs. 1.98 Lakh crores (RM111 billion) over the coming years, presenting promising opportunities for our operations in India.

In FY2024, the division successfully completed several local projects, including a government building in Penang, a 5-storey industrial and office building in Batu Kawan. For infrastructure projects, the division has completed Sections 1, 2 and 6 of the West Coast Expressway ("WCE") in Selangor, along with Section 11 in Perak. Additionally, in India, the division completed a commercial shops project in Nagpur.

### Challenges

The Construction Division faced challenges throughout the financial year, particularly with ongoing work on delayed sections of the WCE that extended into the current financial year from the prior COVID-19 period. These delays were due to land acquisition matters and delays in approvals that significantly affected the division's overall margin contributions.

Despite these challenges, the division remains optimistic due to a strong order book totalling RM6.0 billion as of 31 March 2024 and anticipated higher construction activities from ongoing projects. This positions the division for potential profit margin recovery and improved performance in the future.

Section 1, West Coast Expressway


Prominent and constant reminders of health and safety measures at project sites

During FY2024, the division achieved a revenue of RM1,675.56 million (FY2023: RM1,069.91 million) and profit before tax of RM36.81 million (FY2023: RM90.98 million). The decline in profit was primarily due to losses recognised from three ongoing projects affected by changes in work scope, increases in building material prices, and prolongation costs whilst potential claims are being pursued. These prolongation costs were caused by the extended construction period to complete four sections of the WCE, coupled with material price escalations for concrete and quarry products and higher transportation costs, which elevated the overall construction costs. Additionally, new projects are currently in their initial construction stages, where no profit has been recognised yet.

### ISO Certifications and Digitalisation Initiatives

During the financial year, the division successfully retained its ISO 45001 and 14001 certifications, demonstrating adherence to the highest standards of health, safety, and environmental ("HSE") performance across all its projects. The division also maintains a robust risk management process, involving thorough identification and assessment at both divisional and operational levels. This system allows our projects to mitigate potential risks through early intervention and incorporate pre-emptive actions into our business processes for continuous improvement.

**ISO 45001 and 14001 certifications**

**21 Active Projects**

# MANAGEMENT DISCUSSION AND ANALYSIS

### Construction Support Services

Soh Wan Heng | Lai Seng Yen | Annuar Khairi Bin Mohd Razali | S Ramesh A/L V Subramaniam

Rozaimy Bin Amiruddin | Casslyn Chong Siew Chen | Michelle Chong Ann Ching | Cho Foong Khuan

Michelle Agnes Pereira | Khoh Boo Yee | Nur Suryani Binti Abd Khalid

Additionally, the division made significant strides in digitalising operational HSE processes, beginning with the Permit to Work and non-conformity management processes, through the launch of the MyIJM app in the first quarter of FY2024. Digitalisation has reduced the reliance on physical paperwork and enhanced work efficiencies across our operations.

Customer satisfaction is the division's highest priority. This dedication compels us to uphold the highest standards of quality, safety, and environmental practices in all our projects. We actively seek customer feedback, which is crucial in assessing our performance and fostering continuous improvement. Our comprehensive and user-friendly quality management system, managed by our dedicated and qualified team, ensures consistent process excellence and exceptional quality in every project.

Section 11, West Coast Expressway

ViTrox Campus 3.0, Batu Kawan, Penang

Building Information Modelling ("BIM") remains a key driver for the division, enabling more efficient, sustainable, and collaborative project delivery. Looking ahead, the division is dedicated to fully leveraging BIM's potential to foster innovation, create value, and effect positive change in the built environment.

Additional information about the division's initiatives and non-financial performance can be found in the Sustainability Statement on pages 128 to 215.

The market outlook for Malaysia's construction sector is optimistic, driven by strong demand for industrial buildings related to the semiconductor industry, data centres, warehouses, and logistics hubs over the next few years. This growing demand is expected to boost construction activities in the domestic market.

Public infrastructure projects like the LRT Penang, roadworks in Sabah and Sarawak, and various flood mitigation initiatives are anticipated to drive the construction industry in the coming year.

Completion of overlay at Chilakaluripet-Vijayawada Tollway, Andhra Pradesh, India

With the Malaysian and Indian economies expected to show improvements in the coming year, the division must stay vigilant and responsive to risks, especially those related to the supply chain and fluctuations in material prices. Additionally, it is crucial to maintain expertise in managing major and complex building projects while fostering synergies with the Group's other business divisions. The division is optimistic about securing additional projects in the upcoming financial year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Property


ViO Banj'ran at Seremban 2

**Key Financial Indicators**

| | FY2024 | FY2023 | Increase |
|---|---|---|---|
| Revenue (RM'million) | 2,029.27 | 1,615.22 | 25.6% |
| EBITDA (RM'million) | 452.45 | 429.19 | 5.4% |
| PBT (RM'million) | 390.97 | 366.75 | 6.6% |
| PBT Margin (%) | 19.3% | 22.7% | |

Overall, the Malaysian property market witnessed a moderate rate of growth in both total volume and value of transactions in 2023. According to the Malaysian Property Market Report 2023, the volume of property transactions increased by 2.5% to 399,008 transactions while there was a growth of 9.9% to RM196.83 billion in terms of value compared to 2022.

Although the market showed signs of recovery, the homebuyers' sentiment remained cautious due to concerns over global geo-political stability, economic challenges, a weakened Malaysian Ringgit and inflation-led high cost of living.

Against this backdrop, the division recorded a higher revenue of RM2,029.27 million, an increase of 25.6% from RM1,615.22 million recorded a year earlier, on the back of strong sales of RM2.37 billion achieved in FY2024 and higher work progress achieved for the division's ongoing developments. Profit before tax increased slightly by 6.6% to RM390.97 million (FY2023: RM366.75 million) mainly due to higher profits recorded in FY2023 because of a major cost finalisation exercise for completed projects. PBT for FY2024 also included an unrealised foreign exchange gain of RM49.2 million, compared to an unrealised foreign exchange loss of RM2.7 million in FY2023.

### Innovative Products. Strong Market Interest

During the financial year, the division's developments, particularly IJM Rimbayu and Seremban 2, continued to receive a good response. The newly launched commercial projects, namely The Promenade in IJM Rimbayu, Nexus Phase 1 in Seremban 2 and Emeri Place at IJM Bayouri in Jawi, Penang, experienced strong buying interest. The residential property launches of Avela in IJM Rimbayu, Sierra Hijauan in Ukay Perdana, Ampang and Nasa City in Johor, also achieved healthy take-up rates.

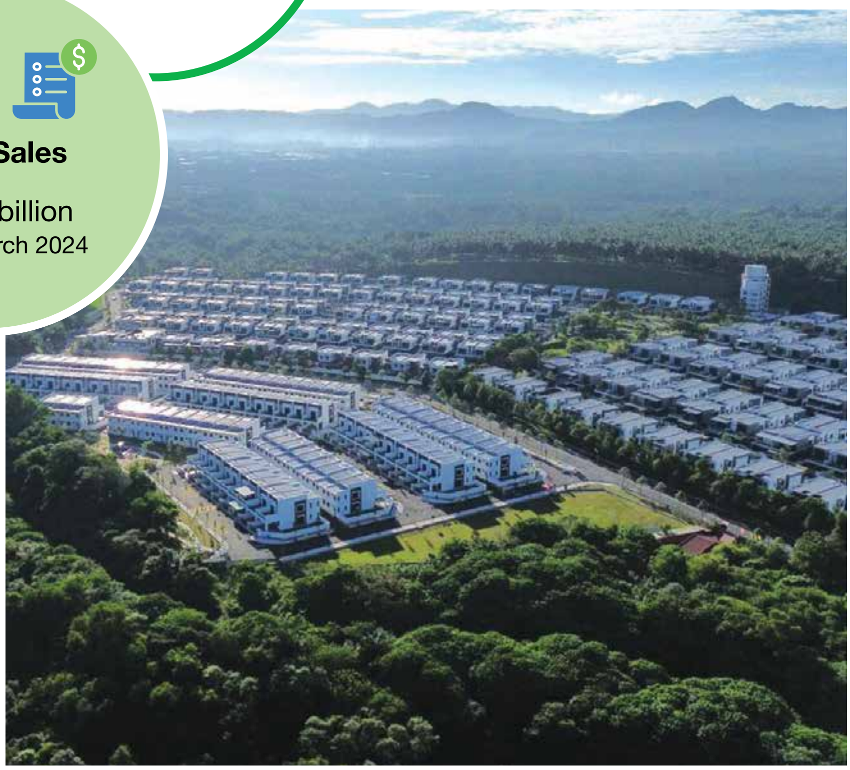
**Strong Sales**

RM**2.37** billion
in FY2024

**Unbilled Sales**

RM**2.6** billion
as of 31 March 2024

The residential sub-sector continued to lead the overall property market, with 62.8% contribution in volume and 51.3% in value. The residential overhang situation improved with overhang residential properties declining to 25,816 units or RM17.68 billion in value compared to 27,746 units worth RM18.41 billion in 2022.



Sanctuary Terrace, Bukit Mertajam, Penang

# MANAGEMENT DISCUSSION AND ANALYSIS

### Property Management Team

Datuk Wong Tuck Wai | Datuk Tony Ling Thou Lung | Chai Kian Soon | Mark Lahiff

Tan Khee Leng | Rachel Chong Po Leng | Soh Wai Fong | Pee Poh Hun

Goh Su Yin | Fan Kuan Kean | Chai King Sing | Steven Goh Kiat Lee

The high take-up was primarily attributed to the attractiveness of the division's product offerings and its strategic location with good connectivity and accessibility. In addition to the division's current ongoing developments, there are some notable projects in the pipeline including the mixed-use developments in Pantai Sentral Park, Kuala Lumpur and The Light City, Penang.

In the coming financial year, the division will launch its first commercial development 'Enlace' in Pantai Sentral Park, Kuala Lumpur, encompassing retail spaces, offices, and serviced apartments. The Penang Waterfront Convention Centre (PWCC) at The Light City, Penang, a joint venture project between IJM Corporation Berhad and Perennial Holdings Private Limited, is making great progress. It is poised to become Penang's largest convention centre, covering an area of over 330,000 square feet and is set to play a pivotal role in shaping the socio-economic landscape of Penang. Together with a 1 million sq ft GFA retail mall, 34-storey hotels (4 - and 5 - star) and office towers, as well as a luxurious residential tower, Mezzo, the first phase of The Light City is targeted to complete progressively from Q1 2025.

The division continues to place emphasis on delivering quality excellence in its developments through the QLASSIC assessment, to consistently deliver high quality products that meet industry standards and best practices. The division has set a target of achieving a minimum QLASSIC score of 80% for every IJM Land residential development. On 19 September 2023, the division received the High QLASSIC Achievement Award at the Safety & Health, Environment, and Quality (SHEQ) DAY 2023, for achieving an average QLASSIC score of 86% and 83% for the Austin Duta Phase 10B and Nasa City Phase 3 respectively in Johor Bahru.

The division remains committed to promoting sustainable designs in IJM Land properties and ensuring all properties in Malaysia are green-certified. One of our sustainable practices, the 'Say Yes to 4R' initiative has been instrumental in promoting sustainability across our projects and townships to minimise our environmental footprint and enhance liveability in our developments.

Club house, Saujana Duta, S2 Heights, Seremban

Robin, IJM Rimbayu, Selangor

### Eco-friendly Product Packages, Market Recognition

To attract eco-conscious home buyers, the division has embarked on a strategic tie-up with OCBC Bank (Malaysia) and Alliance Bank to promote sustainable living through a 'Green Home Ownership Programme' that rewards purchasers for their ESG orientation. The collaborations set out to encourage and enable prospective homebuyers to make environmentally conscious decisions by purchasing or investing in green-certified properties developed by the division, thereby lowering their carbon footprint and ownership costs.

Our commitment to product excellence sets us apart from our competitors. The development of high-quality homes and spaces that transcend generations not only enabled the division to attract new buyers and foster loyalty but also won market recognitions. The division was accorded various key industrial awards and accolades, including recognition as a top developer in Malaysia at the Edge Malaysia Property Excellence Awards, BCI Asia Awards (Malaysia), MDA Awards and the StarProperty Awards. The division was also adjudged as one of the top brands in the Property Development category of the Putra Brand Awards.

The division's developments, Seremban 2, Sebana Cove and Mezzo @ The Light City were winners of the individual property category at the StarProperty Awards. Its overseas project, the Royal Mint Gardens in London, won The Edge Malaysia Outstanding Overseas Project Award. Meanwhile, Saujana Duta, the luxury development in S2 Heights, Seremban, was recognised at the Malaysia Property Award™ 2023 in the Residential Low-Rise Category. These accolades have reinforced and bolstered the reputation and achievements of the division, solidifying our standing as both a brand and a game changer in the industry.

# MANAGEMENT DISCUSSION AND ANALYSIS

S2 Park, Seremban

Rimbun Kiara, Seremban 2

## Overseas Developments

### United Kingdom

On the overseas front, through partnership with Network Rail Property, the division has identified eight strategic sites across four London boroughs, namely Brent, Camden, Islington and Westminster for developments of about 1,600 new homes with an estimated gross development value exceeding GBP 3 billion. The collaboration with Network Rail Property allows the division to replicate the Royal Mint Gardens project's success across these new sites. These sites, located in Central London and the inner suburbs, are positioned above or adjacent to railway infrastructure and collectively hold the potential to deliver up to 3.55 million square feet of development, encompassing a mix of housing, life sciences, student accommodation and various commercial spaces for offices and logistics. In addition, the division has also acquired The Wheat Quarter site in December 2023. The site, which is in the administrative boundary of Welwyn Hatfield Borough council in Hertfordshire, covers 11 acres in area. The division is currently in the process of preparing a new planning application to incorporate a variety of planning uses including residential developments, retirement housing and retail developments with an estimated gross development value of GBP 350 million.

### India

In India, the division is developing the Raintree Park Dwaraka Krishna Township ("RPDKT") in a lush landscape of 108 acres in Vijayawada, Andra Pradesh. The township boasts a 6-acre pond and fully developed amenities, among others. The recent change in the Andhra Pradesh State Government following the June 2024 elections has promising prospects. RPDKT has commenced the planning for the next phase of 64 villas, 340 apartment units and 20,000 square feet of commercial area.

In Maharashtra, the division's First City Project in Nagpur is a 42.6 acres development with a club house, multipurpose hall, badminton and squash courts and other amenities. Phase 1 commercial shops were completed in October 2023 and handed over to buyers. Phase 2 apartments, namely Harmony 1 and Harmony 6, were launched in December 2023 and sales have been encouraging. Construction is in progress, and it is expected to complete by December 2025.

Additional information about the division's initiatives and non-financial performance can be found in the Sustainability Statement on pages 128 to 215.

In FY2025, the outlook of the local property market appears promising as BNM continued to hold OPR at 3%, coupled with various government initiatives to boost the market such as the MM2H Visa Liberalisation plan, Housing Credit Guarantee Scheme, full exemption on stamp duty for first time house buyers (for RM500,000 and below) as well as the implementation of the LRT project in Penang, Autonomous Rapid Transit in Sarawak, RTS in Johor, key industrial projects in the northern region and Pan Borneo Highway projects in Sabah and Sarawak. All these are expected to generate growth potential opportunities throughout the country and the division remains cautiously optimistic about the property market in Malaysia.

Value creation through enhancing brand recognition, innovation, and product differentiation continues to be the focus of the division. Its unwavering commitment to sustainability, quality, and innovation remains at the core of its operations as the division strives to deliver value to its stakeholders. These values continue to drive the progress towards greater excellence, to be Distinctively IJM, now and in the future.

Artist's impression of the Pantai Sentral Park master plan

# MANAGEMENT DISCUSSION AND ANALYSIS


ICP piles used in the East Coast Rail Link project, Kota Bharu

**Key Financial Indicators**

| | FY2024 | FY2023 | Increase |
|---|---|---|---|
| Revenue (RM'million) | 1,191.96 | 1,001.89 | 19.0% |
| EBITDA (RM'million) | 235.72 | 205.33 | 14.8% |
| PBT (RM'million) | 181.79 | 152.18 | 19.5% |
| PBT Margin (%) | 15.3% | 15.2% | |

FY2024 was a momentous year for the Industry Division as revenue and pre-tax profit soared to new highs. Its core activity, the pre-tensioned high strength concrete ("PHC") piles business continued to ride on strong momentum built up from the previous year to deliver a set of outstanding results.

PHC Piles Sales Tonnage
1.73 million tonnes
20.4%

Exports Contributing
21.3%
total PHC Piles revenue

Compared to FY2023, the division's revenue registered an increase of 19.0% to RM1,191.96 million. PBT increased by 19.5% to RM181.79 million while EBITDA increased by 14.8% to RM235.72 million.

### Remarkable Growth for PHC Piles

The PHC piles business experienced a remarkable growth compared to FY2023, with sales revenue increasing by 27.5% to reach RM932.14 million and PBT increasing by 47.3% to RM206.88 million. Sales tonnage surged to 1.73 million tonnes, marking a commendable 20.4% increase from the previous financial year and emphasising steadfast dedication to efficiency and operational excellence. This demonstrates the division's ability to adapt to market dynamics and capitalise on opportunities, positioning the division for continued success and expansion in the future.

The division's exceptional performance was due to a strong recovery of the construction industry and increased investments, especially in logistics warehouses, factories and data centres. The revival of infrastructure projects, particularly in the central region, and the gradual recovery of the property sector also contributed to its growth. Some of the notable projects include the Eco Ceres Industrial Bio-Fuel, Tanjung Langsat in Johor; Sime Darby JV Logos Logistic Hub, Bukit Raja, Klang in Selangor; Global Vision Logistics' logistics hub, Shah Alam in Selangor; EVE Energy Plant, Kulim in Kedah; Pulau Indah Ring Road at Klang in Selangor, and Batang Lupar Bridge project in Sarawak.

The division's exports performed well, contributing about 21.3% of total revenue and 12.2% of total delivery. Most projects use marine piles, which offer higher margins and showcase our strength in delivering marine pile solutions. This helped the division to seize opportunities in markets like Indonesia and Bangladesh. Big projects like the Jetty Project in Obi Island, Indonesia, and the Payra Port Project in Bangladesh have not only boosted the division's earnings but also demonstrated our ability to handle complex projects with skill and quality.

Grinding mill at Raub, Pahang

# MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Management Team

Lau Liang See | Loh Zhi Ming | Lee Chee Heong | Faizal Amir Bin Mohd Zain

Liew Siew Wai | Choy Teik San | Tan Chuan Choon | Chan Kok Keong

Calvin Ng Chew Woei | Yap Swee Kee | Chan Huan Ong

The division is optimistic of emerging business opportunities, particularly in warehouse and data centre projects as well as in other export markets such as the Middle East, particularly Saudi Arabia, present avenues for growth and expansion. Mega projects from Singapore, such as the Wuxi Apptex Pharmaceutical Plant at Tuas and the Megayard project, offer promising opportunities for export revenue.

To mitigate risks and capitalise on new growth avenues, the division is actively exploring new export markets, with a focus in the Middle East, including Saudi Arabia. Efforts to enhance the division's market share in existing markets are underway, bolstering our resilience and competitive edge.

The division aims to stay ahead of the curve and deliver unparalleled value to customers by continuously evolving our products through innovation and technology and to navigate through the everchanging landscape, while building strong and enduring partnerships with stakeholders, including customers and overseas agents, to drive sustainable growth and success.

To reduce dependency on foreign labour and optimise costs through advanced automation, a new plant will be built at Bestari Jaya. This plant is designed to produce higher outputs with less manpower and be able to capitalise on cheaper supply of raw materials available nearby.

Continuous initiatives for production efficiency and cost optimisation saw the Nilai factory upgrading the production line. It resulted in an increase in capacity by 30.0% for higher efficiency and cost savings. Increased usage of alternative cementitious replacement materials has generated savings of RM4.60 million. Solar panel installations for the remaining two factories in Klang and Kuantan were completed with capacities of 1.16MWp and 324KWp respectively. This brings the total rooftop solar installed capacity to 6.8MWp.

The Research and Development Department's study on new cement substitute materials in accordance with BS EN standard requirements has been verified and implemented in various concrete mixes from ready mixed concrete products to spun concrete piles products. This has resulted in new achievements in concrete workability performance in pump mixes.


ICP piles used in the Gems Residences, Putrajaya

ICP piles at a project in Bukit Raja, Selangor

ICP new grade 100 concrete formulation has been improved through an optimised ratio of cement content and dosage of concrete superplasticiser product and implemented for better workability and strength consistency. It also resulted in a lower carbon index product.

### IJMIBS Makes Significant Strides

From the onset of FY2024, IJM IBS Sdn Bhd ("IJMIBS") made significant strides by securing numerous contracts with its SMART IBS solution, particularly the BubbleDeck Slab solution. These contracts span a diverse array of building projects, ranging from educational institutions to semiconductor facilities, data centres, and more. The adoption of the BubbleDeck solution not only facilitated our clients' transition towards sustainable construction practices but also greatly expedited construction timelines.

In the fourth quarter of FY2024, the division secured prominent projects such as the Infineon Multi-Story Carpark in Kulim, Kedah; Immigration, Custom & Quarantine Complex between Johor Bahru and Singapore (RTS); and Hospital Kapar, Selangor. These contracts serve as a testament to the effectiveness of the SMART IBS solution as a game-changer for clients in various sectors. Looking ahead, the division anticipates continuous demand for innovative solutions within the construction industry.

In July 2023, the division acquired 100% of IJM Building Systems Sdn Bhd ("IJMBS") with more flexibility to provide IBS solutions in the construction of central living quarters, mould repairs, and engineering works for ICP factories. This move will reduce our dependency on external contractors and save costs.

# MANAGEMENT DISCUSSION AND ANALYSIS

Limestone quarry operations in Raub, Pahang

SMART IBS solution employed at a data centre project, Cyberjaya

### Quarry Business Improves

Sales volume in the quarrying sector improved by 15.5% compared to the previous financial year. Supply of ballast to the ECRL project by the Pahang based quarries contributed to the hike. The newly commenced Raub quarry which started operations on 2 May 2023, also had a part in the hike.

Junjung Quarry, witnessed a dip in sales volume and profit by 7.9% and 22.3% respectively when compared to the previous year. This was attributed to competition resulting in downward price adjustments.

In East Coast Peninsular Malaysia, sales volume of crusher run and ballast from Panching quarry to ECRL project increased by 30.3%, compared to the previous year. Gebeng quarry's supply volume increased by 54.0% and its loss reduced by 87.5% compared to the previous year. It was mainly for supplying 20mm aggregate for in-house consumption and crusher run to the ECRL project.

Overall, the quarry turnover improved by 23.9% compared to last year due to higher prices and sales volumes from central and east coast regions. Consequently, quarrying activities recorded a PBT of RM11.39 million before impairment and write-offs.

### Strong Mixed Concrete Performance in Malaysia and India

The sales volume of Strong Mixed Concrete Sdn Bhd increased by 11.3% from 289,284 $m^3$ in the previous year to 321,966 $m^3$. The increase was due to the supply to The Light City project that encompasses a convention centre, hotel and office block and ASE projects, Penang. In tandem, turnover increased by 19.1% from RM69.6 million in the previous year to RM82.9 million due to higher sales volume and prices.

A PBT of RM2.24 million was registered for FY2024.

The performance of ready mixed concrete in India was mixed. Only two plants reflected higher sales volume compared to FY2023. In Mumbai, sales volume bettered previous year by 4.6%, with supplies used for an educational institution, commercial complexes and residential projects; while in Bangalore, sales volume improved by 10.0% with the rollout of property development and residential projects. Overall, sales volume increased marginally by 1.5% to 385,450 $m^3$ but turnover registered an increase of 7.6% to RM110.12 million. Coupled with bad debts recovery of RM1.5 million, PBT improved by RM1.73 million to RM3.85 million compared to RM2.12 million recorded the previous year.

The quarry business was affected by competition and state elections. Sales volume and the average selling price dropped by 5.7% and 9.7% respectively. Consequently, it recorded a lower turnover of RM17.55 million compared to RM19.48 million the previous year. We recorded a marginal PBT of RM0.02 million.

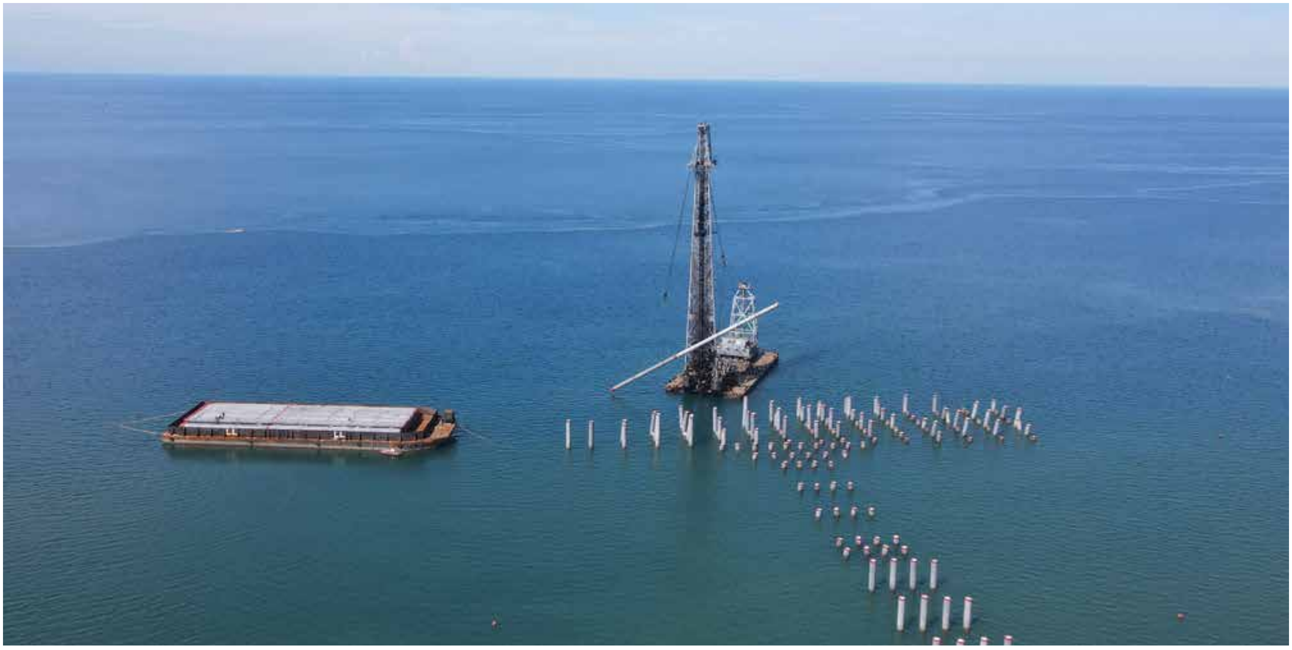
### Scaffold Master Doubles PBT

Turnover at Scaffold Master Sdn Bhd increased by 21.3% to RM13.6 million. This was attributed to contributions from new and ongoing projects. Coupled with lower depreciation charge, which decreased by RM1 million, PBT almost doubled from the previous year to RM2.99 million.

Additional information about the division's initiatives and non-financial performance can be found in the Sustainability Statement on pages 128 to 215.

The division will continue to uphold high standards in every facet of its operations and strategic execution. While the piles business continues to drive growth, the division is also venturing into new geographical areas and new business opportunities. It is the division's primary goal to achieve sustainable growth and create long term value for stakeholders as well as to collaborate with other divisions for synergistic opportunities that will drive the division to greater heights.

Concrete supply at the Pantai Sentral Park project, Kuala Lumpur



ICP piles at the Wanxiang Nickel Jetty, Morowali, Indonesia

# MANAGEMENT DISCUSSION AND ANALYSIS

## Infrastructure - Toll

Bulatan Kewajipan, New Pantai Expressway

**8** Toll Road Concessions

EBITDA RM388.50 million

367.5%

### Key Financial Indicators

| | FY2024 | FY2023 | Increase/ (Decrease) |
|---|---|---|---|
| Revenue (RM'million) | 519.55 | 553.19 | (6.1%) |
| EBITDA (RM'million) | 388.50 | 83.10 | 367.5% |
| PBT (RM'million) | 128.31 | (176.98) | (172.5%) |
| PBT Margin (%) | 24.7% | (32.0%) | |

The Infrastructure-Toll Division's asset portfolio comprises eight toll road concessions: four in Malaysia, three in India, and one in Argentina.

During FY2024, the Infrastructure-Toll Division recorded a slight decrease in revenue by 6.1% to RM519.55 million compared to RM553.19 million the previous year. This was mainly due to the restructuring exercise of the BESRAYA highway, which involved a lower toll rate and a longer concession period.

The division, however, recorded a profit before tax of RM128.31 million compared to a loss of RM176.98 million the previous year. This was due to the absence of the prior year's higher maintenance (resurfacing) costs and RM133.5 million of expected credit losses pursuant to a financial instrument related to West Coast Expressway ("WCE").

Additionally, there was a lower unrealised foreign exchange loss of RM27.0 million on its US Dollar denominated borrowings for its Indian operations (FY2023: RM68.7 million loss).

**Malaysia**

The Group's local toll road concessions are 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) | Concession End |
|---|---|---|---|---|
| Sungai Besi Highway ("BESRAYA") | 100% | 28.9 | 49 | 2046 |
| New Pantai Highway ("NPE") | 100% | 19.6 | 34 | 2030 |
| Kajang Seremban Highway ("LEKAS") | 50% | 44.3 | 58 | 2064 |
| West Coast Expressway ("WCE") | 41% (effective interest) | 233.0 | 50 | 2073 |

Dewas Bypass Tollway, Madhya Pradesh, India

# MANAGEMENT DISCUSSION AND ANALYSIS

## Toll Management Team

Wan Salwani Binti Wan Yusoff | Viswanathan Nagarajan | Chua Lay Hoon | Yap Pak How

Ong See Chang | Azarulizam Bin Ismail | Nur Amani Binti Zakaria | Rizman Haji Azahar

Shamsuhida Binti Harun | Nik Azmiah Nik Azin

In terms of total traffic, BESRAYA, NPE and LEKAS recorded a marginal uptrend of 1.2% compared to FY2023. It was the highest record of Annual Average Daily Traffic ("AADT") of 471,800. However, total toll revenue for FY2024 decreased by 11.9%, from RM397.04 million to RM349.90 million mainly due to lower toll revenues at BESRAYA and LEKAS following the concession restructuring exercise with the Government on 30 December 2022. The lower toll revenues contributed to lower PBT, which decreased 19.3% from RM138.42 million to RM111.67 million in FY2024.

### BESRAYA Concession Extended to 2046; Toll Rate Reduction

Following the completion of the concession restructuring for BESRAYA pursuant to the Supplemental Concession Agreement ("SCA") dated 30 December 2022, in exchange for toll rate reduction of 26%, BESRAYA's concession period was extended by 6 years to 2046. As a result, BESRAYA's revenue decreased 24.2%, from RM163.28 million to RM123.73 million in FY2024. Its pre-tax profit dropped from RM70.67 million to RM35.17 million in FY2024. The AADT traffic performance, however, was maintained at 164,000 in FY2024 due to its mature highway profile despite competition from new competing road alignments and public transportation.

### NPE Experiences Record AADT

In FY2024, NPE demonstrated commendable performance, achieving a revenue of RM179.84 million, reflecting a 3.2% increase from FY2023. This growth was supported by a record AADT of 204,500 vehicles, which improved from 203,900 in the prior year. New developments sprouting along the highway vicinity have resulted in rising traffic demand which kept NPE on a steady traffic growth path. Coupled with higher toll revenue and other operating income in FY2024, NPE's pre-tax profit rose 6.1% to RM96.14 million.

### LEKAS Concession and Debt Restructuring Exercises

Similar to BESRAYA, LEKAS had restructured their concession on 30 December 2022 that encompassed a toll rate reduction effective 1 January 2023 and an extension to the concession period by 25 years till 2064. The Group has ceased sharing the losses of LEKAS, which was accounted up to its cost of investment. If not, the Group's


BESRAYA Eastern extension

Loke Yew toll plaza, BESRAYA


share of losses would have been RM19.63 million (FY2023: RM22.87 million) during the period. Revenue share would have been RM46.32 million in FY2024, a decrease of 22.1% from RM59.45 million last year due to lower toll rates.

LEKAS continued to show robust traffic growth of 6% compared to the previous year, mainly due to higher occupancy housing developments around Semenyih and Kajang Selatan that boosted short haul traffic. New link roads and an interchange also improved road connectivity between new development projects to LEKAS.

In FY2024, LEKAS successfully restructured its Redeemable Convertible Secured Islamic Debt Securities (RCSIDS) and Junior Sukuk with a longer tenure of Tawarruq Asset Financing facility totalling RM1.0 billion. On 30 November 2023, LEKAS signed another Supplemental Concession Agreement with the Government for the restructuring of Reimbursable Land Cost facility amounting to RM300 million. These exercises have lengthened LEKAS's debt repayment profile to better match its traffic projections and cash flows.

### Continuous Improvement Initiatives

The Infrastructure-Toll Division remains committed to managing its customers' expectations by implementing continuous improvement initiatives. The division prioritises the safety and wellbeing of all road users, by fostering a safer and more accommodating travel environment along its highways. During FY2024, the division's highways have been certified with global standards of Occupational Health and Safety Management Systems (ISO 45011:2018), in recognition of its efforts and initiatives to safeguard the health and safety of its workforce.

# MANAGEMENT DISCUSSION AND ANALYSIS

By undertaking extensive periodical inspections and preventive maintenance, the division ensures a more proactive and long-term approach to maintenance works and asset preservation, which enables optimal allocation of resources.

Traffic snarls in the Kuala Lumpur city centre and surrounding areas have become worse than pre-pandemic levels despite having a better public transportation system and new improved road networks. Hence, traffic congestion management during peak hours remains as one of the most significant challenges while managing the expectations of highways' users.

Assam Jawa Interchange, Section 6, West Coast Expressway

### Managing Traffic Congestion, Safety and Convenience

For long term traffic mitigation and environmental measures, NPE has proposed a highway extension project, NPE2, as a traffic dispersal scheme to alleviate congestion in Bangsar, a densely populated commercial-residential suburb. The project has been adopted as one of the traffic management strategies in the Kuala Lumpur Structure Plan 2040 and NPE2 will serve as the highway connector between BESRAYA, NPE and DUKE 2A upon completion. Through this multifaceted proposal, we can foster a transportation network that is not only efficient but also prioritises the wellbeing and safety of road users.

Constant monitoring and close collaboration with third party project owners along the highway corridors are crucial to ensure strict adherence to road safety guidelines and operating procedures, as ongoing projects may adversely affect the traffic flow or road users' safety. Throughout the year, several significant development projects have progressed well along the highways' corridor, including the completion of Mass Rapid Transit (MRT, Putrajaya Line Phase 2) on 16 March 2023, Sungai Besi-Ulu Kelang Expressway (SUKE) on 16 June 2023, Setiawangsa-Pantai Expressway (SPE) on 3 November 2023, and the Langat 2 water treatment plant project.

With customer safety, comfort and convenience as the division's top priority, it has enhanced the level of service with the upgrading of rest and service areas, laybys, toll plazas and ancillary facilities, as well as initiating new technological and service innovations.

To meet the increasing demands for public amenities, BESRAYA has refurbished the layby facilities at KM0.9; and NPE completed the refurbishment works of public amenities at PJS2 and PJS5 Toll Plaza; whereas LEKAS has planned for the upgrading of laybys and rest service areas in the coming year.

The implementation of the Open Payment Toll Collection System ("OPS") for BESRAYA and NPE was inaugurated by the Works Minister YB Dato Sri Alexander Nanta Linggi at the Loke Yew Toll Plaza on 29 September 2023. This initiative allows highway users to pay the toll fees seamlessly through various digital payment methods such as credit/debit cards, enhancing user convenience, reducing congestion at the toll plazas and ensuring smoother traffic flow. Moving forward, plans for OPS will include continuous system optimisation, expansion to LEKAS, as well as activating more OPS toll lanes in both BESRAYA and NPE.

Additional information about the division's initiatives and non-financial performance can be found in the Sustainability Statement on pages 128 to 215.

Moving forward, the division foresees momentum from the ongoing developments of massive commercial and residential projects along its highway corridors, igniting a surge in tollable traffic and driving positive revenue streams for the division. With the strength of its mature urban highways, the division is poised to contribute positively to the Group's performance.

### WCE Progress

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. The WCE Project is divided into 11 sections whereby 6 sections have been completed and are currently operational.

These are Section 5 (New North Klang Straits Bypass - Bandar Bukit Raja Utara), Section 6 (Bandar Bukit Raja Utara – Assam Jawa), Section 8 (Hutan Melintang - Teluk Intan), Section 9 (Kampung Lekir - Changkat Cermin), Section 10 (Changkat Cermin - Beruas) and Section 11 (Beruas – Taiping Selatan). The recent opening of Section 11 signifies the full completion of the Perak alignment, spanning 120km within the WCE Project. The opening of Section 11's Taiping Selatan provides direct access between our WCE to North South Expressway (NSE) at Changkat Jering in Taiping, Perak, providing connectivity to the region's economic and infrastructure development.

The construction of Section 1 (Banting – South Klang Valley Expressway (SKVE)) and Section 2 (SKVE – Shah Alam Expressway (KESAS)) have been completed and is currently at the inspection stage. The completion of these 2 sections will also provide connections to several existing highways, namely the South Klang Valley Expressway (SKVE) and the Shah Alam Expressway (KESAS), which would enhance the accessibility and connectivity of these areas along the alignment.

The construction for the final 3 sections namely, Section 3 (KESAS – Federal Highway Route 2), Section 4 (Federal Highway Route 2 – New North South Klang Straits Bypass (NNKSB)) and Section 7 (Assam Jawa – Tanjung Karang) is currently ongoing and is expected to be ready in 2026.

In FY2024, the associate contributed a higher revenue of RM12.88 million (FY2023: RM9.41 million) mainly due to improving traffic volumes after the opening of additional Sections 6 and 11. However, our share of losses was higher at RM36.26 million (FY2023: Loss of RM26.57 million), due to an increase in interest costs upon additional sectional opening.

Looking ahead, the additional sectional toll revenue is anticipated to further enhance and contribute to the Group's financial performance. In the longer term, once the entire WCE alignment is fully operational, our associated company foresees a shift towards profitability, with revenue growth gradually surpassing interest costs as traffic matures.

**India**

In India, the division's operating toll roads are the 99.9%-owned Chilakaluripet-Vijayawada Tollway (68 km); the wholly-owned Dewas Bypass Tollway (19.8 km); and the Solapur-Bijapur Tollway (109.1 km). Our Indian tollways have concession periods ranging from 15 to 25 years.

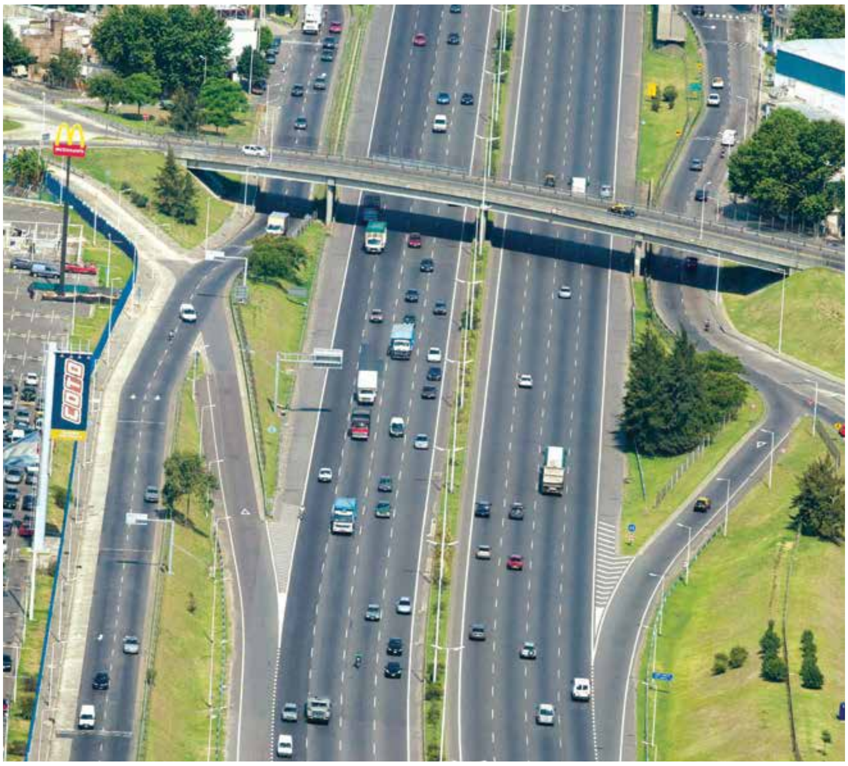
During FY2024, the Indian tollways contributed a higher revenue, which increased by 11.0% to RM216.69 million compared to RM195.16 million in the previous year. This was mainly due to higher traffic volume and toll rate revisions during the financial period.

The Indian tollways reported a reduced loss before tax of RM57.61 million for FY2024, compared to a loss of RM197.48 million the previous year. The higher loss in the prior year was due to unfavourable foreign exchange movements on US Dollar denominated borrowings and higher maintenance (resurfacing) costs in relation to the Chilakaluripet-Vijayawada Tollway.

The concession for the Chilakaluripet-Vijayawada Tollway ended on 21 July 2024 and the toll road was handed back to the NHAI.

**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 is the most convenient route to the city for the Western Zone's three million residents. In FY2024, GCO contributed a revenue of RM90.68 million and our share of profits was RM2.07 million.



Western Access Tollway, Buenos Aires, Argentina

## MANAGEMENT DISCUSSION AND ANALYSIS

# Infrastructure - Port


Kuantan Port welcomed the maiden voyage of the new container service vessel at the container berth

**Profit Before Tax**
RM**151.39** million
343.1%

**26.18** million
**Freight Weight Tonnes of Cargo**
in FY2024

**Key Financial Indicators**

| | FY2024 | FY2023 | Increase |
|---|---|---|---|
| Revenue (RM'million) | 467.01 | 331.79 | 40.8% |
| EBITDA (RM'million) | 276.18 | 149.00 | 85.4% |
| PBT (RM'million) | 151.39 | 34.16 | 343.1% |
| PBT Margin (%) | 32.4% | 10.3% | |

In FY2024, Kuantan Port achieved a significant milestone by handling 26.18 million freight weight tonnes ("FWT") of cargo, marking a substantial increase from 22.67 million FWT in FY2023 and resulting in a remarkable 40.8% rise in revenue.

In FY2024, Kuantan Port recorded RM467.01 million in revenue, registering an increase of 40.8% over RM331.79 million in FY2023. Its PBT has significantly increased by 343.1% to RM151.39 million in FY2024 from RM34.16 million previously. These results were primarily driven by new tariff rates and higher cargo throughput, which increased by 15.5% from 22.67 million FWT in FY2023 to 26.18 million FWT in FY2024. The port also registered lease income of RM27.00 million in FY2024 versus RM18.76 million in FY2023, with new tenants including a car RoRo service, bauxite, and palm kernel shell exporters.

Looking ahead, Kuantan Port aims to further elevate its capacity, targeting up to 35 million FWT annually by FY2027. The key to achieving this goal is the extensive development of our New Deep Water Terminal, a cornerstone investment designed to accommodate the expanding needs of our customers with deeper drafts and automation in cargo handling.

A pivotal initiative in our growth strategy includes the construction of the East Coast Rail Link ("ECRL") spur lines within Kuantan Port starting in FY2025, with full operational readiness expected by 2027. This transformative infrastructure project will not only enhance logistical efficiency but also open new avenues, such as facilitating Roll-on/Roll-off ("RoRo") vehicle shipments to East Malaysia, thereby bolstering regional connectivity and trade capabilities providing positive impact on future cargo volumes.

FY2024 witnessed some strides in the business recovery journey for Kuantan Port. Despite encountering challenges like supply chain disruptions, geopolitical tensions, and the Red Sea crisis towards the fiscal year-end, there were notable impacts on global market demand and supply. Kuantan Port, however, maintained a vigilant stance, adapting to market fluctuations, and remained committed to pursuing sustainable growth strategies.

### Higher Cargo Volume

Despite the challenges, bauxite cargo owners experienced improvements towards the end of FY2024 due to effective interactions with the local authorities aimed at facilitating export activities. Kuantan Port managed to load 0.52 million FWT of bauxite in FY2024 and anticipates increased handling in FY2025, driven by smoother approvals from authorities.

The NAGA 2 jack-up drilling rig entering the breakwater of Kuantan Port 2

# MANAGEMENT DISCUSSION AND ANALYSIS

## Port Management Team

Chan Weng Yew    Mazlim Bin Husin    Ye Jingtao

Marzuki Bin Mat Salleh    Dennis Cheah Fook Cheong

Kuantan Port also secured additional volumes of coal, iron ore, and steel products by leveraging on its expertise, providing timely and effective solutions to facilitate clients' import and export expectations, approximating an additional 1 million FWT of cargoes through Kuantan Port.

Kuantan Port is also expecting additional silica sand to be handled in FY2025, with a new mining site licence approved and a new silica sand refinery plant to be set up.

In FY2024, dry bulk cargo was up by 2.08 million FWT (or 17%) compared to the previous year. This significant improvement was due to increased business from Alliance Steel Sdn Bhd ("ASSB") and a new customer, Eastern Steel Sdn Bhd ("ESSB") from Kemaman. This resulted in an overall increase of 30.4% in import cargoes, comprising coal and iron ore.

Break bulk was up by 1.37 million FWT compared to the previous year, primarily in the category of steel pipes and steel products. The contribution of steel pipes is attributed to the customer Wasco, who secured new major projects. In steel products, ASSB exported more steel product cargo via the New Deep Water Terminal due to larger vessels being chartered to meet the increased demand from Thailand and Hong Kong markets. ESSB also contributed to this increase as they started to export steel billets and steel slabs in August 2023, contributing approximately 594,000 FWT as of March 2024.

Container cargo marked an improvement of 10.8% against FY2023. Kuantan Port handled 142,000 twenty-foot equivalent units (TEUs) of containers in FY2024, mainly due to continuous economic recovery since the pandemic.

### Growth Opportunities Ahead

The largest investment planned in the near future is the further development of Kuantan Port's New Deep Water Terminal. This is needed to match the expansion plan of our largest customer, ASSB, who upon completion of their Phase 2 plant in FY2027 will require Kuantan Port to handle 20 million FWT of cargo throughput.

For business growth, China remains the main overseas target, and with the assistance of our partner, Beibu Gulf Port Group in China, Kuantan Port and MCKIP are being actively promoted through the Chinese government's Ministry of Commerce (MOFCOM). Promotions are also conducted through China's various commerce associations and trade shows.

The Port is exploring potential new cargoes, including liquefied carbon dioxide and black pellets. The liquefied carbon dioxide project is expected to commence plant construction by FY2028, with cargo handling scheduled to start in FY2030, estimated at 2.50 million tonnes. The black pellet processing plant is expected to be completed by Q3 FY2025, with a capacity of 120,000 metric tonnes annually.

Kuantan Port has successfully implemented the new port tariffs at the outset of FY2024, setting a strong foundation for continued growth in FY2025. The Port is committed to enhancing its deepwater terminal facilities to accommodate expansion from existing clients and attract new partners, bolstering its capability to handle increased throughput efficiently.

MV Heng Mao, the deepest vessel ever berthed at Kuantan Port, with a 16.4-metre draught


The 93-metre-long heavy lift cargo was manoeuvred onto the vessel at Kuantan Port's multipurpose berth


Furthermore, Kuantan Port is making significant strides in improving shipping services and connectivity, particularly through collaboration with Qinzhou Port. Together, the Port is optimising container services to strengthen trade links and enhance efficiency between Kuantan and key markets along the New International Land-Sea Trade Corridor.

The integration of ECRL is expected to revolutionise logistics at Kuantan Port, offering competitive costs and improved delivery times, positioning Kuantan Port as a critical trade gateway between China and Malaysia. The division's strategic investment and partnerships underscore its commitment to sustainable growth and operational excellence, ensuring the port remains a preferred choice in the evolving maritime landscape.

Additional information about the division's initiatives and non-financial performance can be found in the Sustainability Statement on pages 128 to 215.

Kuantan Port has successfully maintained the ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certifications, which are integrated management systems for quality, environmental management, and occupational health and safety. Alongside these, the division has upheld the ISO 37001:2016 anti-bribery management system certification, reinforcing its commitment to ethical practices.

Kuantan Port's business philosophy has always been to maximise the shareholder value. As such, the port has a calculated approach to investments in port equipment and yard facilities whilst ensuring sustainable cargo throughput. Looking forward to the economic growth of Malaysia's east coast region coupled with the additional stimulation from ECRL and ASSB's expansion, the Port is mindful to balance its port capacity building with sustainable demand and uphold its service standards to the customers.

# MANAGEMENT DISCUSSION AND ANALYSIS

IJM's head office, newly renovated and reimagined, is primed for growth and new opportunities

**Outlook**

In 2024, the global economy is expected to grow at a rate of 3.2%. In contrast, Bank Negara Malaysia projects Malaysia's economic growth to average between 4% and 5% in 2024, an improvement from 3.7% in 2023, underpinned by continued expansion in domestic demand and improvement in external demand. The construction industry in Malaysia is expected to continue its growth momentum by recording an annual growth of 4.4% in 2024, supported by allocations from the 2024 Budget.

The Group's Construction Division will concentrate on the timely execution and completion of its robust order book, which stands at RM6.0 billion as of 31 March 2024. Given this strong pipeline of projects, the division anticipates a stronger performance in the upcoming FY2025 whilst maintaining a high standard of quality. The construction industry is expected to be driven by investments in transport, industrial and renewable energy projects, coupled with the government's infrastructure spending.

The property market is anticipated to remain resilient, supported by a positive economic outlook and strong consumer sentiment. The Property Division, with approximately RM2.6 billion in unbilled sales as of 31 March 2024 and a diverse range of new property launches scheduled for FY2025, is well-positioned to sustain its strong performance and growth in the upcoming financial year.

With a robust order book and the prospect of new projects being initiated by both the private and government sectors, the Industry Division is poised to sustain a strong performance in FY2025.

The Toll Division is expected to sustain its performance in FY2025, driven by consistent revenue and cash flow generated from its mature highways. These established routes continue to provide a reliable source of recurrent income for the Group. Meanwhile, the newer highways are undergoing the gestation period before achieving maturity in the coming years, further bolstering the division's long-term financial stability and growth prospects.

The outlook for Port operations is positive, largely due to anticipated increases in bulk cargo volumes, such as bauxite and silica sand. The overall performance of the Port operations is expected to remain strong, benefiting from the increased handling capacity and improved efficiency.

Based on the strong order books in the Construction and Industry Divisions, coupled with resilient property market conditions and robust port operations, are expected to drive growth in the year ahead. Additionally, the consistent revenue from mature toll highways further supports this positive outlook. With these favourable conditions across various sectors, the Group is well-positioned for an improved performance in FY2025.

**Closing**

As we embark on the next phase of growth, I look forward to collaborating closely with all colleagues and business partners to propel IJM and our four business units to greater achievements. Together, we will harness our collective strengths, foster innovation, and capitalise on emerging opportunities to elevate our performance and realise our strategic objectives.

With optimism and commitment, I am confident that our collective efforts will strengthen our market presence and deliver sustainable value for our stakeholders. Let us approach this journey with enthusiasm and determination, laying the groundwork for a successful future for the IJM Group. We will continue to be vigilant and proactive in management while operating in a significantly challenging business environment.

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

**Lee Chun Fai**
Group Chief Executive Officer & Managing Director

# CAPTURING NEW OPPORTUNITIES. LEADING THE CHARGE

IJM is at the forefront of capturing emerging local opportunities, focusing on high-growth areas like data centres as well as logistics and electrical and electronic manufacturing facilities. Overseas, the success of our development in London, the Royal Mint Gardens, has paved the way for more upcoming developments above active railway lines, and are testament to our vision and execution. These ventures, along with our strong track record in India, are driving our international presence and market influence.

Singgah Sana Plaza, Tun Razak Exchange built by IJM Construction

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") continues to reinforce the importance of good corporate governance in building a sustainable business, and 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 is pleased to present this overview statement, which sets out a summary of the Group's corporate governance practices during the financial year ("FY") ended 31 March 2024 ("FY2024") based on the following three (3) key principles of the Malaysian Code on Corporate Governance ("the Code"):-

| Principle A | Principle B | Principle C |
|---|---|---|
| Board Leadership and Effectiveness | Effective Audit and Risk Management | Integrity in Corporate Reporting and Meaningful Relationship with Shareholders |

This statement is to be read together with the Corporate Governance Report 2024 of the Company which is available on the Company's website at 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 assumes, amongst others, the following duties and responsibilities:-

- together with senior management, promote good corporate governance culture within the Group;
- review and adopt the overall strategic plans and programmes for the Group;
- oversee and evaluate the conduct of business of the Group;
- ensure there is a sound framework for internal controls and risk management;
- understand the principal risks of the Group, set the risk appetite within which Management is expected to operate and ensure there is an appropriate risk management framework;
- oversee and evaluate the implementation and effectiveness of the anti-bribery and corruption system of internal control;
- ensure there are succession plans of the Board and senior management;
- ensure the procedures for effective communication with stakeholders are put in place; and
- review the adequacy and integrity of the financial and non-financial reporting of the Group.

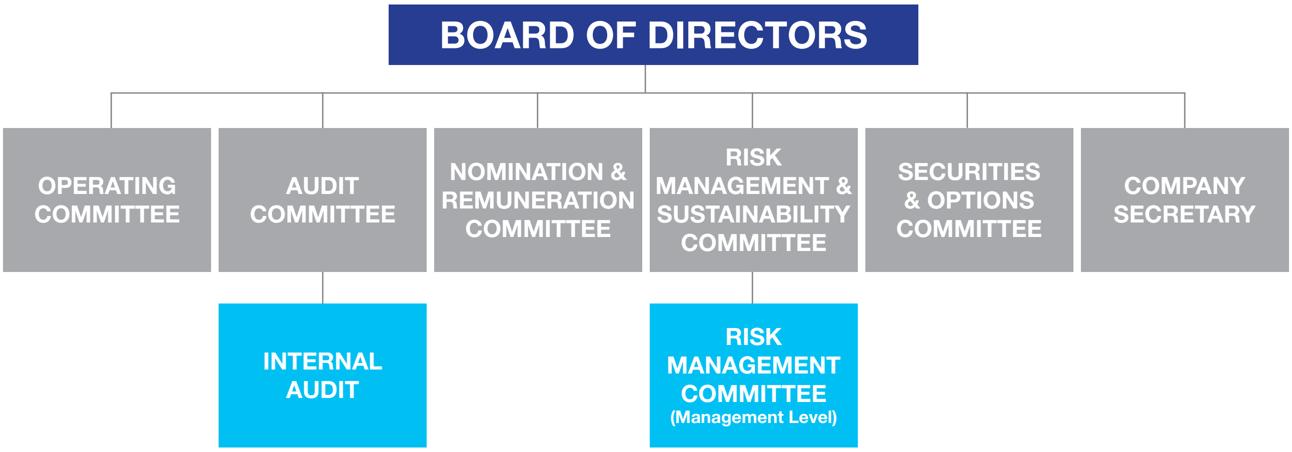
The Board is always guided by the Board Charter, which outlines the duties, responsibilities and matters reserved for the Board in discharging its fiduciary duties. The Board Charter is reviewed and updated by the Board from time to time to ensure that it continues to remain relevant and appropriate.

At the Board meeting in May 2024, the Board reviewed the Board Charter following the establishment of the Board Risk Management & Sustainability Committee ("RMSC") and the shift in oversight responsibility on risk management and anti-bribery and corruption system ("ABCS") from the Audit Committee to the RMSC.

The details of the Board Charter are available for reference at www.ijm.com.

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 their respective defined terms of reference, which are available for reference at www.ijm.com. The terms of reference of the Board Committees are subject to review and approval of the Board, including any proposed changes. The terms of reference of the Audit Committee and Nomination & Remuneration Committee were revised and approved by the Board during FY2024. The Chairs of the respective Board Committees report to the Board on the salient items of their Board Committee meetings and the reports or meeting minutes are included in the Board papers.

The governance structure of the Board is as follows:-




At the scheduled Board meetings, the Board receives updates and presentations from Management in relation to financial matters, operational and strategic activities and governance, in addition to the reports from the Board Committees. The Board also reviews the annual Budget of the Group, and considers the new budget as well as the capital expenditure requirements at the Board meeting held in February of each year. The Board and Management will deliberate on the proposed divisional budgets and the rationale and assumptions used for the Budget.

At the offsite Board Mid-Year Strategy Review Session held in November 2023, the Board had received and/or actively participated in the deliberation on the updates of the key strategic focus and action plan of the Group, which included the following:-

- updates on aspirations and business strategies of the Group, that included growing existing businesses, developing adjacent businesses, expanding geographical footprint and exploring potential game changers;
- strategic focus of all business divisions of the Group that encompassed transformation, incubation, performance and productivity aspects;
- updates on the sustainability data digitalisation and sustainability initiatives; and
- updates on human resource key focus areas that included leadership, learning agility, talent acquisition and retention, and governance.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

**2. 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 33. The Directors 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 training and 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 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 Committee 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 Committee meetings, where deemed necessary. During the FY2024, six (6) Board meetings were held.

The Board meetings' attendance record of each Director is as follows:

| | Number of Meetings Attended | Percentage |
|---|---|---|
| **Executive Directors** | | |
| Lee Chun Fai | 6/6 | 100% |
| **Independent Non-Executive Directors** | | |
| Goh Tian Sui | 6/6 | 100% |
| Dato' David Frederick Wilson | 6/6 | 100% |
| Tunku Alina Binti Raja Muhd Alias | 6/6 | 100% |
| Tan Ting Min | 6/6 | 100% |
| Dato' Ir. Tan Gim Foo | 6/6 | 100% |
| Loh Lay Choon | 6/6 | 100% |
| Datuk Ir. Ahmad 'Asri Bin Abdul Hamid *(appointed on 4 September 2023)* | 2/2 | 100% |
| **Non-Executive Directors** | | |
| Tan Sri Dato' Tan Boon Seng @ Krishnan | 6/6 | 100% |
| Datuk Lee Teck Yuen | 6/6 | 100% |
| Azhar Bin Ahmad | 6/6 | 100% |

The Directors also attended tender adjudication meetings and investment briefings, where they deliberate on the Group's participation in major project bids in excess of 5% of the net assets value of the Group (or RM250 million for overseas contracts). Informal meetings and consultations are frequently and freely held to share expertise and experiences. During the FY2024, eight (8) board briefings were held and attended by the majority of the Directors.

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 their attendance and participation in Board and Board Committee meetings and briefings during FY2024.

**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, conflict 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 Board has in place the ABCS which consolidates 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 initiatives of the Company to comply with ABCS during the financial year 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 together with Management take responsibility for the governance of sustainability in the Company and had adopted a sustainability governance framework that defines and guides the Group towards impact-focused targets. The Group undertook a comprehensive climate assessment, which lasted for 1.5 years, before publicly announcing its climate commitment in April 2023. As part of the development of the Group's climate strategy, the Board had numerous engagements with Management and appointed consultants. The climate assessment included the Group's carbon emissions profile of Scope 1, 2 and 3 (8 categories), as well as its climate physical and transition risks and opportunities.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board continued to play an essential role in aligning environmental, social and governance ("ESG") initiatives with the strategic direction of the Group. The Directors also participated in training and/or seminars to stay abreast with and understand the sustainability issues relevant to the Company and the business. In the annual Board Assessment for FY2024, the Board observed that enhancing ESG knowledge and focus at the Board level is imperative for guiding Management in pursuing ESG strategically. Consequently, the Board would continue to place great emphasis on their sustainability leadership and roles related to ESG and sustainability. The details of the sustainability initiatives of the Group are set out in the Sustainability Statement on pages 128 to 215.

## II. Board Composition

There are 11 Board members, ten (10) 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.

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.

Apart from the appropriate mix of skills, knowledge and experience, a person to be appointed or elected/re-elected as Director shall possess the necessary quality and character as well as integrity, competency and commitment. The persons who were appointed or re-elected as Directors during the financial year had respectively submitted a self-declaration as to his/her fitness and propriety via the Directors' Declaration of Fit and Proper Form adopted by the Board.

During the FY2024, the NRC reviewed the composition of the Board using a Board matrix to assess whether it is balanced and diversified, capable of bringing fresh perspectives to the Company. Based on the results of the FY2024 Board Evaluation provided by the independent consultant, it was observed that the Board's composition could be enhanced to achieve greater diversity in terms of skills, backgrounds, experiences, age, gender and ethnicity, while maintaining the current Board size.

The composition and size of the Board is reviewed annually to ensure its appropriateness and effectiveness. The profile of each Director is presented on pages 28 to 33.

### 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 Independent Non-Executive Directors of the Company has exceeded the term limit of nine (9) years as an Independent Director.

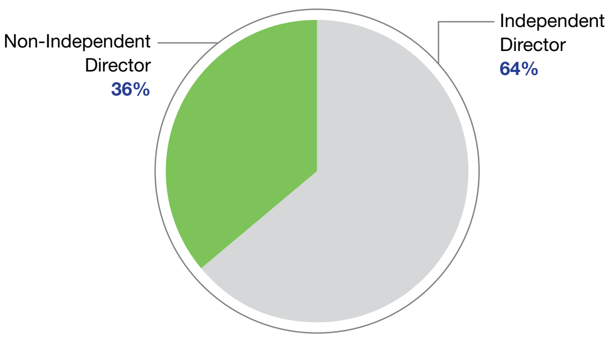
### 2. Board Diversity

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, legal practice and climate governance. 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.

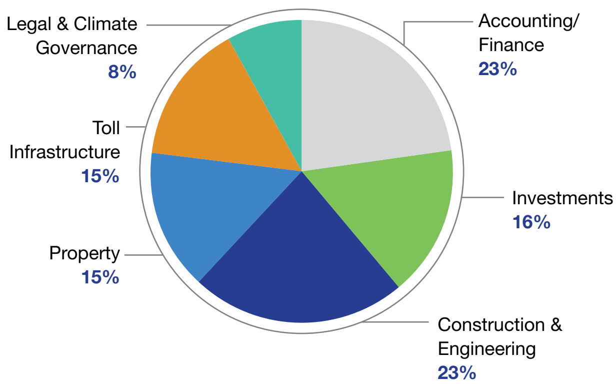
The Board now consists of three (3) women directors out of a total of 11 Directors representing 27% of the Board composition. Tunku Alina Binti Raja Muhd Alias and Goh Tian Sui, who are subject to retirement by rotation at the 40th Annual General Meeting ("40th AGM"), have not offered themselves for re-election and they will retire upon the conclusion of the 40th AGM. With their retirement, the composition of women Directors on the Board will be at 22%. The Board will endeavour to meet the 30% women Director requirement as soon as practicable. The Board Diversity Policy of the Company is available for reference at www.ijm.com.

The Board diversity for the Company is illustrated as follows:-

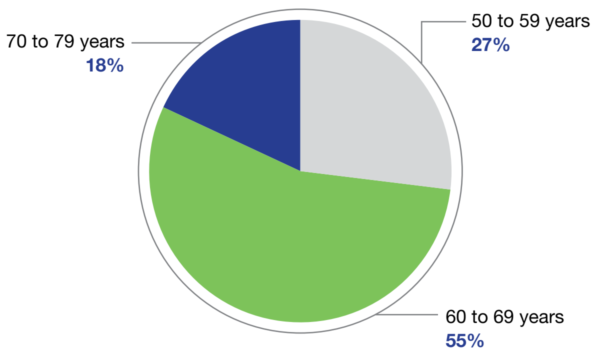
### Composition



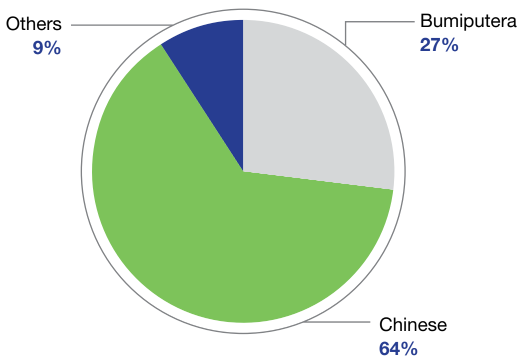

### Industry/Background Experience



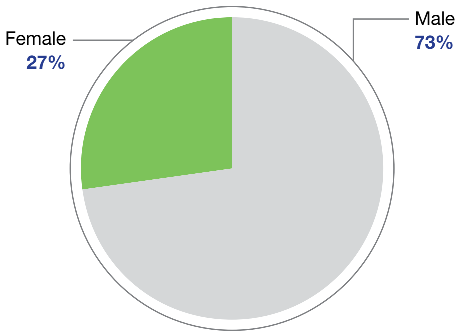

### Age Group




### Ethnic Group




### Gender Group



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

**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 composition of the NRC and the meeting attendance record of its members for FY2024 are as follows:-

| | Number of Meetings Attended | Percentage |
|---|---|---|
| Tunku Alina Binti Raja Muhd Alias (Chair)<br>*Independent Non-Executive Director* | 4/4 | 100% |
| Tan Ting Min<br>*Independent Non-Executive Director* | 4/4 | 100% |
| Datuk Lee Teck Yuen<br>*Non-Independent Non-Executive Director* | 4/4 | 100% |

The activities of the NRC during FY2024 included the following:

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

(ii) reviewed the Balanced Scorecard FY2023 of the Divisions and Group;

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

(iv) reviewed the salary and bonus of the CEO&MD;

(v) reviewed promotion and selected extension of service contracts for senior management of the Group;

(vi) reviewed the re-election of Directors at the Annual General Meeting ("AGM");

(vii) reviewed the fees payable to Non-Executive Directors of the Company, including the benchmarking against the fees of peer group Directors;

(viii) reviewed the benefits payable to Non-Executive Directors of the Company;

(ix) reviewed the engagement of an independent consultant for the Board Evaluation for FY2024;

(x) reviewed the enhancement of the Board Evaluation process for the assessment of the Board and Board Committees ("the Assessments") as recommended by the independent consultant;

(xi) assessed and evaluated the effectiveness of the Board, individual Directors, the independence of Independent Non-Executive Directors, the Audit Committee and its individual members, the NRC and the Operating Committee through the Assessments;

(xii) assessed and evaluated at midyear the performance of the CEO&MD;

(xiii) reviewed the succession plan of the senior management of the Divisions and the Group;

(xiv) reviewed the composition and diversity of the Board based on a Board matrix which included the gender, age, ethnicity, skills, experience and competencies of the Directors;

(xv) considered candidates for new appointments to the Board for Board progression planning purposes;

(xvi) reviewed IJM Group Scheme and Conditions of Service;

(xvii) reviewed the Terms of Reference of the NRC;

(xviii) reviewed the Remuneration Policy;

(xix) reviewed the Board Charter;

(xx) proposed key performance indicators of the CEO&MD for the FY2024;

(xxi) reviewed and recommended the termination of the Gratuity Policy;

(xxii) received the Management action plan arising from the findings of MyVoice 2022 (Employee Engagement Survey);

(xxiii) reviewed the composition of the Risk Management & Sustainability Committee;

(xxiv) reviewed the individual Learning and Development programs for the Senior Management, including the CEO&MD;

(xxv) suggested learning and development courses for Directors to undertake; and

(xxvi) attended joint meeting with the Audit Committee in respect of Whistleblowing case.

All recommendations of the NRC are subject to the endorsement of the Board. The Terms of Reference of the NRC are available for reference at www.ijm.com.

4. **Board and Board Committee Evaluation**

The Board undertook a formal and comprehensive annual evaluation of its own performance, comprising the Board as a whole, the Board Committees, each individual Director as well as the independence of Independent Directors for FY2024 ("BA 2024") via an independent consultant. The BA 2024 was conducted online and the results of the BA 2024 were presented by the independent consultant to the NRC for deliberation and review, before the NRC reported to the Board.

Based on the results of the BA 2024, the NRC and the Board were satisfied with the overall performance and effectiveness of the Board. The overall rating by the Board was positive, with consensus among all Board members highlighting several strengths, including the diverse knowledge and experience of the Board members, sufficient support from the Board Committees, effective Board leadership, and active participation of Board members at meetings. The areas identified for enhancement are cybersecurity, ESG and risk management. The independent consultant had highlighted some areas for improvement, including diversity in gender and ethnicity. The Board and the NRC will take the necessary actions to address these areas.

The Board Committee evaluation comprises the Audit Committee assessment, NRC assessment and Operating Committee assessment 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 and there were no major concerns from the results of the evaluation of 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 for FY2024.

The NRC also reviewed and assessed the performance of the Directors who are seeking for re-election through the Self & Peer Assessments for FY2024. The areas of assessment include board dynamics, contribution and commitment, roles and responsibilities, technical competence, governance, independence and integrity. Based on the assessment, the NRC was satisfied with their performances and was 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 sustainability, ESG, climate risk, economics, finance, innovation and technology, cybersecurity, governance, anti-bribery and corruption, risk management and industry knowledge. The Board has undertaken an assessment of the training needs of each Director through the Self & Peer Assessment for the FY2024.

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.

In addition, an induction programme was conducted for the newly appointed Director, Datuk Ir. Ahmad 'Asri Bin Abdul Hamid, to provide him with the necessary information to become as effective as possible in his role. Since his appointment to the Board in September 2023, Datuk 'Asri had visited the following project sites, in addition to attending the briefing sessions conducted by the Business Divisions of the Group:-

(i) Port Division - site visit to Kuantan Port;

(ii) Construction Division – site visit to Jendela Residence;

(iii) Toll Division - site visit to the Traffic Control Surveillance Systems (TCSS) Control Room and Besraya/NPE Highway Tour Alignment;

(iv) Industry Division – site visit to the IJM IBS Factory at Bestari Jaya; and

(v) Property Division - site visit to Pantai Sentral Park.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## III. Remuneration

### 1. Remuneration Policy and Procedures

The Company supports competitive 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 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 top Senior Management in the month of May annually whereby the NRC will consider various factors including the performances of the Group and the divisions, individual performances, duties, responsibilities and commitments of the Directors and top 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 top 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 in respect of FY2024 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 | 1,229 | - | 791 | 342 | 120 | 2,482 |
| Non-Executive Directors | - | 1,929 | 282* | - | 185 | 2,396 |
| **Total** | 1,229 | 1,929 | 1,073 | 342 | 305 | **4,878** |

* *Includes meeting allowance paid to the Non-Executive Directors for each of the Board and Board Committee meetings attended.*

**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 | - | - | - | - | - | - |
| Non-Executive Directors | - | 96 | 17 | - | - | 113 |
| **Total** | - | 96 | 17 | - | - | **113** |

B. Aggregate remuneration of each Director:

| | Remuneration Received from The Company RM'000 | Remuneration Received from Other Related Companies RM'000 |
|---|---|---|
| ***Executive Directors*** | | |
| Lee Chun Fai | 2,482 | - |
| ***Non-Executive Directors*** | | |
| Tan Sri Dato' Tan Boon Seng @ Krishnan | 369 | - |
| Datuk Lee Teck Yuen | 204 | 52* |
| Dato' David Frederick Wilson | 188 | - |
| Goh Tian Sui | 203 | - |
| Tunku Alina Binti Raja Muhd Alias | 243 | - |
| Tan Ting Min | 298 | 3# |
| Azhar Bin Ahmad | 173 | - |
| Dato' Ir. Tan Gim Foo | 270 | 58^ |
| Loh Lay Choon | 350 | - |
| Datuk Ir. Ahmad 'Asri Bin Abdul Hamid *(appointed on 4 September 2023)* | 98 | - |
| **Total** | **4,878** | **113** |

* *Fees and meeting allowance receivable from IJM Land Berhad in his capacity as Director*
^ *Fees and meeting allowance receivable from IJM Construction Sdn Bhd in his capacity as Director*
# *Meeting allowance receivable from IJM Land Berhad as an invitee*

Other than the remuneration of the CEO&MD, the Company has not disclosed on a named basis the top five (5) senior management's remuneration in view of the competitiveness in the market for senior talent.

## 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. Ms Loh Lay Choon, the Chair of the Audit Committee is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and a Chartered Accountant of the Malaysian Institute of Accountants (MIA). She is not the Chair of the Board. The other members of the Audit Committee are Ms Tan Ting Min and Dato' Ir. Tan Gim Foo.

**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 110 to 115. The external auditors were invited and had attended all quarterly 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 of the performance, suitability and independence of the external auditors for the financial year 2024 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. Pursuant to the External Auditors 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 three (3) years before such appointment.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

**3. Related Party Transactions**

Significant related party transactions of the Group for FY2024 are disclosed in Note 49 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 the 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 110 to 115, and the overview of the risk management and internal control framework of the Group is set out on pages 116 to 126 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, and has a dedicated Investor Relations team that handles analyst briefings, communicates with key institutional investors and answers queries from shareholders.

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 conducts regular dialogues with financial analysts. As at 31 March 2024, IJM was covered by 16 research houses, of which 12 and 4 had "Buy" and "Hold" ratings respectively.

The Company also participates in several institutional investor forums both locally and outside Malaysia. The summary of the Group's investor relation 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 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 Chief Sustainability & Investor Relations Officer 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, E-mail : csa@ijm.com).

## II. Conduct of General Meetings

The AGM is the principal forum for dialogue with shareholders. The notice of the 39th AGM held on 29 August 2023 and the annual report are sent out to shareholders at least 28 days before the date of the AGM.

All Directors had attended the 39th AGM held on 29 August 2023. 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 operational and financial matters 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 regarding 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 39th AGM was held virtually through live streaming from a broadcast venue and the Company had adopted online remote voting for the conduct of poll on all resolutions. A channel was made available for shareholders to pose questions before and during the AGM and all pertinent questions raised by shareholders were made visible to all meeting participants and answered during the AGM. Meeting participants were also 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 no later than 30 business days after the AGM.

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 5 July 2024.

# AUDIT COMMITTEE REPORT

During the financial year, the Audit Committee assisted the Board in ensuring integrity in financial reporting, effectiveness of risk management and internal control framework, and adequacy of the anti-bribery and corruption control measures and practices. 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 and Meetings

The Audit Committee is appointed by the Board of Directors and consists of not less than three (3) members. In line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all of the members of the Audit Committee are Independent Non-Executive Directors.

The Chair of the Audit Committee, Ms Loh Lay Choon, is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and a Chartered Accountant of the Malaysian Institute of Accountants ("MIA"). Ms Loh was appointed as a member of the Audit Committee on 7 July 2022 and has been the Chairperson since 26 August 2022. The other members of the Audit Committee are Ms Tan Ting Min and Dato' Ir. Tan Gim Foo.

Members of the Audit Committee *(from left to right)*:
Loh Lay Choon, Tan Ting Min and Dato' Ir. Tan Gim Foo

Six (6) meetings were held during the financial year, attended by the Group Chief Executive Officer & Managing Director ("Group CEO & MD"), the Chief Financial Officer, the Chief Audit Executive ("CAE") and the Company Secretary. The Chief Risk Management & Integrity Officer ("CRMIO") attended three (3) of these meetings, whilst the Engagement Partner and senior representatives of the external auditors attended five (5) of these meetings. The CRMIO and external auditors attended only the meetings where their presence was required. The meetings were mostly scheduled to coincide with the key dates within the financial reporting and audit cycle, being prior to the Board meetings pertaining to the release of the quarterly financial results and announcements as well as the year-end financial statements of the Group and the Company.

A quorum consists of two (2) members was present and where required, other Board members and Senior Management may attend meetings upon the invitation of the Audit Committee to provide information and clarification on relevant items on the agenda. Both the internal and external auditors, too, may request a meeting if they consider that one is necessary.

During the financial year, the Chair 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. A comprehensive agenda together with the supporting reports were distributed electronically to the Audit Committee members prior to the meeting. Minutes of each meeting were also distributed electronically to each Board member, and the Chair of the Audit Committee reports on key issues discussed at each quarterly meeting of the Board.

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

| No. | Name | No. of meetings attended |
|---|---|---|
| 1. | Loh Lay Choon<br>*Independent Non-Executive Director (Chairperson)* | 6/6 |
| 2. | Tan Ting Min<br>*Independent Non-Executive Director* | 5/6 |
| 3. | Dato' Ir. Tan Gim Foo<br>*Independent Non-Executive Director* | 6/6 |

### 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 2024. The Audit Committee was assessed based on five (5) key areas, namely, board committee mix and composition, effectiveness and quality, roles and responsibilities that cover areas of financial reporting, internal control, and internal and external audit, to determine whether the Audit Committee had carried out its duties in accordance with its terms of reference.

As for the appropriate level of knowledge, skills, experience and commitment of its members being critical to the Audit Committee's ability to discharge its responsibilities effectively, an assessment of the Audit Committee members (self and peers) was also carried out for the financial year ended 31 March 2024.

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, together with the accompanying Directors' Report, 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 significant matters highlighted by Management and the external auditors, amongst others the impact of the new accounting standards on the financial results and statements for the financial period being reported, 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; confirmed with Management and the external auditors that the annual audited financial statements had been prepared in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia to give a true and fair view of the financial position and financial performance of the Group and of the Company.

**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 ("IAD")'s 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 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, in a timely manner;
- Reviewed the internal auditors' findings on whistleblowing cases, and Management's responses and resolutions thereon.

**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 and that there was appropriate reliance placed on the work of the internal auditors;
- Reviewed the level and scope of assistance given by the internal auditors to the external auditors;

# AUDIT COMMITTEE REPORT

- The Audit Committee reviewed and deliberated 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.
- In accordance with International Standards on Auditing, key audit matters which in the opinion of the external auditors were of most significance in their audit of the financial statements for the year ended 31 March 2024 were brought to the attention of the Audit Committee and addressed by the external auditors in their audit report. The Audit Committee had considered the external auditors' findings in relation to these key audit matters and discussed with Management to ensure that they are appropriately accounted for and disclosed in the financial statements.
- 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 2024 were as follows:-

| Fees incurred | Audit Fees RM'000 | Non-Audit Fees RM'000 |
|---|---|---|
| The Company | 510 | 944 |
| The Group | 4,416 | 1,730 |

  The non-audit services rendered relate mainly to financial due diligence and tax compliance services.

- The Audit Committee met with the external auditors twice during the year, without the presence of Management, to ensure that the external auditors can freely discuss and express their opinions on any concerns or issues to the Audit Committee, 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") includes 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 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 three (3) 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**

- 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;
- The Risk Management Committee is assisted by the Risk Management and Integrity ("RMI") function in discharging its risk and compliance duties and responsibilities. One of RMI's primary roles is to work with each of the business divisions to assess, design, implement and monitor the identified risk and the compliance framework. RMI continues to assist the Risk Management Committee in providing oversight of enterprise-wide risk management and in supporting the business divisions' risk assessment and risk monitoring activities;
- Reviewed the monitoring reports and implementation progress arising from the Anti-Bribery and Corruption System (ABCS) that was developed to address the risk of fraud, misconduct, 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 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.

*Following the formation of Risk Management & Sustainability Committee on 30 November 2023, the Audit Committee has ceased to be responsible for overseeing the risk management framework and policies of the Group and Company.*

**5.0 Related Party Transactions and Conflict of Interest**

- Reviewed the related party transactions, if any, that arose within the Group to ensure that the transactions are fair and reasonable to the Group and Company and are not to the detriment of the non-controlling shareholders.
- Reviewed the conflicts of interest, including any potential conflict, that arose or may arise within the Group to ensure that they are clearly documented and deliberated to ensure they are not detrimental to the Group and 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 the CAE, Yusri Yunus who holds a Bachelor of Commerce (Accounting and Finance) degree from the Australian National University, Australia and a member of the Institute of Internal Auditors, Malaysia. He has previous experiences in leading internal audit teams in multinational corporation, government-linked corporation and large diversified public listed companies. The CAE reports directly to the Audit Committee and administratively to the Group CEO & MD. The Audit Committee is satisfied that the internal auditors' independence has been maintained as adequate safeguards are in place. All internal auditors have signed the annual declarations that they were and had been independent, objective and in compliance with the Code of Conduct and Ethics for Employees of IJM Corporation Berhad ("IJM"), and the Institute of Internal Auditors ("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.

# AUDIT COMMITTEE REPORT

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.

During the year, the Internal Audit Plan for FY2024 was reviewed and approved by the Audit Committee in February 2023. The Internal Audit Plan for FY2024 prioritised the Group's FY2024 Operational Plan 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 and conflict of interest), business units and entities. Selective lower risk units were also included on a periodic rotation basis.

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.

All audit findings, for which root-cause analyses 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 audited 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 the reported deficiencies were taken within the required timeframes. IAD conducted follow-up audits on key engagements to ensure that the 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 RM3.2 million (FY2023: RM2.4 million). A summary of the internal audit cost distribution is as follows:

| Cost Category | % of total cost |
|---|---|
| Manpower | 89% |
| Training | 1%* |
| Travelling (inclusive of accommodation) | 4% |
| Overheads | 6% |

* Excludes HRDC reimbursements.

## INTERNAL AUDIT ACTIVITIES FOR THE FINANCIAL YEAR

The IAD completed and reported on 49 assignments where audit reviews were conducted and thus provided independent assessments covering all business divisions of the Group, inclusive of 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.

IAD comprised of 17 staff and the level of expertise and qualifications within the IAD as of 31 March 2024 were as follows:

| Qualification Category | Percentage of total auditors |
|---|---|
| Degree Level | 40% |
| Professional Qualification (CPA, CIA, ACCA, CIMA, etc.) | 35% |
| Post Graduate Degree (MBA, MA, etc.) | 20% |
| Diploma Level | 5% |

The internal auditors continuously strive to 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 731 hours was spent on training and development, which averages 43 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 were as follows:

| Training and Development Category | Percentage of hours |
|---|---|
| Technical (for example auditing, accounting and tax) | 50% |
| Management, leadership & soft skills | 40% |
| Industry related trainings | 10% |

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 5 July 2024.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In line 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, the Board is committed to preserve and uphold a sound system of risk management and internal control as well as good corporate governance practices throughout IJM Corporation Berhad ("IJM" or "the Company") and its subsidiaries ("the Group").

## BOARD'S RESPONSIBILITY

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

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

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

### Risk Management & Sustainability Committee ("RMSC")

The RMSC was established by the Board on 30 November 2023, and held its inaugural meeting on 21 February 2024. This initiative aims to better align the RMSC's evolving role in supporting the Board's oversight of the Group's risk management, sustainability, and anti-bribery and corruption frameworks and policies, which were previously under the purview of the Audit Committee ("AC").

The RMSC is tasked with establishing the overarching direction of the Group's risk strategy and ensuring the seamless integration of risk appetite and compliance across the business, operations, and organisational culture. Supported by the Risk Management Committee ("RMC") and Risk Management & Integrity Department ("RMI"), it collaborates with the Board to oversee risk management, and compliance strategies, policies, processes, frameworks, and other risk-related matters.

During the financial year ended 31 March 2024 ("FY2024"), 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 reported to the AC during the first three quarters of FY2024, and transitioned to reporting to the RMSC during the final quarter, as part of its monitoring activity ensuring key risks are deliberated and appropriate mitigating actions are implemented. The AC and subsequently the RMSC presented quarterly summaries of their deliberations and decisions to the Board.

### Audit Committee ("AC")

The AC's main role is to support the Board in assessing the effectiveness of the Group's internal control system, overseeing both financial and non-financial reporting, and ensuring compliance with relevant laws and regulations. The AC evaluates internal controls through internal audits conducted by the Internal Audit Department ("IAD") and recommendations provided by the external auditor.

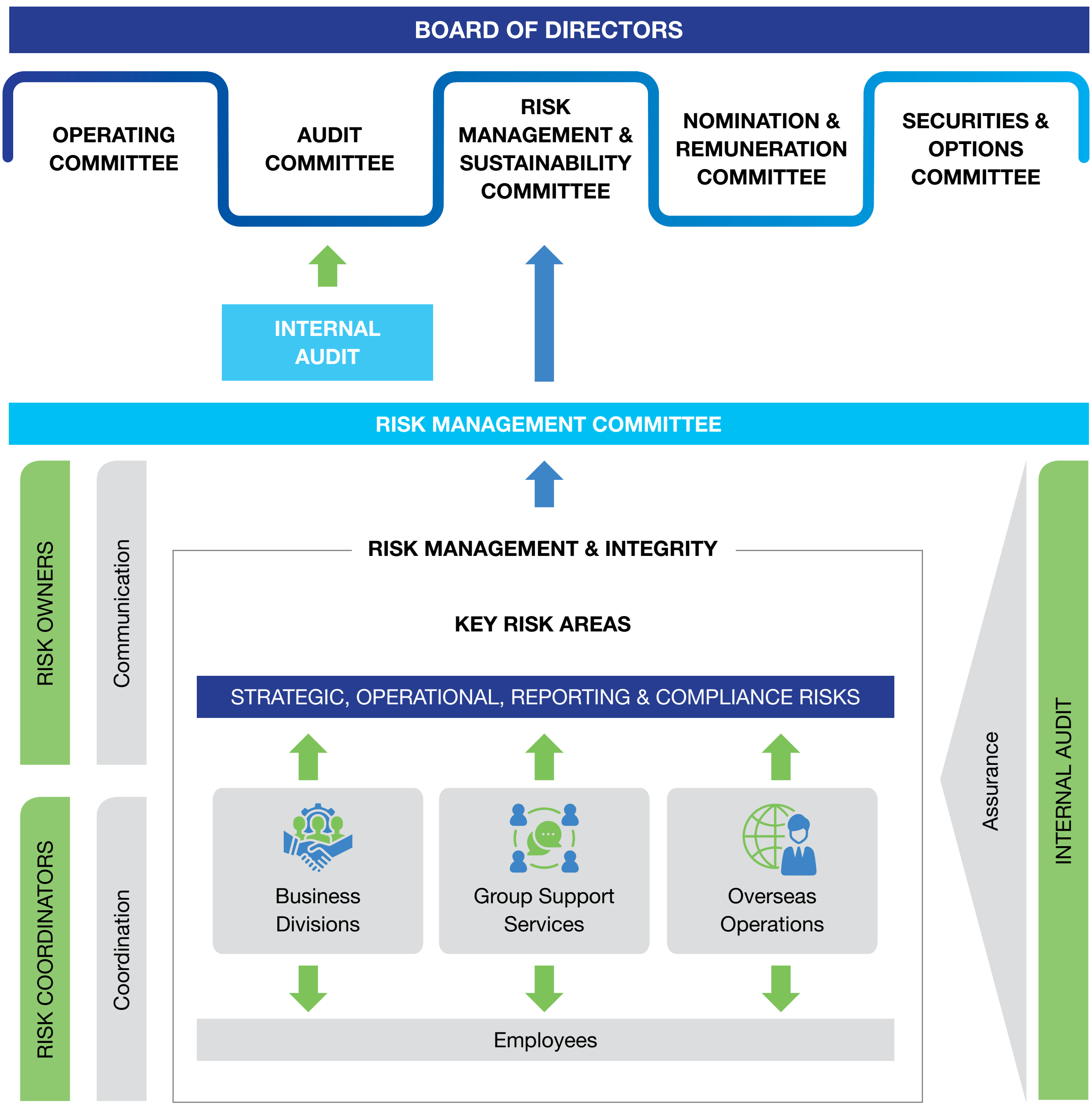
During the financial year, the adequacy and effectiveness of the system of internal controls was reviewed by the AC in relation to the internal audits conducted by the IAD, as well as control issues reported by the external auditor. The AC deliberated on the audit issues and the actions taken by Management, and a summary of these deliberations has been presented to the Board. The AC will address and monitor any internal control weaknesses and ensure continuous process improvement.

For FY2024, the Board has received assurance from the Group Chief Executive Officer & Managing Director and the Group 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.

## 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. Governance Oversight Structure**




Note: RMC reported to the AC during the first three quarters of FY2024, and transitioned to reporting to the RMSC during the final quarter.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## 2. Authority and Responsibility

| Authority and Responsibility | |
|---|---|
| **Board of Directors ("Board")** | Responsible for maintaining a sound risk management and internal control system to safeguard shareholders' investment and Group's assets, and to discharge its stewardship responsibility in identifying principal risks whilst ensuring the appropriate and effective implementation of risk management and internal control system within IJM Group. |
| **Audit Committee ("AC")** | Oversees the effectiveness of the Group's internal control system, including financial and non-financial reporting, whistleblowing and conflict of interest management, and ensures compliance with applicable laws and regulations. The AC evaluates internal controls through audits conducted by the Internal Audit Department ("IAD") and recommendations provided by the Group's external auditor. Additionally, the AC consults with the Group's external auditor or consultants as necessary. |
| **Risk Management & Sustainability Committee ("RMSC")** | With the assistance of the RMC and RMI, oversees the Group's Enterprise Risk Management ("ERM") framework, Anti-Bribery & Corruption System framework, and Sustainability framework. This includes assessing the adequacy and effectiveness of risk management processes, the anti-corruption programme, and sustainability management practices. |
| **Nomination & Remuneration Committee ("NRC")** | Assists the Board, including but not limited to reviewing and recommending appropriate remuneration policies for Directors and senior management, reviewing succession plans, recommending candidates to the Board, and evaluating the performance of the Board as a whole, Board Committees and individual Directors on an annual basis. |
| **Securities & Options Committee ("SOC")** | 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. |
| **Operating Committee ("OC")** | 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. |
| **Management Committee ("MC")** | Management committees of the respective business divisions of the Group are established to review and manage their operations and report to the OC at the Group level. |
| **Risk Management Committee ("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 Group Chief Financial Officer and includes representatives from all business divisions, both local and overseas, as well as from the relevant Head Office support departments. Each business division's risk management function is led by the respective head of the division. |
| **Risk Management & Integrity ("RMI")** | Headed by the Chief Risk Management & Integrity Officer ("CRMIO"), RMI was established as a dedicated function to ensure ERM and Integrity activities are developed, executed and monitored in line with Group's corporate objectives and strategies. |
| **Internal Audit Department ("IAD")** | Headed by the Chief Audit Executive ("CAE"), IAD provides an independent and objective assurance review of the Group's internal control system. |

### 3. IJM's Internal Control Environment


| Internal Controls | Description |
|---|---|
| **Planning, Monitoring & Reporting** | • Regular, comprehensive and up-to-date information are escalated to the Board, its Committees and Management Committees at their periodic and monthly meetings to deliberate on key strategic and operational matters.<br>• Annual budgets for the Group are scrutinised and approved by the Board. These budgets are used to monitor actual versus budget as well as against prior period's performance with major variances being analysed and subsequent management actions taken as necessary.<br>• Half-yearly company briefings with analysts are conducted to apprise shareholders, stakeholders and the general public of the Group's performance whilst promoting transparency and open discussion. |
| **Policies, Procedures & Values** | • The Company's culture reflects its core values, behaviours and decisions. These form the base of an effective risk management system and are reflected in the Company's statements of vision, mission and core values, 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.<br>• Clearly documented and formalised, standards and procedures are established and continuously reviewed to ensure compliance with internal controls, relevant laws and regulations. These have been communicated to all levels and are easily accessible on the Company's intranet platform.<br>• High performance culture is embedded via the establishment of a systematic performance measurement system through alignment of Group and Divisional Scorecards to individual employees' Key Performance Indicators.<br>• Clearly defined levels of authority governing the day-to-day business aspects of the Group covering procurement, payments, investments, acquisition and disposal of assets are reviewed periodically and disseminated to all employees.<br>• 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. |

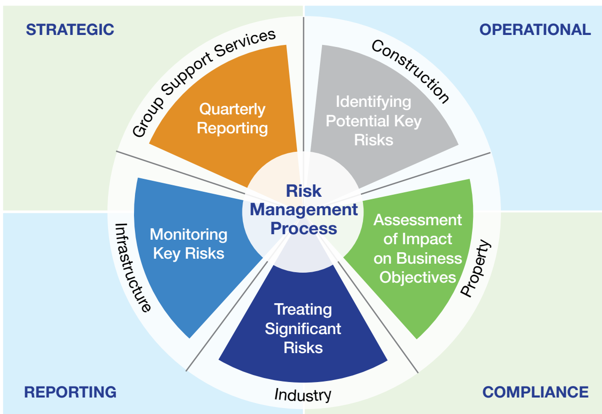
# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

<table>
<tr><th>Internal Controls</th><th>Description</th></tr>
<tr><td>Audits</td><td>

- The IAD performs risk-based audits on various operating units within the Group, in-line with the annual audit plan approved by the AC.
- The IAD reviews and verifies control effectiveness and subsequently recommends for internal control improvement for any gaps identified that may strategically or operationally affect IJM operations.
- The external auditor's annual audit strategy, audit plan and scope of work are duly reviewed and endorsed by the AC.
- Further details of the IAD and external auditor's functions and activities are set out in the AC Report.
- The Company and certain subsidiaries, with accreditation by external parties with various quality, health, safety and environment or other certifications undergo scheduled on-site audits by their auditors to ensure compliance to relevant industry standards. The results of these audits are reported to Management.

</td></tr>
<tr><td>Risk Management</td><td>

- The RMC, assisted operationally by RMI, principally develops, executes and maintains the ERM system to ensure that the Group's corporate objectives and strategies are achieved within the acceptable risk appetite of the Group.
- The implementation of risk management initiatives across the Group follows the annual plan approved by the AC for FY2024 and the RMSC for FY2025.
- Methodology and approach adopted is in accordance to international standards of:
  - ISO 31000:2018 Risk Management; and
  - Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Enterprise Risk Management Framework (depicted below).




- The scope of assessment includes ad-hoc and continuous review of identified and emerging risks as well as the management responses to significant risks to achieve:
  - 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.
- As part of the continuous review process and recognising the dynamic business landscape, new risk areas are assessed and necessary updates are made to the applicable risk registers. The risk identification process addresses risks that are pertinent to achieving business objectives, considering their potential impact on the success and continuity of the business. Subsequently, identified risks are evaluated based on their likelihood of occurrence and significance. In cases where circumstances undergo significant fluctuations throughout the year, it may be necessary to revise both the strategic approach and the assessment of associated risks.

</td></tr>
</table>

| Internal Controls | Description |
|---|---|
| **Ethics & Integrity** | • The Group's Anti-Bribery and Corruption System ("ABCS") was established pursuant to the introduction of Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act which was made effective from April 2020. This reflects the Group's commitment in upholding and strengthening its corporate governance structure and ensuring its commitment to ethical conduct, integrity and accountability in all business activities and operations of the Group.<br>• Key policies governing ethics and integrity includes:<br>- ABCS Manual<br>- Code of Conduct and Business Ethics<br>- Whistleblowing Policy<br>Development of these policies are essentially guided by the "Guidelines on Adequate Procedures" issued in accordance with Section 17A of the MACC Act.<br>The ABCS Manual outlines the Group's position, key principles and tolerance with regards to anti-bribery and corruption. It is published on both IJM's corporate website and the i-Portal with the intention to:<br>- set out the parameters including the main principles, policies and guidelines which the Group adopts in relation to anti-bribery and corruption;<br>- provide guidance to its Board members and employees whilst discharging their duties; and<br>- serve as guiding principles for its customers, business partners and stakeholders.<br>• Key initiatives embarked by IJM in relation to ABCS includes:<br>- Deployment of a series of annual mandatory self-learning programmes on Section 17A of the MACC Act and IJM's ABCS Manual to Directors, employees and third parties;<br>- Annual obligatory commitment to integrity and disclosure of conflicts of interest by all directors and employees;<br>- Conduct of a Group-wide Corruption Risk Assessment exercise to ensure the appropriateness of mitigation measures established to minimise risk exposure;<br>- Implementation of Group-wide Third-Party Due Diligence process 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 the Guidelines on Adequate Procedures;<br>- Incorporation of standard clauses relating to ABCS in all contractual agreements to ensure that business partners and suppliers are aware and abide to the Group's position in relation to ethics and integrity practices;<br>- Distribution of the "Code of Business Conduct for Third Parties" to business partners and requiring an acknowledgment from them on the reasonable and appropriate measures it will take whilst serving for or on-behalf of the Group;<br>- Implementing a comprehensive Whistleblowing Policy and Procedures enables employees and stakeholders to promptly report any actual or potential wrongdoing, conflict of interest, inappropriate behaviour, or misconduct related to fraud, corrupt practices, or abuse. The primary objective of this policy and procedure is to establish a mechanism where Group employees, stakeholders, and third parties can raise concerns without fear of retaliation, enabling Management to take necessary actions. To facilitate the reporting of any improper conduct, employees or members of the public can utilise the designated channels outlined in the policy. The Company highly values all disclosures and ensures that they are treated with the utmost confidentiality and sensitivity;<br>• During the financial year, the AC reviewed and discussed both potential and actual conflicts of interest. The Human Resources department reported on several instances of conflict of interest cases, prompting corresponding remedial actions to resolve them;<br>• Continuously review existing ABCS Manual including the respective functions' roles & responsibilities and guidance notes; and<br>• Instilling the culture of integrity and high compliance at workplace through educational and awareness communications such as email blasts and reminders to all employees pertaining to Group's gift policy, whistleblowing channel, ABCS framework and related bribery and corruption cases. |

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

| Internal Controls | Description |
|---|---|
| **Sustainability** | • The Company had established a Group-wide governance framework for sustainability that defines and guides the Group towards impact-focused targets.<br>• The RMSC 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, through Board committee meetings or sessions, reviews the strategic plans and programmes of the Group; and emphasises the strategic plan that supports the long-term value creation and covers environmental, social and governance (ESG) aspects.<br>• 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.<br>• Annual validation of the Group's sustainability materiality matrix is carried out at the Group and Divisional levels to ensure that the topics identified 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 found on pages 128 to 215 of the Annual Report.<br>• The reported sustainability data for FY2024 has been verified by the IAD.<br>• Climate change was identified as one of the foremost material sustainability matters in FY2024. In its efforts to address climate-related matters, the Group announced its climate commitment in April 2023, which focuses on reducing its carbon emissions as well as enhancing climate resilience.<br>• IJM commits to achieving net-zero carbon emissions by 2050, which covers Scope 1, Scope 2 and Operational Scope 3 categories while the reduction of Embodied Scope 3 emissions is achieved through supplier engagements. IJM's greenhouse gas (GHG) emissions data for its baseline year FY2023 has been independently verified.<br>• As an official supporter of the Task Force for Climate-related Financial Disclosures ("TCFD"), IJM performed a physical and transition risk and opportunity assessment, covering its main businesses in Malaysia and India. The assessment was tested against a few global temperature scenarios between 1.5°C to 4°C by the Intergovernmental Panel on Climate Change (IPCC), International Energy Agency (IEA) and Network for Greening the Financial System (NGFS). Guided by this, IJM's resilience plan includes climate risk integration into the organisational matrix, asset and business adaptation that includes the value chain, and TCFD alignment.<br>• Further details of the Group's climate strategy are disclosed in the Sustainability Statement on pages 128 to 215 of the Annual Report. |
| **Insurance** | • As a global conglomerate with a diverse business portfolio, the Group is exposed to numerous risks. As part of its strategic risk transfer programme, the Group has in place adequate insurance coverage for its business operations, assets and employees where it is available on economically acceptable terms to minimise the related financial impacts. |

**4. Risk Assessment Review**

| STRATEGIC | FINANCIAL | OPERATIONAL | BUSINESS CONTINUITY |
|---|---|---|---|
| • Economic<br>• Commodity<br>• Political/ Regulatory | • Foreign Exchange<br>• Counterparty risk<br>• Liquidity risk | • Climate change | • Cybersecurity<br>• Disaster recovery |

In the face of subdued national economic growth, limited local infrastructure projects, persistently high interest rates, and geopolitical tensions such as the Russia-Ukraine War and Middle East conflicts, the Group is leveraging its strengths and opportunities by focusing on cost optimisation, revenue generation, and innovative business processes to enhance competitiveness and safeguard its financial position and agility. The Group remained resilient through systematic and adequate control measures in place to ensure risks and their exposures are continuously reviewed and proactively mitigated.

The Group conducted a series of risk reviews during the financial year and has subsequently reported the assessment outcome to the Board via the AC in the first three quarters of the financial year and to the newly established RMSC during the last quarter. Significant risk areas affecting the Group were identified together with strategic mitigating actions established to manage the risk exposure, as presented below:

| Strategic Risk Management | |
|---|---|
| **Description** | **Strategic Mitigation Efforts** |
| **Economic Risk** | |
| Challenging economic climate caused by the factors below are affecting the Group's overall economic performance:<br>• geopolitical tensions such as the Russia-Ukraine war and the Middle-East conflict;<br>• volatility in the commodities market;<br>• persistently high interest rates;<br>• weakening of the Malaysian Ringgit;<br>• impending removal of petrol subsidies;<br>• increase in SST from 6% to 8%; and<br>• decline in government infrastructure spending. | • Focus on securing projects both locally and internationally to drive growth.<br>• Regularly review business plans against actual performance.<br>• Maintain trust with existing customers and winning new customers via successful project track-records and exceptional product quality.<br>• Perform operational efficiency exercise via periodic review of Group cost structure.<br>• Continuously exploring new innovative marketing strategies with appropriate product differentiation that suits market demand.<br>• Closely monitor and proactively manage risk exposure arising from geopolitical, currency and regulatory risks for the Group's foreign investments in India, United Kingdom, China and Argentina. |

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

| Strategic Risk Management | |
|---|---|
| **Description** | **Strategic Mitigation Efforts** |
| **Commodity Risk** | |
| The Construction, Property and Industry divisions are directly exposed to material price volatility resulting in the erosion of the Group's profit margins and together with supply delays cause postponement of certain projects.<br>The escalation of geopolitical tensions, notably in the Middle East and the Russian-Ukraine war, ongoing friction between the US and China, the swift reopening of economies, and disruptions in supply chains, are contributing significantly to price volatility, especially in imported materials.<br>Moreover, the government's decision to remove fuel subsidies and implement an increase in the Sales & Service Tax is anticipated to exacerbate the rise in material prices further. | • Execute bulk purchase strategy for high consuming construction materials.<br>• Inclusion of Variation of Pricing (VOP) clauses in conditions of contracts to accommodate the material price volatility.<br>• Participation in industry-wide working groups (i.e. Real Estate and Housing Developers' Association (REHDA) & Master Builders Association Malaysia (MBAM) for engagement dialogues with government and regulators to highlight the industry concerns.<br>• Focus on cost optimisation and business process innovation and digitisation to remain resilient and agile. |
| **Political/ Regulatory Risk** | |
| The Group's businesses are heavily regulated by relevant laws, regulations and concession agreement terms. Any adverse change to regulatory policies will have negative ramifications towards the business. | • Constantly assess the impact of new or changes to laws and regulations affecting the Group's businesses to ensure that existing processes and infrastructure settings are able to satisfy new regulatory requirements.<br>• Active involvement in industry/ trade associations to have constant dialogues with regulatory authorities. |

| Financial Risk Management | |
|---|---|
| **Description** | **Strategic Mitigation Efforts** |
| **Foreign Exchange Risk** | |
| The Group's diverse business industries in multiple jurisdictions resulted in an exposure to foreign currency fluctuations, mainly in United States Dollar, Indian Rupee, Chinese Yuan and Pound Sterling. | • Execute forward foreign exchange contracts or cross currency swap contracts (where applicable).<br>• Periodic review and maintain foreign currency denominated borrowings within the tolerable thresholds. |

| Financial Risk Management | |
| --- | --- |
| **Description** | **Strategic Mitigation Efforts** |
| **Counterparty Risk** | |
| Risk of loss arising from customers' or vendors' failure to fulfil their financial and contractual obligations in accordance with the agreed contractual terms. | • Conduct regular creditworthiness assessment on existing and potential customers.<br>• Perform vendor assessment prior to determining the list of prospective vendors; and conduct annual assessment on existing vendors.<br>• Ensure compliance to Group's debt repayment policies.<br>• Persistent follow-up and close monitoring of overdue debts. |
| **Liquidity Risk** | |
| Property, Infrastructure and Construction divisions require high capital allocations. Maintaining a healthy cash-flow position is crucial for business sustainability. | • Conduct cash flow position assessment through periodic review meetings to ensure a healthy balance is maintained.<br>• Review and maintain sufficient credit facilities.<br>• Constant monitoring of financial ratios and debt covenants.<br>• Constant efforts to monetise completed properties. |

| Operational Risk Management | |
| --- | --- |
| **Description** | **Strategic Mitigation Efforts** |
| **Climate Change Risk** | |
| The Group is aware that climate change including adverse weather patterns and rising sea levels may present significant risks to the global community. Being a responsible corporate organisation, the Group endeavours to align its business strategies and sustainability initiatives to be in-line with globally accepted sustainability standards [e.g., TCFD & United Nations Sustainable Development Goals (UNSDG)]. | • The Group continuously embarks on innovation efforts to optimise the residual impact to the community and environment.<br>• Consider the use of alternative sustainable designs and building materials. |

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

| Business Continuity | |
|---|---|
| **Description** | **Strategic Mitigation Efforts** |
| **Cybersecurity Risk** | |
| Businesses and individuals today are more dependent than ever on digital connectivity in virtually every aspect of their existence. Any disruption in digital connectivity is considered an obstacle in the path of progress.<br>As part of the Group's innovation journey to embrace digitalisation and automation, it increases its digital footprint and this inevitably resulted in an increased cyber threat towards the Group's IT infrastructure. | During the financial year 2024, the following initiatives were carried out to address IT security risks and to enhance controls effectiveness:<br>• Conducted a full IT General Controls ("ITGC") assessment for the core backbone systems by an external auditor, with no major findings reported;<br>• Performed internal ITGC review across other divisions, no major findings were detected;<br>• Implemented a Security Operations Center ("SOC") which is outsourced and managed by a reputable vendor;<br>• Activated Data Leak Protection ("DLP") for emails as an additional layer of protection;<br>• Aligned Group IT policies and procedures with the ISO/IEC 27001:2022 and ISO/IEC 20000:2011 guidelines; and<br>• Installed biometrics access controls at key locations housing critical infrastructure. |
| **Disaster Recovery Management** | |
| Having a resilient IT eco-system is crucial for the Group's business continuity of key 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 has embarked on a stringent approach towards making sure that its IT infrastructure is able to support business requirements uptime. | After successfully meeting the targeted Recovery Point Objective ("RPO") for the Group's core backbone ERP system in the fiscal year 2024, the Group is now focused on enhancing its Recovery Time Objective ("RTO") capabilities.<br>Furthermore, the Group is currently developing RPO/RTO targets and processes for other critical front-end business operating systems. |

## 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 5 July 2024.

# BUILDING WITH DISTINCTION, DELIVERING INSPIRED SOLUTIONS

At IJM, we are recognised for our capabilities as a builder of distinction, offering comprehensive construction solutions tailored to diverse client needs. Our expertise spans large-scale developments, from landmark and industrial buildings to transformative road and rail projects. We ensure high standards and reliable outcomes in every endeavour, from infrastructure to complex constructions. By leveraging our engineering expertise and working collaboratively with clients, we foster strong partnerships and deliver outstanding results. Our commitment to going beyond just quality and excellence establishes us as a trusted name in the industry, consistently transforming visions into reality.

The ViTrox Campus 3.0 chip assembly and testing facility in Batu Kawan, Penang built by IJM Construction

# OPERATIONALISING SUSTAINABILITY. LEADING WITH RESPONSIBILITY

FY2024 was pivotal for operationalising our $R_2O$ Climate Strategy, launched early in the year. We established governance structures, delineating monitoring and reporting responsibilities between the Board, management and operating units. Metrics and targets were also set to guide our business divisions in reducing Scope 1, Scope 2 and Scope 3 emissions.

$R_2O$ is a dynamic document covering all touchpoints, including supply chain, and is subject to updates based on new findings from credible global and local climate sources.


RIMBAYU

# KEY HIGHLIGHTS FY2024

## Marketplace

**Three construction** projects achieved QLASSIC scores above 80%, with **LHDNM Penang** holding the **highest score of 86%**

All divisions **exceeded targets** set for their respective customer satisfaction survey/ index

**Menara AFFIN** received the ***Excellence Award*** at CIDB's Safety & Health, Environment and Quality (SHEQ) Day 2023

Developed a **Group-wide Supply Chain Framework** with a planned roll-out in FY2025

Property Division received the ***High QLASSIC Achievement Award*** at SHEQ Day 2023, for two projects in Johor Bahru

## Environment

The Group formalised **climate risk assessment** into the enterprise risk management framework

The **Risk Management and Sustainability Committee** was formalised to provide oversight on matters relating to climate change across IJM

The Industry Division successfully replaced **13% of cement content** with non-cementitious material

## Workplace

Our employee engagement survey, ***MyVoice,*** results showed **improvement by seven points** from the last conducted survey in 2022

The Group introduced a minimum of **16 learning hours per year** for each employee

Training investment of **RM2.5 million** with over **93,687 hours** dedicated to learning and development training, a significant increase over the previous year

In collaboration with LinkedIn Learning, employees completed over **3,650 learning hours** and **3,479 courses** of various topics

## Community

Contributed a total of **RM1.2 million, 0.8%** of the Group's **PATMI**

**Education:** Granted scholarships worth **RM442,000 to 11** deserving undergraduate students

**Community Development:** Invested **RM350,000** in the **IJM Allianz Duo Highway Challenge 2023** in FY2024

**Built Environment:** Extended MyHome programme to rehabilitating the homes of four families, bringing the total beneficiaries to **21 homes since 2010**

# COMMITMENT TO SUSTAINABILITY

IJM's approach to sustainability is guided by the Group's Sustainability Framework, encompassing four key pillars: Marketplace, Environment, Workplace, and Community. These pillars align with the United Nations Sustainable Development Goals (SDGs) and form the foundation for embedding sustainability into our business strategies. IJM's Group Sustainability Roadmap FY2023–FY2025 outlines our focus areas to meet stakeholder expectations and deliver sustainable value across the four pillars as well as other strategic opportunities.

"In today's corporate landscape, sustainability serves as a crucial perspective for businesses, extending beyond mere profit motives. Companies must actively engage with external input, often on unfamiliar and emerging topics, and respond cohesively by aligning purpose, foresight, and data-driven decision-making."

**Shane Guha Thakurta**
Investor Relations and Sustainability

## STATEMENT OVERVIEW

### Disclosure Requirements and Benchmarks

We report our sustainability performance on an annual basis, prepared in accordance with the local regulatory guidelines and take into consideration the international sustainability reporting frameworks, standards and guidelines:

- Bursa Malaysia's Sustainability Reporting Guide (Third Edition)
- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB) Engineering and Construction Services
- Task Force for Climate-related Financial Disclosure (TCFD) Framework
- Business for Societal Impact (B4SI) Framework
- UN Sustainable Development Goals (UN SDGs)
- FTSE4Good Bursa Malaysia Index
- MSCI ESG Indices
- S&P Global Indices
- CDP Indices

As a participating member of the UN Global Compact (UNGC), this report complements the annual Communication on Progress (CoP) submitted to the UNGC to reflect our continuous efforts to align our practices with the Ten Principles encompassing human rights, labour, environment and anti-corruption.

This Statement should be read in conjunction with the Annual Report 2024 and other sustainability-related disclosures published on our website. Please refer to pages 202 to 208 for our alignment to the GRI, SASB and UNGC Ten Principles.

### Reporting Period and Scope
[GRI 2-3]

This Statement covers IJM Group's sustainability performance data for the financial year 1 April 2023 to 31 March 2024 of our operations in Malaysia and India, collectively accounting for 99.5% of the Group's total operating revenue. Except for Scope 3: Category 15 Investments, the Statement includes data from IJM's subsidiaries but excludes data from associates and joint ventures outside management control.

### Performance Data and Independent Verification [GRI 2-5]

Data presented in this Statement includes comparative data from the previous two years. Data disclosed in this Statement have been verified by the Group's Internal Audit Department.

In FY2024, our reported greenhouse gas emissions ("GHG") data, which includes Scope 1, Scope 2 and Scope 3 respectively, has undergone independent verification, in accordance with ISO 14064-1:2018 standard. The independent verification report can be found in Appendix 1 and our Corporate website.

### Feedback

Our priority is to create value for all our stakeholders by understanding their expectations. In this regard, your feedback is vital to improve our sustainability performance. We welcome all suggestions and comments from stakeholders. Any queries and feedback can be submitted to sustainability@ijm.com.

# COMMITMENT TO SUSTAINABILITY

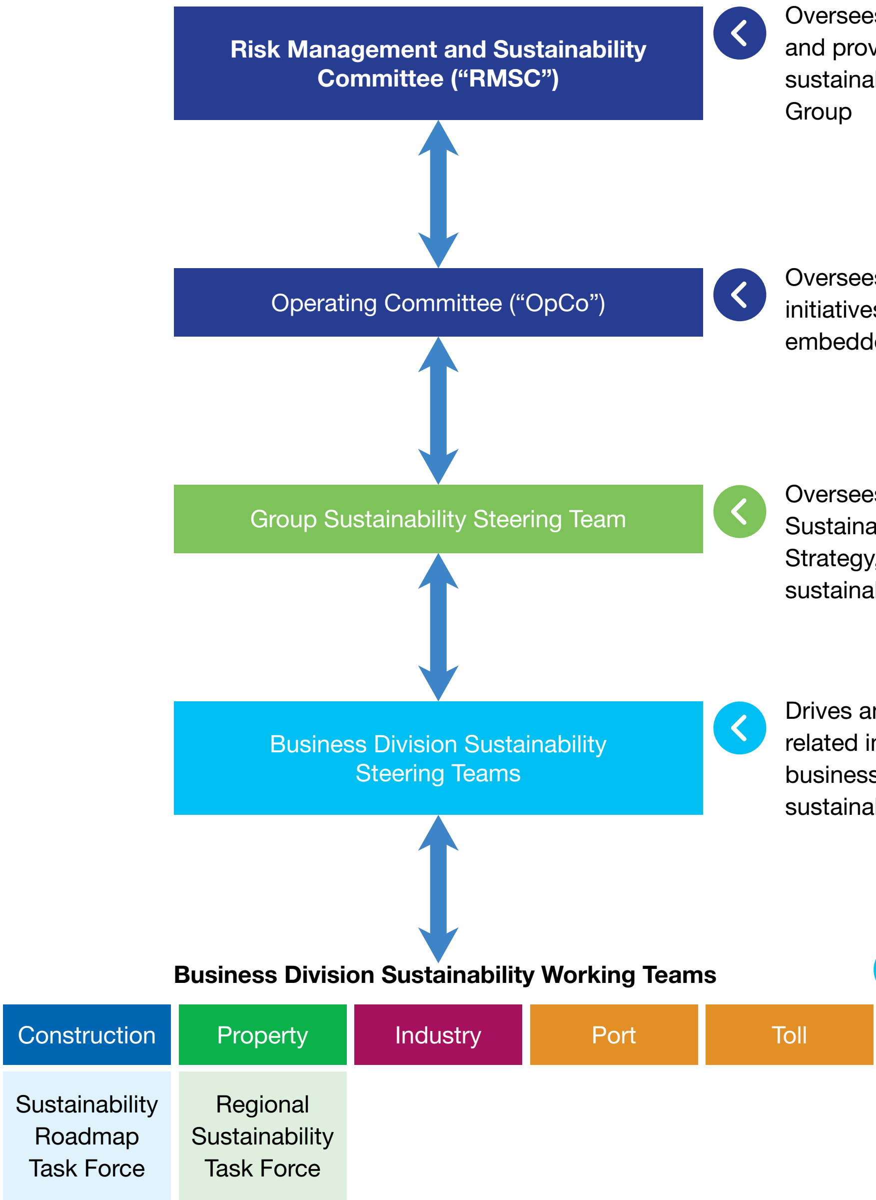
## OUR APPROACH TO SUSTAINABILITY [GRI 2-22]

### Sustainability Framework

The IJM Group Sustainability Framework serves as the cornerstone of our value creation journey and underscores our commitment to uphold sustainable practices. Encompassing four key pillars of Marketplace, Environment, Workplace, and Community, it guides the integration of governance, strategies, focus areas, performance, and initiatives, aligning with local and global sustainability agendas such as the UN SDGs and the Ten Principles of the UNGC. By investing strategically across these pillars, we prioritise impactful actions that align with our business priorities, maximise value creation, and mitigate risks.

## Sustainability Governance [GRI 2-12, GRI 2-13, GRI 2-14]

Our governance structure comprises the Board, Management and operation-level committees to ensure strategic oversight and effective management of sustainability risks and opportunities for long-term value creation. Our Board of Directors play a pivotal role in steering our governance strategies, ensuring that all policies and practices are in line with global best practices and regulatory requirements. We emphasise the importance of sustainability-related key performance indicators in executive remuneration, linking top management's incentives to the achievement of our sustainability goals.




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

Oversees the execution of sustainability initiatives to ensure best practices are embedded across the Group

Oversees the delivery of the Group's Sustainability Roadmap and Climate Strategy, and the production of the Group's sustainability statement

Drives and implements sustainability-related initiatives within respective business divisions in line with the Group's sustainability strategy

Provides support in implementing and monitoring sustainability-related initiatives within respective business divisions. Dedicated task forces have been set up to support the Construction and Property Divisional Steering Teams in developing and implementing IJM's Climate Strategy and Sustainability Roadmap

# COMMITMENT TO SUSTAINABILITY

## APPROACH TO MATERIALITY: IDENTIFYING OUR FOCUS AREAS

### 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 insights of ESG topics that they feel are important to IJM business operations.

**Phase 2**

**Prioritisation of ESG topics**

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

**Phase 3**

**Validation of ESG topics**

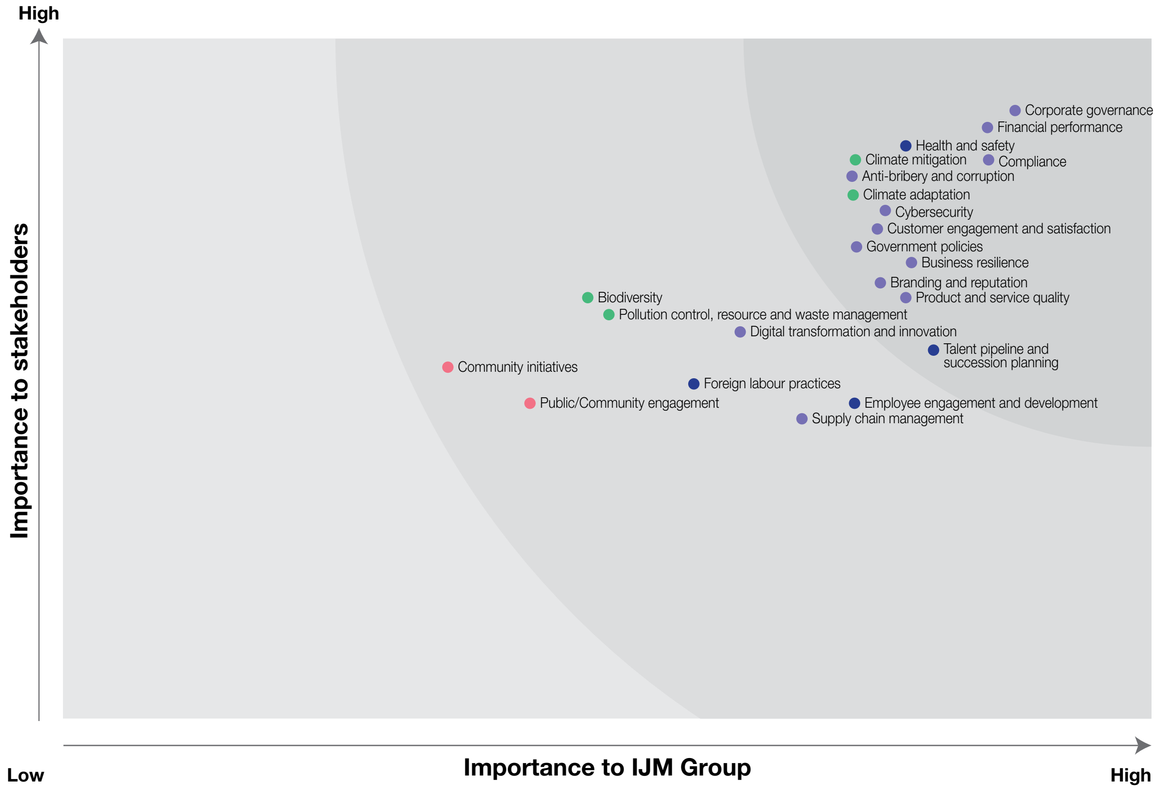
ESG topics are validated and approved by the RMSC and OpCo to ensure relevance and significance to IJM Group.

**Phase 4**

**Reporting of ESG topics**

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

**IJM Group's FY2024 Materiality Matrix**




Legend: Marketplace, Environment, Workplace, Community

In our recent sustainability materiality assessment, the 23 material topics identified in FY2023 remain relevant for both the IJM Group and stakeholders.

The top right quadrant highlights the sustainability topics that are most material to our stakeholders and the IJM Group. The outcome of the assessment resulted in Climate Adaptation and Climate Mitigation moving to the top right quadrant as the topics has become more prominent on the Group's agenda.

In the next financial year, the Group will conduct a thorough refresh of its materiality assessment process to gain deeper insights on the interests and concerns of key stakeholders. This initiative aims to prioritise sustainability issues and align strategies accordingly, enhancing stakeholder engagement and addressing their needs effectively.

| Material Matter | Description |
|---|---|
| **MARKETPLACE** | |
| **Financial Performance** | Economic value generated and distributed by IJM. This includes revenues generated and costs incurred by IJM through our operations and activities during the reporting period. |
| **Corporate Governance** | Corporate governance represents the framework of rules, practices, and processes by which IJM adheres to. It includes board leadership and effectiveness, effective audit, and risk management, as well as integrity in corporate reporting and meaningful relationship with shareholders. |
| **Anti-Bribery and Corruption** | IJM and our subsidiaries are committed to conducting business in a legal and professional manner, with the highest standard of integrity and ethics. The Group practices a zero-tolerance approach against all forms of bribery and corruption and upholds all applicable laws in relation to anti-bribery and corruption. |
| **Compliance** | Compliance involves adhering to legal and regulatory requirements pertinent to IJM's operations. It evaluates the alignment of IJM with industry standards, legal frameworks, and internal policies. |
| **Customer Engagement and Satisfaction** | Customer engagement and satisfaction involves meaningful interactions across multiple touchpoints, including physical engagements, online platforms, and customer support. This relates to the relationship between IJM and our customers and their satisfaction with our products, services, and overall experiences. |
| **Branding and Reputation** | Branding and reputation encompass deliberate efforts to shape IJM's identity, including via our products and services, and our perceived image and standing within the industry and among stakeholders. |
| **Product and Service Quality** | Product and service quality assesses the excellence and reliability of IJM's offerings. It determines the extent to which the products and services meet or exceed customer expectations, adhere to industry standards, and demonstrate durability and functionality. |
| **Business Resilience** | Business resilience refers to IJM's capacity to adapt and thrive in the face of disruptions, uncertainties, and unforeseen challenges. It encompasses strategic planning, risk management, and the ability to recover swiftly from setbacks. |
| **Digital Transformation and Innovation** | Digital transformation strategically integrates digital technologies into IJM's operations, reshaping value delivery, stakeholder engagement, and overall efficiency. Innovation is the introduction of novel ideas, products, or processes that bring significant value to both IJM and our stakeholders. |
| **Supply Chain Management** | Supply chain management is the systematic oversight and coordination of all processes involved in the production and distribution of goods or services. It encompasses the entire journey from raw material sourcing to the delivery of the final product to customers. |
| **Security** | Security is a critical facet encompassing both physical and cyber aspects, and involve safeguarding IJM's assets, data, and operations. Physical security involves measures to protect facilities, assets, and personnel, ensuring a safe working environment. Cybersecurity focuses on defending digital systems, networks, and sensitive information from unauthorised access, cyber threats, and data breaches. |
| **Government Policies** | Government policies address the impact of regulatory frameworks, laws, and governmental initiatives on IJM's strategies and operations. It involves assessing the significance of compliance requirements, understanding potential regulatory changes, and evaluating the company's positioning to navigate the policy landscape. |
| **ENVIRONMENT** | |
| **Climate Mitigation** | Climate mitigation refers to the reduction of IJM's Scope 1, 2 and 3 GHG emissions through energy optimisation and supply chain decarbonisation efforts. |
| **Climate Adaptation** | Climate resilience covers both physical and transition risks and opportunities. Physical risks and opportunities arise as a result of shifts in global weather patterns, rising temperatures, and associated impacts such as extreme weather events and sea-level rise.<br>Transition risks and opportunities are driven by policy, market, regulatory, technology and reputational changes as the economy progresses towards low carbon and net-zero emissions. |
| **Biodiversity** | Biodiversity refers to the variety of living organisms in the ecosystems where IJM operates. It involves recognising the impact of IJM's business activities on local flora and fauna, implementing practices to preserve and enhance biodiversity, and considering the dependencies on natural ecosystems. |
| **Pollution control, Resource and Waste Management** | Pollution control pertains to IJM's efforts to diminish its environmental impact through the adoption of cleaner technologies and sustainable practices.<br>Resource management focuses on the judicious use of natural resources, optimising energy, water, and raw materials to minimise its ecological footprint.<br>Waste management involves systematic handling and reduction of waste, promoting recycling and ensuring safe disposal. |

# COMMITMENT TO SUSTAINABILITY

| Material Matter | Description |
|---|---|
| **SOCIAL** | |
| **Health and Safety** | Health and safety in IJM pertains to the measures and protocols in place to ensure the wellbeing and protection of its employees, workers, and stakeholders. This includes initiatives focused on preventing accidents, maintaining a safe working environment, and promoting the physical and mental health of our workforce. |
| **Talent Pipeline and Succession Planning** | Talent pipeline refers to a strategic workforce planning approach that ensures a continuous and diverse flow of skilled individuals into key roles within IJM. Succession planning is a systematic process aimed at identifying and developing suitable candidates with the potential to fill key leadership and critical roles. |
| **Foreign Labour Practices** | Labour practices and standards refer to IJM's commitment to the protection of the rights and wellbeing of foreign workers, in line with the relevant legal requirements and regulations. This includes considerations such as fair wages, safe working conditions, adherence to labour laws, and the overall treatment of foreign workers. |
| **Employee Engagement and Development** | Employee engagement involves fostering an inclusive and committed culture.<br>Employee development focuses on enhancing the skills and knowledge of the workforce, utilising training programmes and continuous learning to empower employees for current roles and future career progression within IJM. |
| **COMMUNITY** | |
| **Community Initiatives** | Community investment encompasses strategic efforts by IJM to positively impact and engage with local communities. This includes philanthropic activities, social responsibility programmes, and initiatives that contribute to community development. |
| **Public/Community Engagement** | Public or community engagement refers to strategies and activities undertaken by IJM to involve and communicate with external stakeholders, including local communities and the public. |

**UNGC Forward Faster Sustainability Awards 2023**

IJM received the *Recognition for Sustainable Development* award at the UNGCMYB annual event to recognise the continuous efforts of all its participants and to inspire others to make sustainability an integral part of their business strategies.


Celebrating excellence in Sustainability – IJM was honoured with *Pioneer Sustainable Development Action* at the UNGCMYB Forward Faster Sustainability Awards 2023

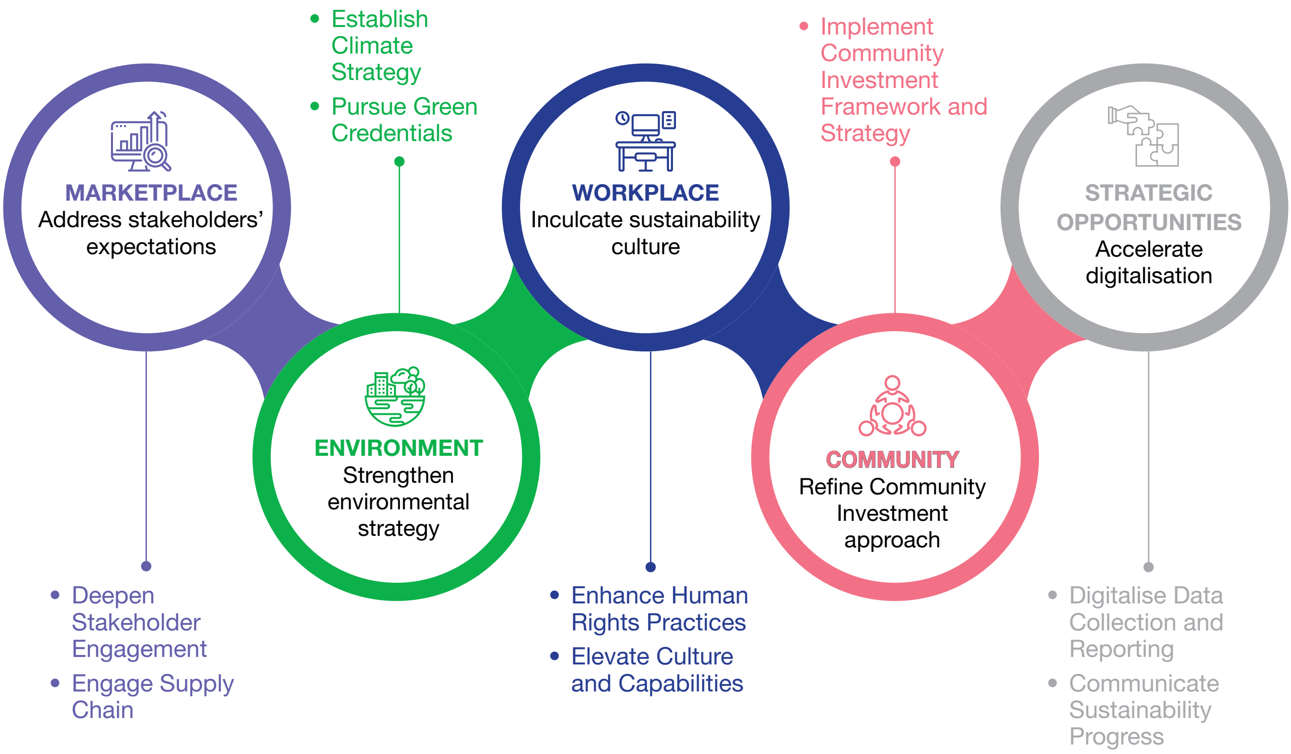

Communicating our progress in sustainability to our internal stakeholders

## CREATING VALUE FOR OUR STAKEHOLDERS [GRI 2-29]

We use various reporting guidelines, stakeholder feedback, and perspectives to form the Group's sustainability performance, strategy and reporting practices. In line with *SDG 17: Partnership for the Goals,* stakeholder engagement helps us deepen dialogue and develop our understanding of critical and emerging societal issues. The interaction also guides us in building our capabilities, facilitating collective action and promoting trust and mutual respect. More information can be found on our corporate website.

### Sustainability Roadmap FY2023 - FY2025

Endorsed by the Board of Directors, IJM Group Sustainability Roadmap FY2023 – FY2025 consists of five principal pillars: Marketplace, Environment, Workplace, Community and Strategic Opportunities. The Roadmap is a blueprint for our business divisions, outlining the integration of sustainability goals and strategies throughout the organisation, accompanied by specific internal performance measures. It provides a clear direction on how to align our operations with sustainable practices, enabling us to effectively pursue our sustainability objectives and make a positive impact.



# COMMITMENT TO SUSTAINABILITY

**The Group's Roadmap milestones aligned to the SDGs:**

| Pillars | Focus areas and objectives | Milestones achieved |
|---|---|---|
| **MARKETPLACE** Address stakeholders' expectations | **Deepen Stakeholder Engagement** Engage stakeholders as a key strategy to keep pace with evolving expectations | • Established FY2024 materiality matrix that ensures we meet evolving stakeholder expectations with informed, strategic decisions<br>• Rating improvements by FTSE4GOOD, S&P, CDP and MSCI<br>• Formalised Risk Management and Sustainability Committee ("RMSC") to oversee climate change matters across the Group |
| | **Engage Supply Chain** Engage the supply chain to achieve meaningful and lasting impacts | • Developed a Group-wide Supply Chain Framework to ensure sustainability and ethical sourcing of materials and services |
| **ENVIRONMENT** Strengthen environmental strategy | **Establish Climate Strategy** Establish climate strategy with a carbon footprint assessment, carbon reduction strategy and climate risks and opportunities profile | • Built internal capacity on Group's Climate Strategy to address both adaptation and mitigation in line with long-term targets<br>• Formalised integration of physical and transition risk and opportunities assessment in Group Enterprise Risk Management ("ERM") Policy and Framework |
| | **Pursue Green Credentials** Integrate green elements into our products and services | • The Port Division undertook several initiatives in line with Kuantan Port Authority's initiative to transition into a green port by 2030<br>• Obtained eco-label certifications for Industry Division's spun piles, ready-mix concrete and IBS products |

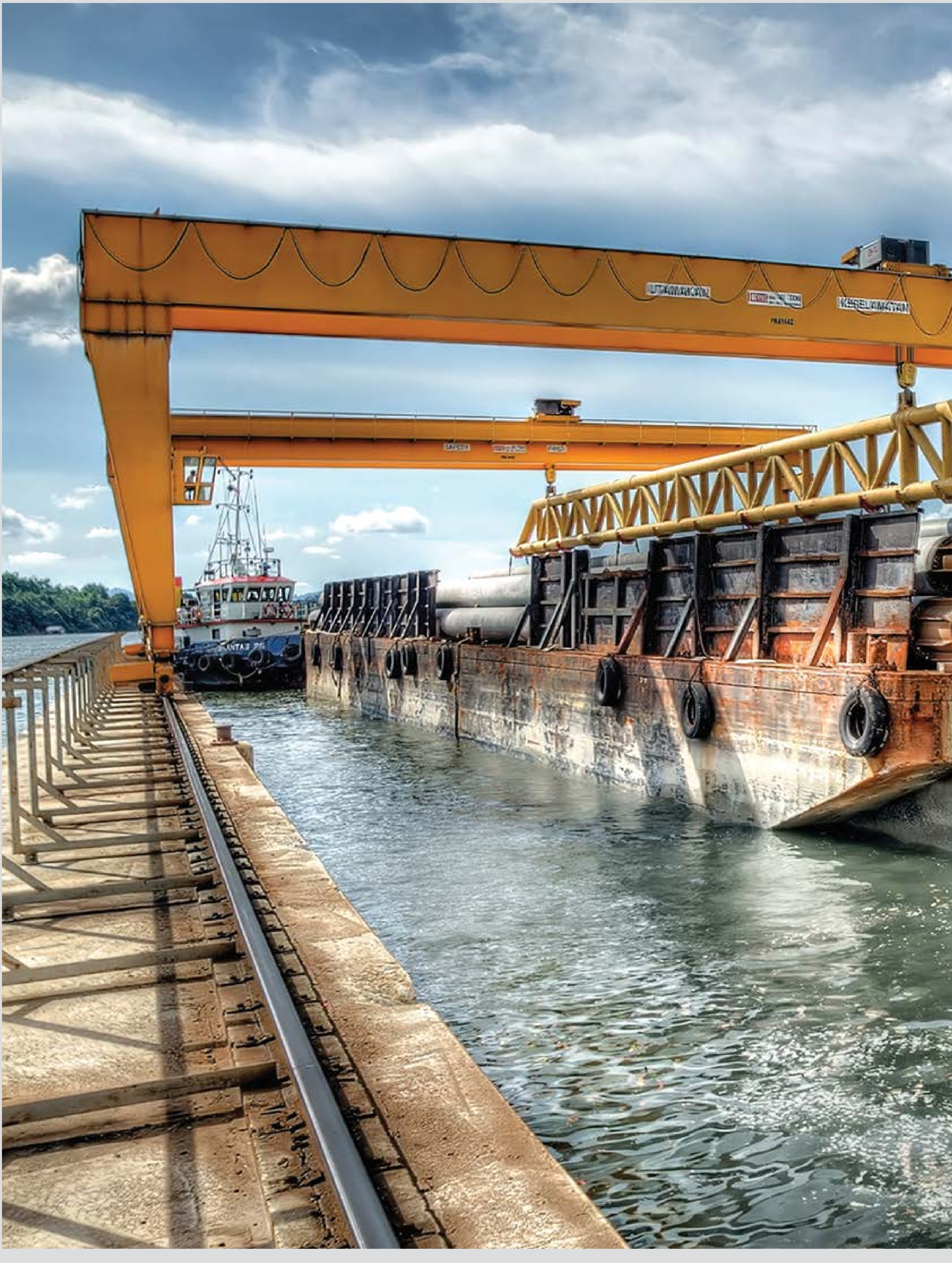
| IJM Group's Position | IJM Group's Initiatives |
|---|---|
| **Goal 9: Industry, Innovation and Infrastructure**<br>We commit to working with changemakers to incorporating innovative and creative solutions to promote sustainable practices across our business divisions.<br><br>**Goal 11: Sustainable Cities and Communities**<br>We actively consider sustainable practices in our development and investment decision across our business divisions.<br><br>**Goal 16: Peace, Justice and Strong Institutions**<br>We commit to uphold integrity and compliance with all applicable laws and regulations across our business operations.<br><br>**Goal 17: Partnership For the Goals**<br>We actively seek for long-lasting partnerships and collaborations with our stakeholders whether locally or globally. | • **FY2024 Materiality Matrix**<br>In our recent sustainability materiality assessment, the 23 material topics identified in FY2023 remain relevant for both the IJM Group and stakeholders. The top right quadrant highlights the sustainability topics that are most material to our stakeholders and the IJM Group.<br>• **ABCS E-learning Module 4.0**<br>In FY2024 IJM Group launched the ABCS E-learning Module 4.0, mandated for all employees.<br>• **Setting up of RMSC**<br>In FY2024, the RMSC was formalised to provide oversight on matters relating to climate change across the Group. The RMSC reviews the progress of initiatives under the Group's Climate Strategy, $R_2O$.<br>• **Group-wide Supply Chain Framework**<br>In FY2024, we developed a Group-wide Supply Chain Framework with a planned roll-out to our divisions in FY2025. |
| **Goal 7: Affordable And Clean Energy**<br>We adopt cleaner energy to optimise the use of energy across all business divisions and renewable energy where possible.<br><br>**Goal 13: Climate Action**<br>We view the importance of climate change that will impact our businesses in the long run, and we proactively implement climate strategy across businesses to address climate change issues. | • **Conducted Internal Workshops**<br>Workshops for Board of Directors, Management, working committees and employees on carbon accounting, physical and transition climate risks and opportunities.<br>• **Enhanced Group ERM Policy and Framework**<br>Climate risks are managed under Group's ERM Policy and Framework.<br>• **Increased Renewable Energy Generation Capacity**<br>Our renewable energy generation capacity expanded to 8,050 kWp as a result of newly commissioned solar photovoltaic (PV) panels at ICP Klang and Kuantan factories under Industry Division, and at Kuantan Port. This contributed to the increase in our energy consumption from renewable sources to 9,032.6 MWh.<br>• **Peer-to-Peer Sharing by UNGCMYB**<br>IJM participated in UNGC's Peer Learning session, sharing our experience and learning in shaping internal sustainability and climate strategy with UNGC corporate and SME members.<br>• **UNGCMYB SBTi Symposium Sponsorship**<br>In June 2023, we contributed towards UNGCMYB SBTi Symposium 2023. The event raised awareness among business leaders about the importance of adopting science-based targets, provide practical guidance on implementing net-zero standards to protect the environment and fortify businesses for a successful economy, and encourage networking and partnership opportunities. |
| **Goal 11: Sustainable Cities and Communities**<br>We actively consider sustainable practices in our development and investment decisions across our business divisions. | • **Kuantan Green Port Initiative**<br>Installation of electric shore power supply at Kuantan Port has seen a reduction of more than 34,106 litres of diesel usage by tugboats. This translated to an emissions reduction of 92.0 $tCO_2e$ in FY2024 from the previous year.<br>• **Low Carbon Emission Products**<br>Introduced an advanced concrete formulation through technology and optimised materials to improve the strength and consistency of its concrete products and obtained green certifications such as SIRIM ECO Labelling and Singapore Green Label to promote carbon footprint reduction.<br>• **Rainwater harvesting system**<br>In FY2024, we harvested 2,904.0 $m^3$ of rainwater for non-potable uses, including cleaning and landscaping. Kuantan Port collaborated with a tenant to enhance water efficiency by reusing treated water.<br>• **Water treatment system**<br>A flocculation process, as utilised at the TRX Residences site, effectively separates suspended particles, facilitating easier filtration before discharge. In certain instances, treated water is recycled and reused at project sites and factories. |

# COMMITMENT TO SUSTAINABILITY

**The Group's Roadmap milestones aligned to the SDGs:**

| Pillars | Focus areas and objectives | Milestones achieved thus far |
|---|---|---|
| **WORKPLACE**<br>Inculcate sustainability culture | **Enhance Human Rights Practices**<br>Improve labour practices to align with local and global standards | • Implemented policies and procedures to ensure compliance with labour laws and regulations |
| | **Elevate Culture and Capabilities**<br>Conduct a series of learning, sharing and awareness programmes along with regular engagements | • Launched LinkedIn Learning modules in FY2024 |
| **COMMUNITY**<br>Refine Community Investment approach | **Implement Community Investment Framework and Strategy**<br>Implement community investment themes, focus areas and metrics used for impact measurement | • Implement refreshed community investment framework, strategy and standard operating procedures |
| **STRATEGIC OPPORTUNITIES**<br>Accelerate digitalisation | **Digitalise Data Collection and Reporting**<br>Leverage digital technology for effective data collection, performance measurement and reporting | • Continued digitalisation of sustainability data and developed Group and Divisional dashboards for sustainability performance review, analysis, monitoring and reporting<br>• Integrated digital solutions to innovate processes, optimise resource utilisation and enhance efficiency |
| | **Communicate Sustainability Progress**<br>Communicate sustainability progress to stakeholders | • IJM's climate priorities were featured in local publications<br>• Recognised for commitment to sustainability that communicates continuous efforts to make sustainability an integral part our business strategies |

| IJM Group's Position | IJM Group's Initiatives |
|---|---|
| **Goal 5: Gender Equality**<br>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.<br>**Goal 8: Decent Work and Economic Growth**<br>We uphold fair employment practices, both for our people and across our supply chain, providing a decent workplace for our employees.<br>**Goal 10: Reduced Inequalities**<br>We commit to creating equal opportunity for both our employees and communities. | • **An Inclusive Culture**<br>Our workforce is diverse in terms of age and ethnicity, with employees from various age groups and ethnic backgrounds represented at all levels of the organisation. In FY2024, 2% of our employees were covered by collective bargaining agreements, and our Whistleblower Policy also ensures that employees can report unethical behaviour without fear of retaliation.<br>• **Women at Work**<br>As of 31 March 2024, women made up 31% of our workforce where 31.2% of our management positions were held by women, ensuring diverse voices are part of our decision-making processes, inspiring other women to pursue advancement opportunities within the Group. |
| **Goal 8: Decent Work and Economic Growth**<br>We adopt cleaner energy and optimise the use of renewable energy across all business divisions, where possible. | • **Learning and Development**<br>In collaboration with LinkedIn Learning, over 3,650 learning hours and 3,479 courses of various topics covering sustainability, technical skills, digital competencies, data analytics, artificial intelligence, soft skills, and professional development were completed in FY2024. |
| **Goal 3: Good Health and Wellbeing**<br>We view the importance of health and safety of our stakeholders, and we proactively promote health, safety and wellbeing at the workplace and the community.<br>**Goal 9: Industry, Innovation and Infrastructure**<br>We commit to working with changemakers to incorporating innovative and creative solutions to promote sustainable practices across our business divisions.<br>**Goal 10: Reduced Inequalities**<br>We commit to creating equal opportunity for both our employees and communities. | • **Aligned to Refreshed Community Investment Framework and Strategy**<br>In FY2024, IJM Group invested RM1,275,104, accounting for 0.8% of the Group's PATMI towards community investment initiatives. Our initiatives were supported by more than 1,567 employees across the Divisions, clocking more than 13,772 hours.<br>• **MyHome Rehabilitation Programme**<br>Provided access to safe and secure housing to four families across Malaysia, contributing over RM113,500 in FY2024.<br>• **Asia Young Designer Award ("AYDA")**<br>The Property Division donated RM50,000 to AYDA 2023 that garnered a total of 1,490 entries in the architecture and interior design categories from 52 colleges and universities across Malaysia. |
| **Goal 9: Industry, Innovation and Infrastructure**<br>We commit to working with changemakers to incorporating innovative and creative solutions to promote sustainable practices across our business divisions. | • **Sustainability Data Digitalisation**<br>Deployed Microsoft Power Automate and Power BI to automate sustainability data collection and create interactive performance dashboards across the Group.<br>• ***MyIJM* Mobile Application**<br>Streamlined site operations and digitalised the permit-to-work processes by eliminating paperwork and enhancing work efficiency.<br>• **IJM-Connex Application**<br>An end-to-end service provider platform that centralises management of a unit's e-billing progress and statements as well as defect management. |
| **Goal 17: Partnership for the Goals**<br>We actively seek for long-lasting partnerships and collaborations with our stakeholders whether locally or globally. | • **UNGC Communication on Progress ("CoP")**<br>Submitted the UNGC CoP to reflect our continuous efforts to align our practices with the Ten Principles encompassing human rights, labour, environment and anti-corruption.<br>• **Townhall with Senior Leadership**<br>In FY2024, IJM Group and Divisions conducted respective townhall meetings that served as a crucial platform for fostering transparent communication between senior leadership and employees.<br>• **Smart & Sustainability Cities Engineering Symposium ("SSCES")**<br>Contributed to the SSCES 2023, a knowledge sharing platform that brought together experts from the public and private sectors to discuss urban development issues, challenges, and future trends related to smart and sustainable cities.<br>• **UNGCMYB Sustainability Performance Award 2023**<br>IJM received the *Recognition for Sustainable Development* award at the UN Global Compact Network Malaysia & Brunei ("UNGCMYB") Forward Faster Sustainability Awards 2023. |




# MARKETPLACE
## DOING GOOD BUSINESS

# MARKETPLACE: DOING GOOD BUSINESS

We remain steadfast in our commitment to good governance and ethics as we aim to build a resilient and sustainable future for all. By maintaining transparency and accountability, we build trust with our stakeholders and secure long-term economic success, achieved through responsible business practices.

" Good governance is the cornerstone of our business, ensuring transparency, accountability, and long-term sustainability. Our governance framework is designed to foster a culture of integrity, guiding our decision-making processes, and reinforcing our commitment to ethical business practices. "

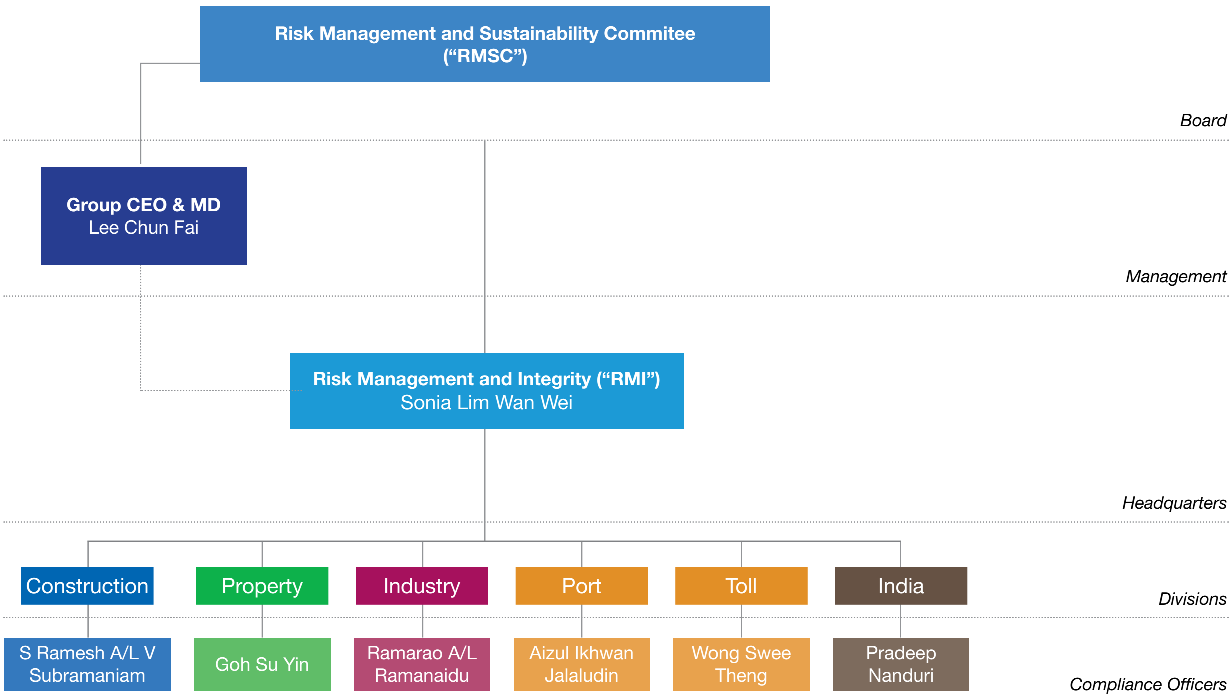
**Sonia Lim Wan Wei**
Risk Management and Integrity

## GOOD GOVERNANCE AND ETHICS [GRI 2-9, GRI 2-24]

We believe that ethical conduct is not only a legal obligation but a fundamental principle that drives trust and confidence among our stakeholders. In line with the Malaysian Code on Corporate Governance (MCCG) and Bursa Malaysia's sustainability guidelines, the Group integrates robust governance practices across all levels of our organisation. This includes comprehensive risk management protocols, clear and transparent reporting mechanisms, and a strong focus on stakeholder engagement.

### Anti-bribery and Corruption Measures [GRI 205-2, GRI 205-3]

ABCS Compliance Organisation Chart



We maintain a zero-tolerance policy towards all forms of bribery and corruption. Our Anti-Bribery and Corruption System ("ABCS") reinforces our adherence to both local and international laws, including the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and the National Prevention of Corruption Act 1988 for our operations in India.

Our ABCS Governance Structure is designed to ensure effective implementation and enforcement of anti-corruption measures throughout the Group. This structure supports a seamless dissemination and escalation process for ABCS-related matters, ensuring all employees and third-party associates are well-informed and compliant with our stringent standards. Additionally, third parties working with IJM must comply with our Code of Business Conduct for Third Parties, adhering to all applicable laws and our internal policies.

Compliance with our Anti-Bribery and Corruption Policy is mandatory for all employees and third parties, ensuring ethical interactions with all stakeholders. Due diligence exercises are conducted during major investments to identify and mitigate risks related to bribery and corruption.

We have robust procedures and internal controls, including verification and audit processes, to prevent corruption. Regular communication, training, and awareness campaigns are conducted to foster a culture of integrity. All employees complete annual ABCS e-learning modules and sign an integrity pledge, aligned with Section 17A of the MACC Act. Our Whistleblowing Policy supports the reporting of suspected misconduct by both internal and external stakeholders.

In FY2024, there were zero confirmed incidences of corruption across IJM's business operations and there were zero monetary losses arising from legal proceedings associated with charges of bribery or corruption.

Refer to our Corporate Governance Overview Statement on pages 98 to 109 and the Statement of Risk Management and Internal Control on pages 116 to 126 for more information.

## BRANDING AND REPUTATION

Our brand promise, *Delivering Inspired Solutions*, encapsulates our commitment to quality products and services, customer engagement and satisfaction and digitalisation and innovation to deliver enduring value to our stakeholders.

We are proud to have received numerous accolades, including top developer recognitions and awards for our innovative projects, both locally and internationally. Apart from highlighting our dedication to excellence, these honours reinforce our position as industry leaders in design, accessibility, and sustainability, further solidifying our brand's credibility and trustworthiness.

For further details on our awards and accolades, please refer to pages 12 and 13 of the Annual Report.

The Royal Mint Gardens, London, an example of high-quality homes and spaces, received *The Edge Malaysia Outstanding Overseas Project Award*

The Property Division earned multiple prestigious awards, including top developer recognitions at the *Edge Malaysia Property Excellence Awards, BCI Asia Awards Malaysia 2023, Malaysia Developer Awards, and the StarProperty Awards.*

Significant projects like Seremban 2, Sebana Cove, and our Mezzo project at The Light City won individual categories at the *StarProperty Awards*. The division was acknowledged as a leading brand in the Property Development category of the *Putra Brand Awards*. Saujana Duta, S2 Heights was honoured at the *Malaysia Property Award 2023 in the Residential Low-rise* category. These accolades highlight the division's commitment to innovation, quality, and sustainability, reinforcing its reputation and driving future growth as a trusted and reputable brand.

# MARKETPLACE: DOING GOOD BUSINESS

## Quality Products and Services

Promoting sustainable construction practices through our innovative BubbleDeck solution

Our Quality Policy and Quality Management System Framework underpins our efforts in delivering excellence through quality in all our products and services, ensuring rigorous management, monitoring, and verification across our operations. All divisions are certified with the ISO 9001:2015 Quality Management System, reflecting our adherence to both local and international standards. Each division is dedicated to maintaining high standards through specific quality monitoring systems and certifications, summarised below:

### CONSTRUCTION

- Prioritises achieving the highest quality standards through a two-pronged approach:
  - Internal monitoring: via IJM Quality and Standard Assessment System ("IQSAS")
  - External assessments: via the Quality Assessment System in Construction ("QLASSIC") by CIDB
    - Projects like Bandar Rimbayu, Vitrox, and LHDNM Penang achieved QLASSIC scores above 80%, with LHDNM Penang holding the record with a score of 86%
    - Received the *Excellence Award* at *SHEQ Day 2023*, for Menara AFFIN (86%)

### PROPERTY

- Consistently delivers high-quality products that meet industry standards and best practices through the QLASSIC assessment
- Set a target of achieving a minimum QLASSIC score of 80% for every IJM Land residential development
- Received the *High QLASSIC Achievement Award* at SHEQ Day 2023, for Austin Duta Phase 108 (86%) and Nasa City Phase 3 (84%) in Johor Bahru

### INDUSTRY

- The division maintains certifications for ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, SS EN 206:2014, and MS 1314:Part4:2004, ensuring robust product quality, environmental, and occupational health and safety management systems
- In February 2024, the ICP Kuantan Factory obtained ISO 14001:2015 and ISO 45001:2018 certifications
- In addition to Strong Mixed Concrete factory and IJM IBS, Kuang Rock Product now also holds the ISO 9001:2015 accreditation

### PORT

- The division is certified with the ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, and ISO 37001:2016 for quality environmental, occupational health and safety, and anti-bribery management systems
- Working towards ISO/IEC 27001:2022 certification for information security management systems in FY2025

### TOLL

- The division maintains certifications for ISO 9001:2015 and ISO 14001:2015 and acquired the ISO 45001:2018 in FY2024
- Implemented an open payment system for both BESRAYA and NPE highways to enhance toll collection methods, supporting the transition to a multi-lane fast-flow system

## Customer Engagement and Satisfaction

| Customer satisfaction survey results by division | | | | | |
|---|---|---|---|---|---|
| | CONSTRUCTION | PROPERTY | INDUSTRY | PORT | TOLL |
| Type | Customer satisfaction survey | Customer satisfaction index | Customer satisfaction survey | Customer satisfaction survey | Highway user satisfaction survey |
| Performance target | 80% | 75% | 80% | 80% | 85% |
| Actual performance | 87% | 80% | 95% | 91% | 89% |

IJM's footprint in TRX. State-of-the-art projects that reflect our continuous pursuit of customer satisfaction and quality

Aligned to our commitment to *Customer Focus,* we actively connect with our valued customers to provide unparalleled services. Across all our business divisions, we diligently conduct surveys to gain valuable insights into customer satisfaction, enabling us to better comprehend their unique requirements. We actively seek customer feedback, which plays a vital role in measuring our performance and driving continuous improvement. In FY2024, all divisions recorded actual performances that exceeded targets set for their respective customer satisfaction surveys/index.

The Construction Division's customer satisfaction survey for FY2024 has shown an improvement, with an average score of 87%, up from 86% in FY2023. Some of the positive feedback from clients on projects like The Light City Plot A, TRX Residence, TRX Infra, and LHDN Shah Alam highlights the division's professionalism, dedication, and effective communication.

The division is encouraged by the positive feedback and continues to improve towards ensuring higher customer satisfaction and quality products.

# MARKETPLACE: DOING GOOD BUSINESS

Sierra Hijauan, Ampang, blends urban sophistication with the tranquillity of nature, creating a harmonious environment for residents

In FY2024, the Property Division achieved an improvement in customer satisfaction, with a score rising to 80%, surpassing the prior year's 77% and exceeding the targeted threshold of 75%. Moreover, the division's Net Promoter Score (NPS) demonstrated an increase to +33 from +17 in the previous year, reflecting customer loyalty and advocacy towards our products and services.

The division is diversifying its portfolio into investment properties such as malls, hotels, offices as well as wellness centres that cater to the evolving needs of urban lifestyles. In tandem with the focus on driving commercial developments, the division will launch the first phase of its commercial parcel located at the heart of a 58-acre integrated development of Pantai Sentral Park, Kuala Lumpur, surrounding a 200-acre forest reserve.

The Light City Penang is a 4.1 million sq ft large scale mixed-use landmark development which is a part of the 152-acre The Light Waterfront Penang masterplan. The Light City is developed into two phases with phase one consisting of the Penang Waterfront Convention Centre ("PWCC"), The Waterfront Shoppes with gross floor area ("GFA") of 1 million sqft, residential project named Mezzo, as well as hotels and offices. Phase two will include an additional GFA of 500,000 sqft to The Waterfront Shoppes, Lightwater Residences and other future developments.

The PWCC which is on track for completion in the second quarter of 2025, underscores the division's commitment to enhancing local infrastructure, addressing the region's growing need for large-scale event venues, and contributing significantly to Penang's urban landscape development. Our goal is to continue enriching communities with thoughtfully designed projects that contribute positively to the urban landscape.

The Industry Division's services also include the BubbleDeck solution, which not only accelerates project timelines but also supports our transition to sustainable construction practices. This innovative approach has enabled us to secure numerous contracts for our SMART IBS solution across a variety of building projects that includes educational institutions, semiconductor facilities, and data centres. Projects such as the Infineon multi-story car park, the Immigration, Custom and Quarantine Complex between Johor Bahru and Singapore, and Hospital Kapar, highlight the transformative impact of our SMART IBS solution in enhancing efficiency and sustainability across different sectors.


Our skilled emergency response teams ensure prompt and professional aid on our highways

In addition to the use of recycled materials for production, the BubbleDeck solution also reduces concrete consumption by up to 30%, compared to conventional concrete casting. Furthermore, BubbleDeck, which is a beamless slab system, enables longer spans by up to 50% further than traditional structures, improving aesthetics and simplifying mechanical and electrical works.

The Port Division elevates customer satisfaction through innovation and operational excellence, ensuring a smooth, efficient, and rewarding client experience. In FY2024, the division focused on enhancing interactions with local authorities to foster strategic partnerships and facilitate seamless export and import activities.

The division also upgraded port facilities that enhance operational efficiency, enabling quicker turnaround times and better service to customers. Dedicated key account managers regularly engage with key management personnel to address any operational issues or concerns.

In addition, the construction of the East Coast Rail Link (ECRL) spur lines is poised to enhance cargo capacity, reinforcing the division's role as the import and export hub in global trade. The expansion is set to be operational by 2027.

The Toll Division prioritises customer safety and satisfaction through enhancements to infrastructure, focusing on pavement structural overlays, slope rehabilitation, and bridge strengthening. In high-risk areas, we have added anti-skid rumble strips to alert motorists against speeding on curves and upgraded to Stone Mastic Asphalt (SMA) for better skid resistance and faster water run-off. These measures have successfully reduced accidents by up to 37% in prone areas. Additionally, our high-performance polymer pothole patching method ensures excellent workability and immediate traffic access post-installation.

Despite improvements in public transportation and road networks, traffic congestion in Kuala Lumpur remains a challenge, especially during peak hours. To address this, the division implemented a tidal flow management scheme at BESRAYA between the Mines South Toll Plaza and Seri Kembangan interchange, speeding up evening traffic dispersal. The smart lane at certain stretches at NPE provides temporary relief during the morning rush hour. Recognising the growing demand for public amenities, BESRAYA has refurbished one of our lay-by facilities, while NPE has upgraded facilities at the PJS2 and PJS5 toll plazas.

# MARKETPLACE: DOING GOOD BUSINESS

## Digital Transformation and Innovation

The Group strives to advance industry standards and sustainability in the built environment. These initiatives are underscored by our dedication to digital transformation, innovation, and sustainability across divisions, driving operational excellence and customer satisfaction while contributing positively to the environment and communities. The table outlines the divisions' digital transformation efforts.

| Division | Digitalisation initiatives |
|---|---|
| GROUP SERVICES | • **PowerAutomate:** Streamlined and automated sustainability data collection with standardised protocols and automated workflows<br>• **PowerBI:** Transitioned to interactive performance dashboards and integrated data with global sustainability reporting software |
| CONSTRUCTION | • ***MyIJM* Mobile App:** Streamlined site operations and digitalised the permit-to-work processes, eliminating paperwork and enhancing work efficiency<br>• **Building Information Modelling ("BIM")**: Integration of 4D BIM that enhanced project efficiency and 5D BIM that optimised resource utilisation and cost savings<br>• **Common Data Environment ("CDE"):** Implemented CDE that ensured real-time data access and seamless communication among stakeholders |
| PROPERTY | • ***IJM-Connex* App:** An end-to-end service provider platform that centralises management of a unit's e-billing progress and statements as well as defect management<br>• **Face Recognition Access:** Implemented face recognition technology for secure office access<br>• **Field Digitalisation Platform:** Digitalised our existing paper checklists with a Field Digitalisation Platform |
| INDUSTRY | • **New Grade 100 Concrete Formulation:** Introduced an advanced concrete formulation through technology and optimised materials to improve the strength and consistency of concrete products<br>• **Low Carbon Emission Products:** Integration of digital solutions to develop products with green certifications such as SIRIM ECO Labelling and Singapore Green Label to promote carbon footprint reduction |
| PORT | • **Automation and AI Integration:** Minimises operational downtime and enhances resource management<br>• **Predictive Maintenance:** Reduces equipment failure rates and associated costs through advanced predictive maintenance technologies |
| TOLL | • **Open Payment Toll Collection System ("OPS"):** Launching OPS to enhance traffic flow and reduce congestion by integrating various digital payment methods<br>• **Smart Highway Initiative:** Enhanced safety through AI-powered traffic management and real-time analytics, paving the way for a digital future in transportation |

## SECURITY

Security is a material topic for the Group and we have been enhancing our cybersecurity measures and reporting practices. Our cybersecurity strategies emphasise employee training and education that not only strengthens defences against online threats but also equips employees with the knowledge to identify and mitigate risks effectively. Regular assessments and mandatory cybersecurity training sessions are integral in raising awareness about the evolving threat landscape and emphasising the importance of robust cybersecurity practices.

In FY2024, all employees completed the Cyber Security Training 3.0 e-learning module launched by our Information Systems department. Additionally, we conducted two phishing assessment exercises in April and July 2023 for all employees to proactively identify vulnerabilities and enhance the protection of sensitive information.

## Data Privacy and Protection

[GRI 418-1]

We hold certifications for ISO/IEC 27001:2013 Information Security Management System ("ISMS") and ISO/IEC 20000-1:2018 Information Technology Service Management System (ITSMS), which are integral to our commitment to data security. All Information System Policies and Procedures were updated in the reporting year to align with the ISO/IEC 27001:2013 and ISO/IEC 20000-1:2018 requirements. Additionally, we are currently working on refining our ISMS policies as we work on transitioning from ISO/IEC 27001:2013 to ISO/IEC 27001:2022.

In FY2024, we were targeted by a ransomware. Our control measures in place were successful in preventing data loss and minimised disruptions to our operations. IJM has been continuously investing in both preventive and detective measures. This includes investments in technology, process improvements, audits, and comprehensive cybersecurity training for all personnel.

Our Privacy Policy follows the Personal Data Protection Act 2010 (PDPA). This policy, which is available in both English and Bahasa Malaysia on our corporate website, outlines our guidelines for collecting, recording, and storing customers' personal data.

## SUPPLY CHAIN MANAGEMENT

[GRI 2-6]

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. This is underpinned by good ethics, a healthy and safe workplace, minimising the risk of human and social rights violation, maintaining good environmental practices and ensuring strict compliance to local laws and regulations.

### ENVIRONMENT

**Environmental 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.

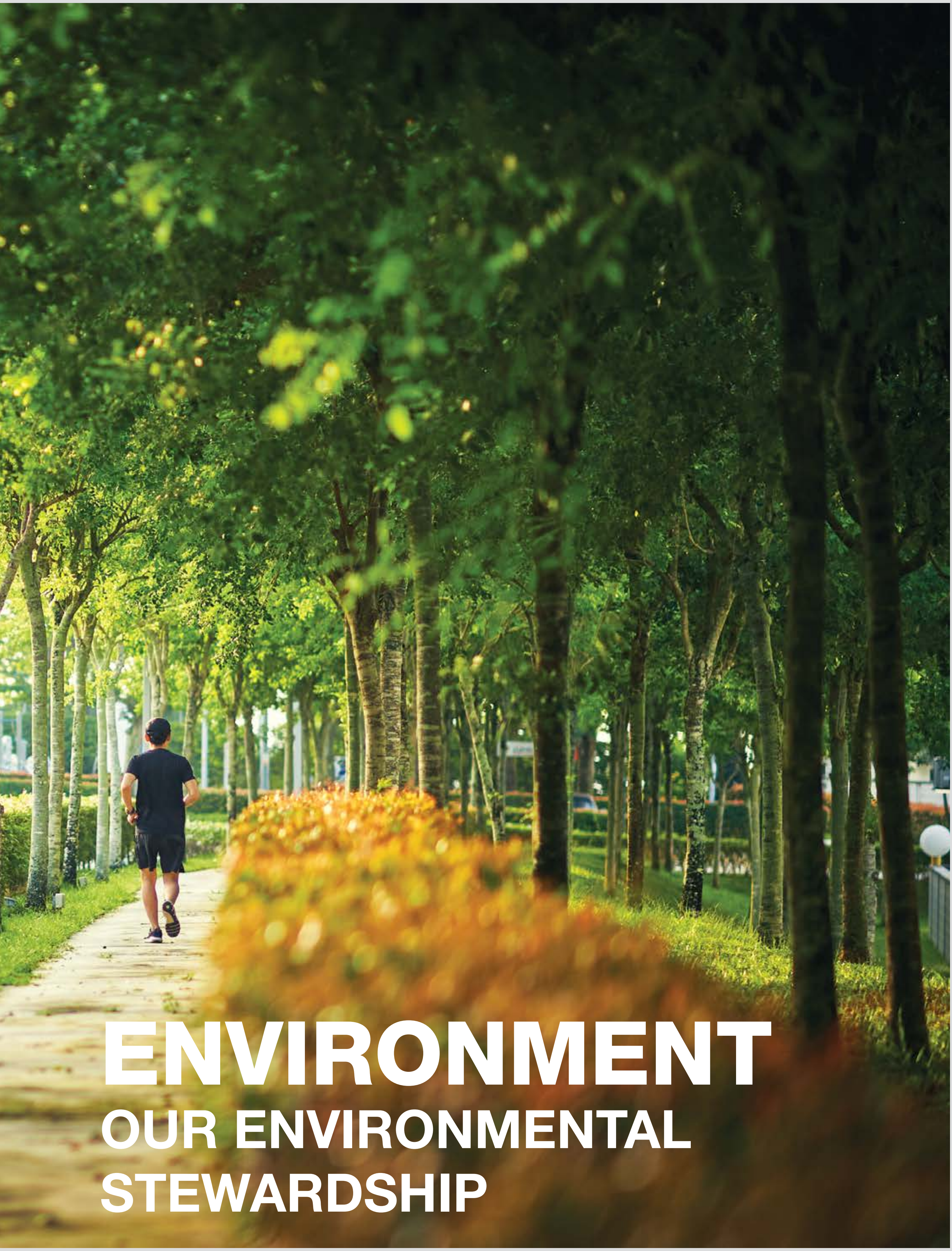
Given the nature of our businesses, we rely on diverse suppliers, service providers and contractors, both locally and globally, for materials and services.

The implementation of our Responsible Supply Chain Policy ensures alignment with our values and principles across our supply chain. This policy is supported by our Code of Business Conduct for Third Parties, which sets out fundamental standards that all third parties conducting business with the Group must adhere to, such as vendors, suppliers, contractors, and consultants and other associated representatives. Non-compliance can result in the termination of contracts. Both the Code of Business Conduct for Third Parties and the Responsible Supply Chain Policy can be accessed on our corporate website.

In FY2024, we developed a Group-wide Supply Chain Framework with a planned roll-out to our divisions in FY2025. The framework implements responsible procurement practices to ensure the sustainability and ethical sourcing of materials and services. This includes supplier screening and evaluation, as well as the promotion and sharing of sustainable and responsible practices among our suppliers.

**More than**

RM3 billion spent on **local suppliers** in FY2024



# ENVIRONMENT
## OUR ENVIRONMENTAL STEWARDSHIP

# ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

In April 2023, IJM introduced its Climate Strategy, known as $R_2O$, containing mitigation and adaptation strategies that are anchored on two underlying findings. Firstly, major IPCC pathways point to a 1.5°C scenario in the early 2030s, thus compelling the need to strengthen climate resilience. Secondly, as the Group's Scope 3 emissions account for 90% of our baseline FY2023, reduction measures must include our supply chain transitioning with us.

We have made encouraging progress in FY2024 on both fronts. Mitigation efforts saw the Industry Division successfully replacing 13% of cement content with non-cementitious material while development of the Group's sustainability dashboard is progressing well. It will enable comprehensive sustainability performance management across the Organisation. The Group has also bolstered our climate adaptation capacity by formalising climate risk assessment into the enterprise risk management framework.

We continue to uphold our commitment to responsible practices when interacting with nature through our Policy Statement on Environment, elevated by the Group's climate commitment to build resilience against climate change. The Environmental Management System ("EMS") ensures that we conduct our business responsibly, use natural resources efficiently and implement innovative ways to reduce our environmental impacts. All divisions operating in Malaysia have obtained ISO 14001:2015 Environmental Management Systems certification.

## CLIMATE ACTION COMMITMENT

We recognise the increased importance of ensuring business resilience against the impacts of climate change. The Group is compelled to address both climate mitigation and adaptation to build resilience across our whole value chain through our Climate Strategy, $R_2O$, which was substantiated from the outcome of the climate assessments conducted from FY2022 to FY2023. Our goal is to reduce carbon emissions and introduce strategic interventions to build greater resilience in the face of climate change challenges, from extreme weather to diminishing resources and evolving regulations.

We continue to adopt the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") to help us identify, assess and incorporate climate risks and opportunities in our business strategy and operations. By aligning with TCFD recommendations, we not only enhance our ability to navigate the challenges posed by climate change but also position ourselves to embrace emerging opportunities in the transition to a low-carbon economy. Moreover, this alignment will ensure we are well-prepared for the forthcoming IFRS S1 and S2 disclosure requirements, facilitating a smoother transition and ensuring progressive compliance.

Recreational park at Rimbun Vista, Seremban 2

**Summary of actions taken in FY2024 and priorities for FY2025 based on recommendations of TCFD:**

| Actions taken in FY2024 | Priorities for FY2025 | Page reference |
|---|---|---|
| **Governance** | | |
| **Board oversight:**<br>• Formed Board Risk Management and Sustainability Committee<br>• Discussed carbon reduction initiatives and formulation of near-term targets<br>• Reviewed physical and transition climate risks as part of the Group's enterprise risk management<br>• Formalised integration of physical and transition risk and opportunities assessment in Group Enterprise Risk Management (ERM) Policy and Framework<br>• Assigned climate-related responsibilities to management-level risk committee | • Continue to strengthen and improve climate risk governance<br>• Endorse the Group's near-term carbon reduction plan and targets up to FY2031 | Sustainability Governance, page 133 |
| **Management oversight:**<br>• Reviewed divisional near-term carbon reduction plans and targets<br>• Built internal capacity for Board of Directors, Management, working committees and employees on carbon accounting, physical and transition climate risks and opportunities | • Incorporate assessment of physical and transition climate risks and opportunities into ERM at Group and division levels | Statement on Risk Management and Internal Control, page 116 |
| **Strategy** | | |
| • Continued climate strategy of addressing both adaptation and mitigation, with long-term target to achieve net-zero carbon emissions by 2050<br>• Assessed transition risks and opportunities using scenario analysis over the near and long-term<br>• Assessed direct and systemic physical risks and opportunities using scenario analysis over the near and long-term | • Build capacity for IFRS S2 Climate-related Disclosures adoption | Climate Strategy, page 156 |
| **Risk Management** | | |
| • Climate risks are managed under Group's ERM Policy and Framework<br>• Established climate risk likelihood and impact parameters to assess risks and opportunities, as part of IJM's ERM Policy and Framework<br>• Aligned understanding of climate-related risks and opportunities across the Group<br>• Performed qualitative physical climate risks and opportunities assessments covering significant locations in Malaysia and India | • Conduct quantitative physical climate risk for assets with higher exposure | Resilience in a Net-Zero World, page 158 |
| **Metrics and Targets** | | |
| • Announced net-zero carbon emissions commitment:<br>– Net-zero by 2050 for Scope 1<br>– Net-zero by 2035 via 100% renewable energy for Scope 2 emissions<br>– Net-zero by 2050 for Operational Scope 3 categories. Embodied Scope 3 emissions addressed via engagement with supply chain by 2027<br>• Established Group carbon inventory based on FY2022 emissions<br>• Established FY2023 baseline report, with independent verification<br>• Enhanced Scope 3 disclosures with additional two categories compared to FY2022<br>• Expanded organisational boundaries from 126 sites in FY2023 to 130 sites in FY2024, including operations in India | • Set near-term 2030 carbon reduction targets for Scope 1, Scope 2 and Operational Scope 3 emissions<br>• Establish supply chain engagement strategy with the view to reduce Embodied Scope 3 emissions | Our Net-Zero Commitment, page 156 |

# ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

## CLIMATE GOVERNANCE

In FY2024, the Risk Management and Sustainability Committee ("RMSC") was formalised to provide oversight on matters relating to climate change across IJM. Previously, climate-related matters were deliberated by the Board, where it has endorsed the Group's long-term climate commitment involving mitigation and adaptation measures in line with the Group Sustainability Roadmap FY2023 – FY2025. The RMSC convened in February 2024 to review the progress of initiatives under the Group's Climate Strategy, $R_2O$.

Led by the Group CEO and Managing Director, the Operating Committee ("OpCo") oversees the assessment and management of climate risks and opportunities, and their incorporation within the business strategy and operations. The OpCo is supported by the Group Sustainability and Group Risk Management departments in providing strategic response and overall direction in managing climate risks and opportunities. Across all businesses, divisional management committees review and manage the execution of division-level initiatives and monitor the progress of the respective goals in line with $R_2O$.

The broad theme of climate change is managed as operational risk under the Group Enterprise Risk Management (ERM) Framework. In 2024, the RMSC has endorsed the integration of climate consideration within the ERM Framework, with specific likelihood and impact criteria, given the longer time horizon they are assessed against. This will enable us to manage climate risks and seize opportunities proactively.

## CLIMATE STRATEGY

Last year, we announced our Climate Strategy, $R_2O$, which applies a two-pronged approach in climate action, namely transition to net-zero and adaptation to build climate resilience. The strategy outlines our own low-carbon transition pathway and key approaches to guide our supply chain to transition with us.

Reduce to net-zero
Resilience in a net-zero world

As climate change accelerates and intensifies the physical risks caused by extreme weather, the need to act becomes more urgent, impacting the scale and pace of transition risks. Recognising these interdependencies, the Group conducted in-depth climate assessments that spanned one and a half years since FY2022. Our carbon footprint assessment referenced recommendations by the Science Based Target Initiative ("SBTi") whereas climate risks assessment employed the scenarios published by the IPCC, International Energy Agency ("IEA") and the Network for Greening the Financial Systems ("NGFS").

### Our Net-Zero Commitment

| Scope 1 | Scope 2 | Scope 3 | Scope 4 |
|---|---|---|---|
| Net-zero by 2050 | Net-zero by 2035 via 100% renewable electricity | **Operational emissions (Category 4, 5 and 6):** Net-zero by 2050 | **Embodied emissions (Category 1):** Engage with supply chain for low carbon plans by 2027 |

### Our Reduction Targets

Our long-term reduction targets reflect the level of control over each emission Scope. Our ambition is to reduce Scope 1, Scope 2 and Operational Scope 3 emissions to net-zero by 2050, while reduction of Embodied Scope 3 emissions (Category 1: Purchased Goods and Services) is to be achieved through supplier engagements.

We recognise the imperatives to align our actions with climate science and avoid following a pathway that may not be consistent with addressing the climate crisis. Hence, our targets were established in line with the criteria and recommendations of the Science Based Targets Initiative ("SBTi"). While we have made great efforts to closely align our targets with SBTi's cross-sector pathway, we have deviated from the minimum ambitions set by SBTi.

| Scope | SBTi's minimum ambition[2] | | Our targets (Long-term) |
|---|---|---|---|
| Governance | Near-term [1] | Long-term | |
| Scope 1 | • 4.2% reduction annually | • 90% absolute reduction by 2050 | Net-zero emissions by 2050 |
| Scope 2 | • 4.2% reduction annually<br>• 100% renewable electricity by 2030 | • 90% absolute reduction by 2050 | Net-zero by 2035 via 100% renewable electricity |
| Scope 3 | • 2.5% reduction annually<br>• Suppliers and customers to set targets consistent with well-below 2°C ambition, covering at least 67% of Scope 3 emissions | • 90% absolute reduction by 2050<br>• 97% physical and economic intensity reduction | Net-zero by 2050 (Operational emissions – Category 4, 5 and 6)<br><br>Engage with supply chain (Embodied emissions – Category 1) for low carbon plans by 2027, covering the remainder of the 67% of Scope 3 emissions |

*Note:

[1] Up to 2033, following the 10-year timeframe by SBTi to meet near-term target based on FY2023 baseline

[2] Based on the Science Based Target Initiative Corporate Net-Zero Standard (2023)


IJM's participation at the UNGCMYB SBTi Symposium 2023

We will continue to assess our position to fully align with SBTi in the future, taking consideration of current cross-sector pathways as well as any sectoral decarbonisation approach relevant to our business. This will also entail introducing suitable and credible near-term interim targets and improving our understanding of construction project carbon s-curve profiles.

# ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

## Reduce to Net-Zero

We have established a comprehensive profile of the Group's GHG emissions baseline for the formulation of $R_2O$ that outlines impactful strategies in line with climate science. These strategies will be carried out in step with marketplace developments, emerging technologies, supporting infrastructure and regulatory requirements.

In the longer term, we aim to reduce operational emissions by decarbonising our fleet and machinery, optimising energy usage, reducing waste and adopting green transport solutions. Given the bulk of our emissions emanate from Scope 3 Category 1 (Purchased Goods and Services), and the heavy reliance on supply chain decarbonisation, reducing our Scope 3 Embodied emissions requires a concerted effort within the industry. Hence, our strategy will focus on engaging our supply chain, actively partnering with industry peers and building a portfolio of low carbon products.

**Our Reduction Strategy**

| Energy Optimisation | Supply Chain Advocacy | Industry Engagement | Product Stewardship |
|---|---|---|---|
| • Explore alternative fuels with higher bio-fuel content<br>• Electrification of equipment and vehicle fleets<br>• Upgrade to more energy efficient equipment<br>• Reduce energy intensity with alternative methods and input materials<br>• Increase renewable energy adoption in operations<br>• Adopt low carbon transportation in business travels and raw materials delivery | • Reduce waste in operations via material and operational efficiency<br>• Heighten adoption of circular economy approach<br>• Engage supply chain by 2027 for low carbon plans and targets<br>• Provide complimentary training to major suppliers on climate change<br>• Enhance procurement strategies to include sustainability and climate considerations | • Work with industry associations and peers to align decarbonisation goals<br>• Advocate whole of industry transition towards low carbon and climate resilience | • Incorporate sustainable design principles in developments and construction projects (where we have control)<br>• Use of current and emerging technologies such as BIM and IBS to optimise energy and embodied carbon emissions in projects<br>• Prioritise low carbon raw materials such as recycled, renewable or industrial by-products in product manufacturing, construction and developments |
| **Scope of emissions addressed** | | | |
| Scope 1, Scope 2 and Operational Scope 3 | Operational and Embodied Scope 3 | Embodied Scope 3 | Embodied Scope 3 |

## Resilience in a Net-Zero World

$R_2O$ covers adaptation measures to build the Group's resilience against the risks and impacts from climate change. It aims to address the broad spectrum of climate physical and transition risks and opportunities, guided by the findings of assessments that we completed in FY2023.

Our strategy focuses on building resilience and increasing capabilities across our value chain. This includes forming partnerships with industry peers, associations and practitioners to advocate for climate resilience within the supply chain. Continued climate-related assessments and monitoring of the Group's exposure to climate risks will be undertaken to ensure we capture the evolving climate science projections and emerging market and regulatory trends.

**Our Resilience Strategy**

| Climate Risk Integration into Organisational Matrix | Asset and Business Adaptation | TCFD Alignment |
|---|---|---|
| • Incorporate climate risk into enterprise risk management ("ERM") policy and framework<br>• Build internal capacity and understanding on climate vulnerabilities and adaptive measures<br>• Active partnerships with industry associations and likeminded stakeholders, particularly for climate risks that are systemic in nature | • Continually assess physical qualitative climate risk assessment, based on available scientific data<br>• Conduct quantitative assessment for projects and assets with higher exposure<br>• Build supply chain resilience | • Perform benchmarking and disclose climate risks and opportunities<br>• On-going review, monitoring and reporting |

## METRICS AND TARGETS – GHG EMISSIONS

[GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-5]

One of the critical steps in establishing an impactful carbon reduction strategy is to develop a robust baseline data. In FY2023, we established our carbon emissions baseline following the completion of a carbon footprint assessment that comprised the screening and profiling of the Group's emissions, accounting for Scope 1, Scope 2 and eight categories of Scope 3 emissions, covering 126 operational sites and entities. In FY2024, we expanded our coverage to 130 operational sites in Malaysia and India.

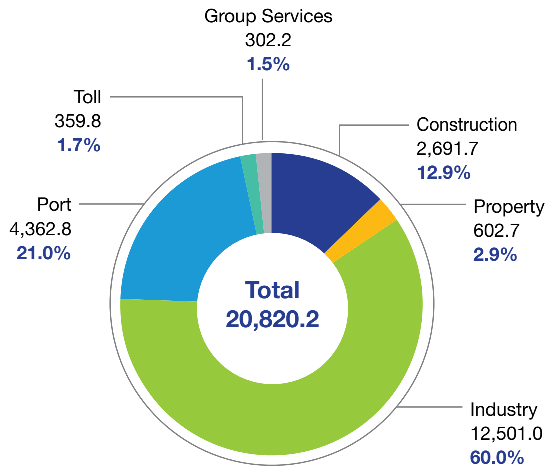
We continually enhance our data collection process and reporting across the Group. This year, we obtained and segregated emissions from construction activities undertaken by our sub-contractors, which is reported under the Group's Scope 3 Embodied emissions (Category 1: Purchased Goods and Services). In FY2023, these emissions were reported under Scope 1 and Scope 2 emissions.

### Scope 1:

Emissions under Scope 1 account for 2.2% of our total carbon footprint. Scope 1 emissions include all emissions released directly by our operations from company-owned vehicles and equipment:

- **Mobile combustion:** Fuel purchased for company-owned vehicles and mobile equipment at project sites, factories and offices.
- **Stationary combustion:** Natural gas-fired boilers at factories (Industry Division only) and diesel-fired stationary equipment at project sites, factories and offices.

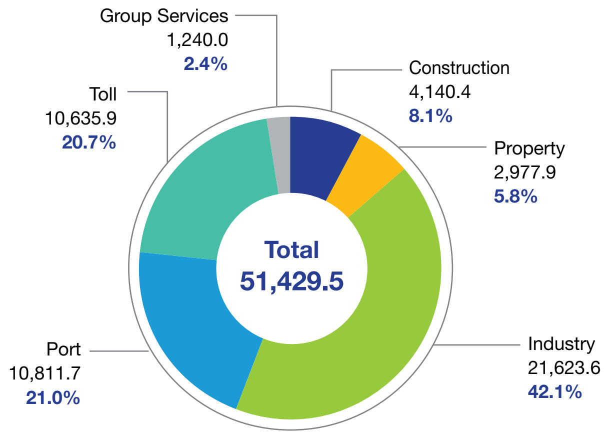
**Scope 1 Emissions in FY2024 ($tCO_2e$)**




### Scope 2:

Emissions under this scope account for 5.5% of IJM's total emissions. Scope 2 emissions are associated with electricity purchased (location-based) and consumed by offices, factories, other buildings, street lightings and equipment used in our operations.

**Scope 2 Emissions in FY2024 ($tCO_2e$)**



# ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

## Scope 3:

Emissions under this scope include all other indirect emissions generated across our value chain that accounts for 92.3% of IJM's total emissions. For FY2024, we have collated reliable data for eight out of the 15 categories under Scope 3:

| Scope 3 | Asset Boundary | Calculation Methodology |
|---|---|---|
| **Category 1** Purchased goods and services | • Construction Division<br>• Property Division<br>• Industry Division | Average-data method |
| **Category 4** Upstream transportation and distribution | • Construction Division<br>• Property Division<br>• Industry Division | Distance-based method |
| **Category 5** Waste generated | IJM Group | Average-data method |
| **Category 6** Business travel | IJM Group | Distance-based method used where practical. Where data is limited, spend-based method was used |
| **Category 7** Employee commuting | IJM Group | Estimated based on average-data method where the transportation mode and distance from home to the workplace are determined via a survey deployed in FY2022 with employee participation rate of 94%. Emissions intensity for each division was determined and multiplied by the total number of employees in FY2024 |
| **Category 11** Use of sold products | Port Division | Distance-based method |
| **Category 13** Downstream leased assets | • Menara Prudential leased by IJM Corporation<br>• The Clubhouse operations in Bandar Rimbayu by Property Division<br>• Quarry and sand mining operations in Malaysia, and all quarry and ready-mixed operations in India under Industry Division<br>• Tenants at Kuantan Port | Asset-specific method |
| **Category 15** Investments | • LEKAS Highway by Toll Division | Proportional Scope 1 and 2 emissions using the investment-specific method based on the equity share of investment for Associate in LEKAS Highway |

Definition:

**Average-data method:** Estimating emissions for goods and services by collecting data on the mass (e.g., kilograms or pounds), or other relevant units of goods or services purchased and multiplying by the relevant secondary (e.g., industry average) emission factors (e.g., average emissions per unit of good or service).

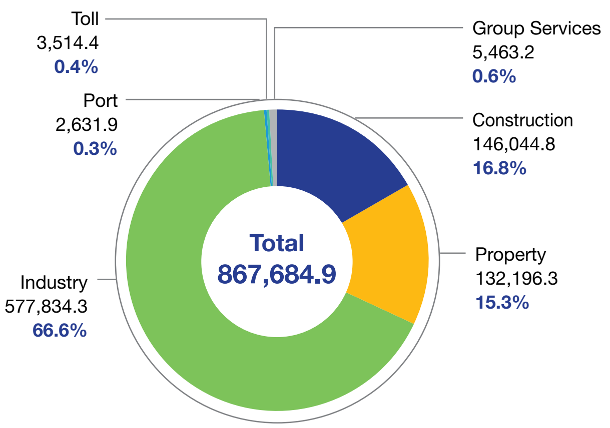
**Distance-based method:** Determining the distance and mode of business trips, then applying the appropriate emission factor for the mode used.

**Spend-based method:** Estimating emissions for goods and services by collecting data on the economic value of goods and services purchased and multiplying it by relevant secondary (e.g., industry average) emission factors (e.g., average emissions per monetary value of goods).

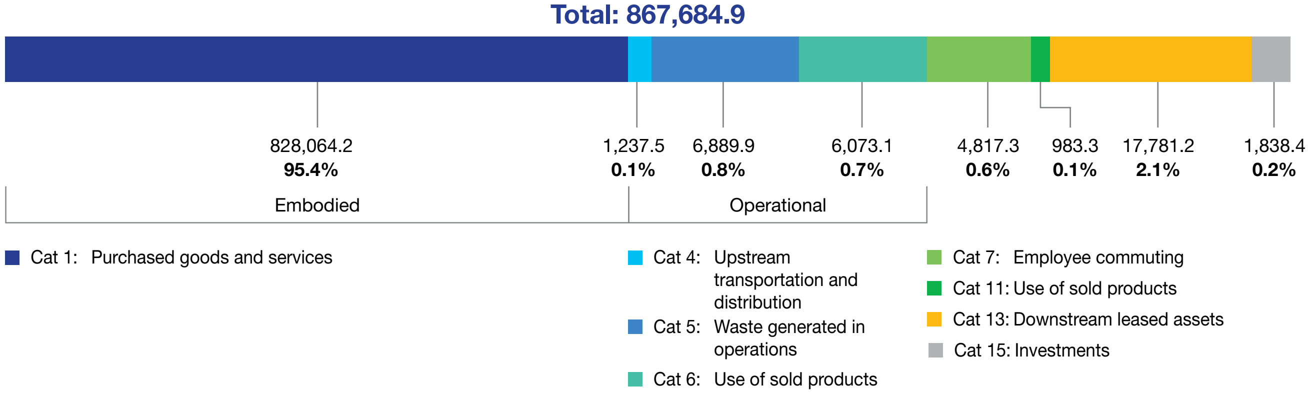
**Asset-specific method:** Collecting asset-specific (e.g., site-specific) fuel and energy usage data and process and fugitive emissions data or Scope 1 and Scope 2 emissions data from individual leased assets.

**Investment-specific method:** Collecting Scope 1 and Scope 2 emissions from the investee company and allocating the emissions based upon the share of investment.

### Scope 3 Emissions in FY2024 ($tCO_2e$)

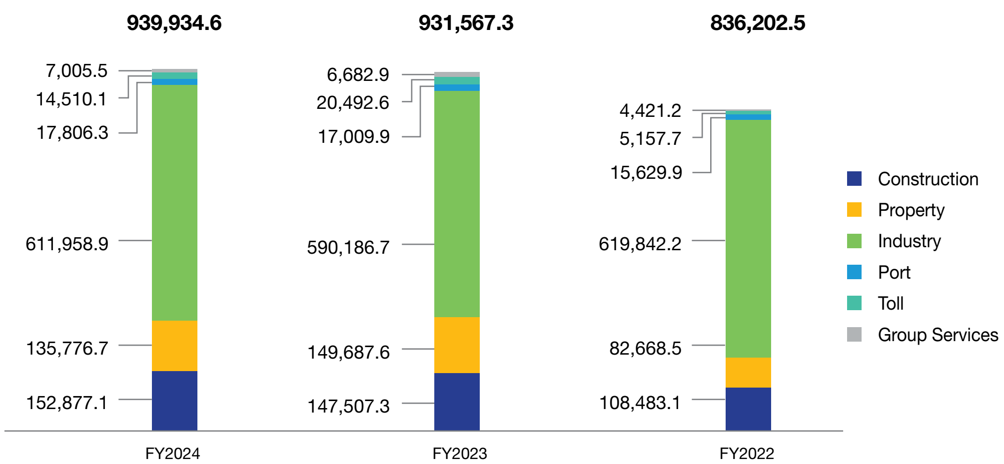


### Scope 3 Emissions in FY2024 ($tCO_2e$)

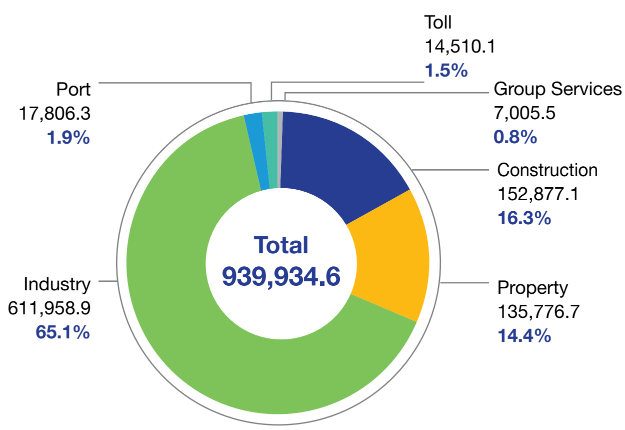



In FY2024, total emissions by the Group was 939,934.6 $tCO_2e$. The Group's 3-year carbon footprint profile is depicted below:

### Total GHG Emissions by Division ($tCO_2e$)




### Total GHG Emissions by Division in FY2024 ($tCO_2e$)



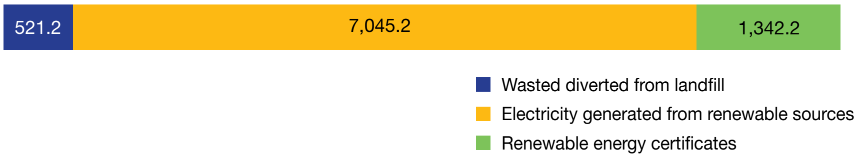

Methodology, boundary and assumptions:

1. Our calculation methodology is based on the *GHG Protocol Corporate Accounting and Reporting Standard* using the operational control consolidation approach.
2. Scope 1 and Scope 3 emissions factors are sourced from the *GHG Conversion Factors for Company Reporting version 2.0 (2022)*, published by the UK Department for Environment, Food & Rural Affairs ("DEFRA") and *Embodied Carbon: The Inventory of Carbon and Energy version 3.0 (2019)*, published by BSRIA.
3. Scope 2 emissions data adopted the grid emission factors published by the Energy Commission Malaysia (2022) for operations in Malaysia. Scope 2 emission factors in India are sourced from Central Electricity Authority, Ministry of Power India (2022).
4. The GHG emissions disclosures are independently verified according to ISO 14064:2018, in addition to data verification by the Group's Internal Audit Department as part of the Sustainability Statement review.
5. Inter-divisional carbon emissions under Scope 3 Category 1 (Purchased Goods and Services) between the Group's Construction, Property and Industry Divisions are eliminated to avoid double counting.

# ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

This year, our emissions avoidance includes renewable energy generation, waste recycled and the purchase of renewable energy certificates for Menara Prudential. Emissions avoidance accounted for 0.95% of the Group's total emissions.

**Emissions Avoidance in FY2024 ($tCO_2e$)**
**Total: 8,908.6**



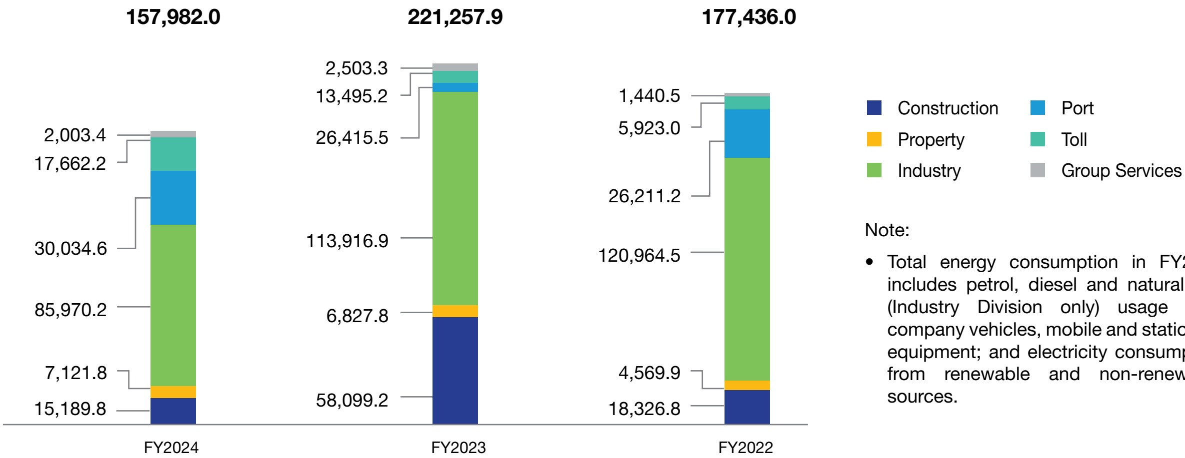

## Advancing Low Carbon Operations [GRI 302-1, GRI 302-4]

In line with our $R_2O$ commitments, IJM remains committed to implement initiatives to optimise energy usage, improve efficiency and reduce dependency on fossil fuels. We continue to increase our renewable energy generation capacity and explore more efficient processes and materials within our operations.

In FY2024, the Group's total energy consumption was 157,982.0 MWh. The significant decrease in energy consumption from FY2023 is due to the reclassification of energy usage by subcontractors at project sites, as a result of enhanced data collection process in FY2024. This year, we were able to better manage the energy performance of subcontractors at our projects and establish an effective plan to reduce Scope 3 Embodied emissions in line with our carbon reduction strategy.

A total of 45,932.1 MWh that was consumed by subcontractors at our projects has been categorised under Scope 3 Category 1 (Purchased Goods and Services) in FY2024.

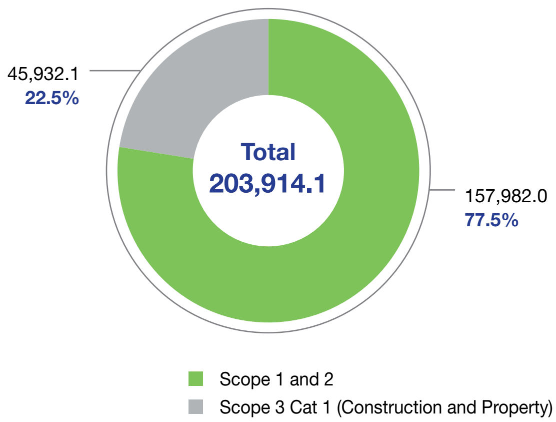
**Total Energy Consumption by Division (MWh)**




Note:

- Total energy consumption in FY2024 includes petrol, diesel and natural gas (Industry Division only) usage from company vehicles, mobile and stationary equipment; and electricity consumption from renewable and non-renewable sources.

**Energy Consumption (Direct Operations vs Subcontractors) MWh**



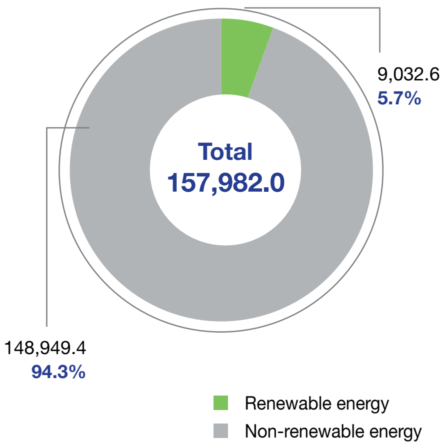

Our renewable energy generation capacity expanded to 8,050 kWp as a result of newly commissioned solar photovoltaic (PV) panels at ICP Klang and Kuantan factories under Industry Division, and at Kuantan Port. This contributed to the increase in our energy consumption from renewable sources to 9,032.6 MWh.

We are actively expanding our renewable energy mix in line with our $R_2O$ commitment to achieve 100% renewable electricity by 2035. While our efforts will focus on on-site generation, we are also exploring other mechanisms such as green tariffs and virtual power producing agreements, among others.

Solar PV panels installed at Kuantan Port

We continue to procure renewable energy certificates ("RECs") for Menara Prudential. The RECs were acquired via regulated Tradable Instrument for Global Renewable registry from a reputable local power producer.

### Total Energy Mix in FY2024 (MWh)




Note:

- Renewable energy: Energy consumption from renewable sources generated from solar PV panels.
- Non-renewable energy: Petrol, diesel and natural gas (Industry Division only) usage from company vehicles, mobile and stationary equipment.
- Energy consumption only for direct operations (Scope 1 and Scope 2).

The Group has implemented effective approaches to reduce its direct emissions by adopting more efficient processes and phasing out high carbon fuels. In certain projects, the Construction Division leverages advanced BIM, including 4D simulations for detailed construction sequencing and 5D modelling for precise cost estimation. By optimising construction sequencing with 4D BIM, we minimise unnecessary transportation and on-site resource handling, thereby reducing fuel consumption and carbon emissions. Additionally, 5D BIM enhances logistics planning by accurately forecasting material needs and procurement schedules, further supporting our commitment to sustainable practices. Furthermore, the division is exploring the use of diesel with higher biofuel content at project sites while also exploring greener equipment and machinery.

The Industry Division utilises a boiler economiser at certain ICP factories, which captures heat from the exhaust flue and heats incoming feedwater into the boiler. To date, boiler economisers in ICP Nilai and ICP Klang factories have improved fuel efficiency for steam generation. Additionally, we completed the installation of solar thermal preheating system at ICP Senai factory in FY2024. The system uses solar energy to preheat incoming feedwater in boiler operations, which reduces the use of diesel.

The Port Division continues to optimise energy performance in line with the Kuantan Green Port Initiative. The division established an internal procedure to prioritise the use of energy-efficient electrical equipment requiring that any procurement, such as air conditioners, electric fans, and televisions, must have an Energy Efficiency Label of 4 stars and above. Additionally, the installation of electric shore power supply at Kuantan Port has seen a reduction of more than 34,106 litres of diesel usage by tugboats. This translated to an emissions reduction of 92.0 $tCO_2e$ in FY2024 from the previous year.

# ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

## Facilitating Sustainable Buildings and Infrastructure

We are dedicated to embedding sustainable building and construction principles as a catalyst to fostering sustainable communities and mitigating the environmental impact of our products.

The Construction Division is steadfast in advancing the use of alternative materials and innovative methods to minimise environmental impacts. We consistently seek opportunities to collaborate with clients, integrating sustainable design solutions in materials, construction methods, and utility designs to address operational and embodied emissions.

The Property Division has implemented a Green Building Design Framework for residential landed and high-rise developments in Malaysia. This framework serves as a guideline to achieve GreenRE certification, with a minimum benchmark of a 'Bronze' certification for all new residential projects. This initiative requires the integration of energy-efficient and passive design strategies, water efficiency features, indoor environmental quality considerations, and various environmental protection elements, among others.

IJM Group's investment property, Menara Prudential, is a LEED gold-certified building featuring several resource saving measures. The building incorporates efficient lighting and cooling systems which are monitored via a building management system. Smart meters and sensors are placed to maintain a favourable indoor environmental quality. Low emissivity glass and materials were used in its design to reduce building heat while captured rainwater and treated wastewater are used for non-potable purposes. Other sustainable features include its convenient location via a network of public transport amenities such as the MRT, and accessible facilities to cater for the disabled.


Menara Prudential, a LEED gold-certified and MSC-status green building, owned by IJM

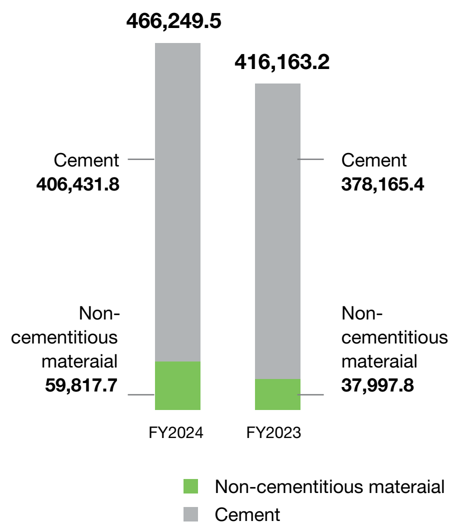
### Completed and ongoing green building projects

| Green Building Index ("GBI") | Green Real Estate ("GreenRE") | Leadership in Energy and Environmental Design ("LEED") |
|---|---|---|
| 18 | 16 | 7 |

In addition to green certifications, the Industry Division has progressively reduced the cement ratio of products by mixing cement alternatives and admixtures in the composition of concrete spun piles. Industrial by-products such as fly ash, ground granulated blast furnace slag ("GGBS") along with quarry products such as limestone ("CCP") have lower carbon footprint, while admixtures are used to quicken the concrete curing time. These cement replacers allow low carbon concrete production, aligning with the Group's commitment under $R_2O$ to tackle Scope 1 and Scope 3 emissions by expanding our low carbon products portfolio.

In FY2024, the emissions from cement constituted 43.3% of the Group's total emissions. The Industry Division made notable progress by replacing 12.8% of cement with non-cementitious alternatives, thereby reducing Scope 3 Category 1 (Purchased Goods and Services) by 53,436.7 $tCO_2e$, which is equivalent to 5.7% of the Group's total GHG emissions. This compares against a 9.1% replacement of cement achieved in baseline FY2023, which amounted to 33,773.9 $tCO_2e$.

### Cement Consumption by Industry Division (Tonnes)



The Port Division undertook several initiatives in line with Kuantan Port Authority's initiative to transition into a green port by 2030. The Kuantan Port Green Initiative involves five strategic thrusts to reduce the level of air pollution and carbon footprint, control marine pollution, implement energy and water resource efficiency initiatives, adopt digitalisation in decarbonising port operations, and establish systematic waste management control.

Similarly, the Toll Division prioritises sustainability in all aspects of their operations, from reducing their carbon footprint to promoting environmentally friendly practices. Our highways are also assessed against the Malaysia Green Highway Index ("MyGHI") where both BESRAYA and NPE have received 'Gold' certifications.

Furthermore, the Toll Division is exploring and identifying suitable locations along the highways to install DC Fast Charger stations. This is in line with the Government's target to install 10,000 charging stations by 2025 to accelerate EV adoption with 452 DC Fast Charger stations along the highways. The Division is exploring potential collaborations with the EV Charge Point Operators to leverage their expertise in green technology solutions, from the EV charging infrastructure to the mobile applications. This collaboration aims to provide a seamless and comprehensive EV charging network across our highways.

## COLLECTIVE CLIMATE ACTION IN FY2024

Climate advocacy and collective action form a large part of $R_2O$. IJM is an official supporter of TCFD, reinforcing our commitment to taking a phased approach to implement its recommendations. As a signatory of British Malaysian Chamber of Commerce Climate Action Pledge, we also continue our support through the annual communication of our climate action progress.

In FY2024, we participated in several forums and industry engagements to share our findings and approach in building credible climate actions and sustainable practices:

- **UNGCMYB SBTi Symposium 2023**
  IJM was part of the "Scaling Up Decarbonisation in the Value Chain" panel.
- **UNGCMYB Peer-to-Peer Sharing**
  IJM participated in UNGC's Peer Learning session sharing our experience and learning in shaping internal sustainability and climate strategy with UNGC corporate and SME members.
- **BSI Sharing**
  IJM shared insights at *The Future of ESG: Trends, Regulations, and Best Practices*.
- **MASSA Webinar**
  IJM shared its best practices and pitfalls to avoid in its ESG adoption journey in a webinar co-organised by MASSA, CILT and MAPAN.
- **ESG Malaysia Expert Series**
  IJM was invited as a speaker in ESG Malaysia's Expert Series to share experiences and insights on its data-driven approach to climate action.
- **US Green Building Council (USGBC)**
  Our Construction Division participated in two seminars organised by MBAM as a speaker/moderator, sharing insights on sustainable and digital construction.
- **Climate Governance Malaysia Summit**
  Our Industry Division participated as a panel speaker, sharing insights on sustainable construction.
- **Universiti Teknologi Malaysia ("UTM") Collaboration**
  Our Industry Division initiated a collaboration with UTM to explore sustainable concrete technology.
- **UNGCMYB Port Industry Roundtable**
  Our Port Division participated in the roundtable and shared the sustainability-related initiatives conducted.

# ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

## MANAGING CLIMATE RISKS AND OPPORTUNITIES [GRI 201-2]

Climate-related risks are managed in line with the framework established in the Group's ERM Policy. Specific parameters were established to assess the likelihood and impact of climate risks, given the longer time horizon.

Following the climate risks and opportunities assessment, we have identified relevant climate risks that will likely impact IJM. We conducted a data-driven scenario analysis and a qualitative screening of the Group's businesses and assets utilising two scenarios by the IPCC that were selected to assess physical risks. Transition risks were assessed against scenarios developed by the International Energy Agency ("IEA") and Network for Greening the Financial System ("NGFS").

### Climate Scenarios Considered

| Type | Goal | Warming level by 2100 | Time horizon |
|---|---|---|---|
| Transition | Announced Pledges Scenario[1] | - 1.7°C | Near-term: 2030 |
| | Divergent Net-Zero Scenario[2] | 1.5°C | Long-term: 2050 |
| Physical[3] | SSP2 - 4.5 (RCP4.5) | - 2°C - 3°C | Near-term: 2030 |
| | SSP5 - 8.5 (RCP8.5) | -4°C | Long-term: 2070 |

[1] World Energy Outlook 2022, IEA [2] Scenarios for Central Banks and Supervisors, NGFS [3] IPCC Sixth Assessment Report, Working Group I

### Types of Risks and Opportunities Assessed

| Physical Risks | Transition Risks | Opportunities |
|---|---|---|
| • Acute (flooding, storminess, heat waves)<br>• Chronic (temperature rise, sea level rise, precipitation change) | • Regulatory<br>• Legal<br>• Market<br>• Technology<br>• Reputation | • Products and services<br>• Energy source<br>• Resource efficiency<br>• Markets |

**Transition Risks and Opportunities**

Transition risks are driven by changes in policies, market dynamics, regulatory changes, and technological advancements as the economy advances towards low carbon and net-zero emissions. Potential risks include increased operational costs due to higher raw material and fossil fuel prices, carbon taxes, and emissions trading schemes. Considerations also include policy restrictions on emissions, market perceptions, shifts in customer preferences, and the availability and demand of services.

The Group's assessment of transition risks and opportunities has incorporated the Divergent Net-Zero (1.5°C warming) and Announced Pledges (2°C warming) scenarios, using assumptions developed by the IEA and the NGFS, respectively. We have evaluated transition risks within a near-term horizon up to 2030 and a long-term horizon up to 2050, in alignment with global pledges and national commitments.

We evaluated the level of exposure and impact of transition risks and opportunities on the Group's current and future operations in Malaysia and India. This assessment involved interviews and discussions with various management levels who influence the strategic direction of the Group's businesses.

***Announced Pledges Scenario ("APS")***

The APS scenario assumes that the Group's position aligns with current global climate pledges and commitments, including nationally determined contributions (NDCs) and long-term net-zero targets, being fully achieved within the specified timeframe. This scenario projects a global temperature increases of 1.7°C by 2100, resulting in moderate to severe physical risks and relatively low transition risks.

***Divergent Net-Zero Scenario ("DNZ")***

This scenario incorporates the most ambitious policies while taking into account for potential delays in the implementation of necessary actions.

The DNZ scenario achieves net-zero emissions by 2050 and aligns with a climate goal that provides at least a 50% chance of limiting global warming to below 1.5°C by 2100. However, this scenario assumes higher costs compared to the Net-Zero 2050 (NZE) scenario due to the implementation of divergent policies across sectors and a more rapid phase-out of fossil fuels. Consequently, the DNZ scenario presents significantly higher transition risks and lower physical risks than the NZE scenario, owing to delayed or varied policy adoption across countries and sectors.

***Our Findings***

Our operations in Malaysia have been identified as having higher risk impacts compared to those in India, primarily due to stricter policies and regulations. The assessment indicates that regulatory and market risks are the foremost concerns likely to significantly affect our business. Under both the DNZ and APS scenarios, the Group's exposure to regulatory risks in all divisions is heightened under both the DNZ and APS scenarios, spanning the near and long term. This primarily involves increased obligations for emissions reporting, carbon pricing initiatives, and regulatory mandates affecting our products and services.

In the long-term, the Property and Industry Divisions face significant long-term market risks under the DNZ scenario, while the Port Division experiences heightened exposure to these risks under both DNZ and APS scenarios. These market risks originate from escalating material costs and the evolving shift in customer preferences towards green or low-carbon developments, products, and services.

**Physical Risks and Opportunities**

Physical risks are influenced by both acute and chronic climate patterns that could lead to infrastructure damage. Extreme weather could potentially cause temporary work stoppages and reduce productivity, which may lead to delays in the delivery of products and services.

Our assessment referenced projections and data provided by the IPCC and the World Bank's Climate Change Knowledge Portal. The Group evaluated scenarios including worst-case (above 4°C warming) and current trajectory (2°C to 3°C warming). Parameters such as temperature variations, precipitation patterns, flood risks, and sea level rise across various regions and timeframes were analysed. We considered both near-term projections up to 2030 and long-term projections up to 2070 to align with the duration of the Group's concession assets.

A review was undertaken of the physical risks pertinent to major projects across nine locations, specifically Selangor, Kuala Lumpur, Penang, Pahang, Johor, and Perak in Malaysia, as well as Karnataka, Maharashtra, and Madhya Pradesh in India. The assessment involved examining existing risk registers and past climate-related incidents to evaluate the vulnerability of each asset. Location-specific climate projections were employed to gauge the probability and impact of climate stressors specific to each area.

***SSP2 – 4.5 (comparable to RCP4.5): 2°C-3°C warming***

This scenario represents the 'most likely' trajectory based on the current scale and pace of climate commitments. This scenario is employed to evaluate the most probable disruptions.

Referred to as the "middle-of-the-road" scenario, emissions remain stable near current levels before gradually declining by mid-century but do not achieve net-zero by 2100. Under this scenario, temperatures are projected to increase by approximately 2.7°C by the end of the century. Socioeconomic factors continue along historical trends without significant deviations. Progress toward sustainability is sluggish, with uneven growth in development and income.

***SSP5 – 8.5 (comparable to RCP8.5): above 4°C warming***

This scenario represents the 'business-as-usual' trajectory resulting from global inaction, enabling the Group to evaluate potential disruptions in a worst-case scenario.

Referred to as the "fossil-fuel development" scenario, emissions continue to increase, doubling by 2050. Under this scenario, temperatures are projected to rise by approximately 4.4°C by the end of the century. The global economy experiences rapid growth, driven by the exploitation of fossil fuels and energy-intensive lifestyles.

***Our Findings***

Our organisation is expected to experience the effects of both acute and chronic physical climate events, as these impacts are anticipated to become increasingly severe and significant over time. Based on our assessment, certain assets, particularly those situated in Klang Valley and Pahang, have been identified as inherently vulnerable to pluvial flooding caused by heavy rainfall in the near term under both scenarios, reflecting their historical exposure to such events.

Over the long term, our analysis has identified a heightened probability of coastal flooding due to sea level rise affecting assets and operations in coastal areas like Penang and Johor under the SSP5-8.5 scenario, whereas the SSP2-4.5 scenario indicates a slower onset. Moreover, the risk of heat stress is expected to escalate in both scenarios as temperatures chronically rise over time, potentially impacting the Group's operations and productivity.

# ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

**Limitations to Our Assessment**

We recognise that climate risks are complex and evolving. The assessments conducted accounted for the direct impacts on the Group's assets and operations, excluding systemic risks like food and water insecurity and public wellbeing. Addressing these broader implications requires a deeper understanding of the accumulation of different climate events on businesses and society. In this regard, a key initiative in our climate strategy is to form active partnerships with local governments, industry associations and likeminded stakeholders to address systemic climate risks.

Importantly, each of the climate scenarios also present opportunities across various time horizons. These include asset and operational efficiencies through improved design and planning, adoption of innovative technology, the use of low carbon materials, and leveraging on government incentives. We will continue to explore the significance of these opportunities to drive longer-term positive change and strengthen our business and value chain resilience.

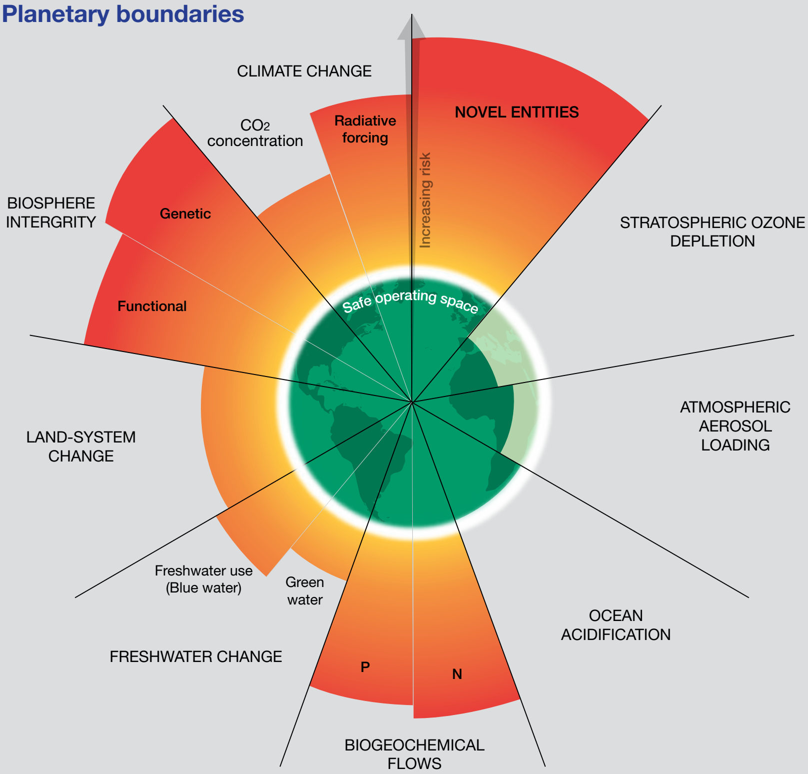
## SAFEGUARDING PLANETARY HEALTH FOR A LIVEABLE FUTURE

Planetary health, the state of Earth's natural systems and their capacity to sustain life, is intricately connected to our ability to mitigate climate change. Scientific evidence highlights that six out of nine Planetary Boundaries have already been transgressed. Understanding and addressing these systemic risks is essential for achieving net-zero emissions by 2050. According to the research, the likely remaining pathways to achieving a 1.5-degree scenario, which will involve overshoot and subsequent reduction, will be preconditioned upon a healthy planetary ecosystem.

The Planetary Boundaries framework identifies nine critical processes that regulate Earth's stability and resilience. These include climate change, biodiversity loss, biogeochemical flows (nitrogen and phosphorus cycles), ocean acidification, land-system change, freshwater use, atmospheric aerosol loading, and novel entities (such as chemical pollution). Crossing these boundaries increases the risk of triggering large-scale, abrupt, or irreversible environmental changes.

The increasing frequency and severity of extreme weather events are a direct consequence of overshooting the 1.5°C global warming limit. This limit represents a biophysical threshold beyond which the risk of triggering multiple tipping points in the Earth system becomes significantly higher. These tipping points can initiate tipping cascades, where the activation of one tipping point increases the likelihood of others being triggered. For example, the loss of polar ice represents a positive feedback loop where ice-free seas absorb more solar radiation, further warming the water. This warming accelerates the release of methane trapped in the thawing permafrost, which in turn exacerbates global warming in a self-reinforcing cycle.

**Planetary boundaries**




Source:
Stockholm Resilience Centre (2023) https://www.stockholmresilience.org/research/planetary-boundaries.html

## CLIMATE TIPPING POINTS


The IPCC and climate models provide compelling evidence that the health of our planet is inextricably linked to our climate goals. Corporates and governments must take bold, science-based actions to address the systemic risks posed by transgressing planetary boundaries.

Achieving a net-zero future is an ambitious but necessary goal, one that requires a holistic approach that integrates planetary health into every facet of corporate strategies and government agenda. Failing to address these systemic risks could undermine efforts to achieve net-zero, with dire consequences for both businesses and society.

Tipping Points

- Global
- Regional

Tipping becomes likely within

- 1.5°C - 2.0°C
- 3.7°C - 6.0°C
- 2.0°C - 3.7°C
- > 6.0°C

of global warming

Source:
Potsdam Institute for Climate Impact Research (2023) https://www.pik-potsdam.de/en/output/infodesk/tipping-elements/tipping-elements

# ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

## MANAGING ENVIRONMENTAL IMPACTS [GRI 303-1, GRI 303-2, GRI 303-5]

We are committed to safeguarding the environment and reducing our environmental impact. Guided by the Group's Environmental Policy, we strive to accelerate our efforts in preserving natural capital, preventing environmental pollution, and managing waste responsibly. At the operational level, we have established specific procedures to identify risks, assess potential impacts, and implement control measures, ensuring our operations adhere to responsible practices.

### Responsible Water Management

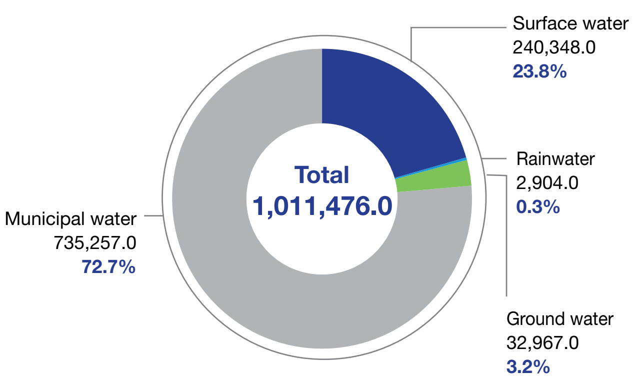
We are dedicated to maximising water efficiency across all our businesses and have implemented measures to reduce water usage in our operations. In FY2024, the Group's water withdrawal decreased by 16.9% to 1,011,476.0 m³.

To reduce our reliance on ground, surface, and municipal water sources, we collect rainwater across the Property, Industry, Port, and Toll Divisions. In FY2024, we harvested 2,904.0m³ of rainwater for non-potable uses, including cleaning and landscaping. Kuantan Port collaborated with a tenant to enhance water efficiency by reusing treated water.

We enforce effective control measures to ensure compliance with water quality and quantity permits, standards, and regulations. Notably, in FY2024, there were no recorded instances of non-compliance with water quality standards.

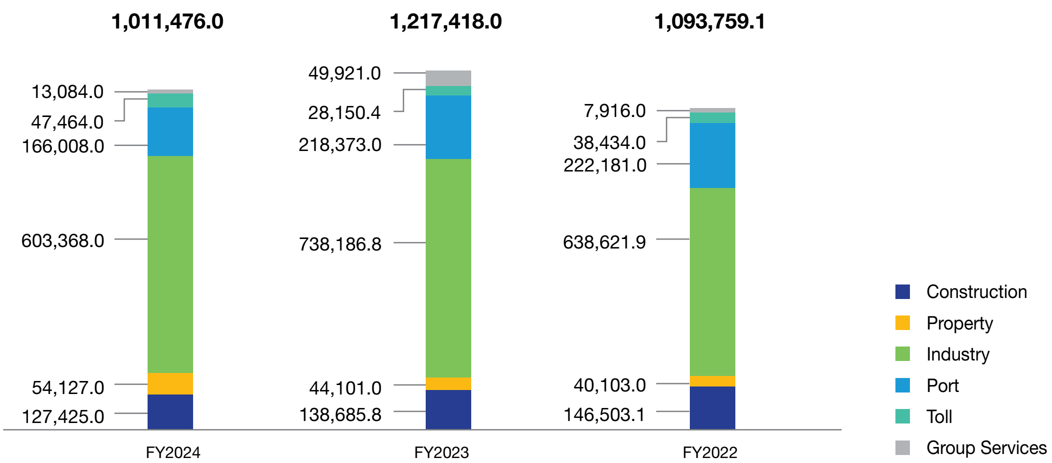
Water treatment facilities are strategically installed at high-discharge sites to manage wastewater and adhere to voluntary and regulatory environmental standards. These facilities employ chemical agents to reduce suspended solids to below 50 mg/litre before discharging into the public drainage system. Utilising a flocculation process, as seen at the TRX Residences site, these plants effectively separate suspended particles, facilitating easier filtration before discharge. Project sites with lower water discharges employ traditional water treatment methods like silt traps and sedimentation ponds. In certain instances, treated water is recycled and reused at project sites and factories.

**Water Consumption by Source in FY2024 (m³)**




Water treatment system at TRX Residences site in Kuala Lumpur

**Water Consumption by Division in FY2024 (m³)**



## Environmental Pollution Management

IJM is committed to preventing air, noise, waste, and water pollution across our operations. In FY2024, all divisions achieved ISO 14001:2015 Environmental Management Systems certification, covering 100% of our operations in Malaysia. Aligned with ISO 14001:2015, our Group's Health, Safety, and Environment (HSE) Management System outlines comprehensive environmental monitoring and pollution management protocols. This system guides the implementation of our Environmental Management Procedures and Operation Specific Plans, enabling us to identify, evaluate, and mitigate pollution risks and minimise the impact of our operations on the environment and surrounding communities.

Across our operations, we adopt suitable practices to manage erosion and sedimentation. Key measures, including groundcover, turfing, vegetation, and hydroseeding, are employed to prevent soil erosion. Additionally, temporary check dams, silt traps, and fences are installed to prevent the pollution of water sources.

To manage noise and vibration pollution from our operations, we have installed meters at our sites for continuous monitoring. Vibration meters at quarries ensure minimal disturbance to surrounding areas, in adherence with the Environmental Quality Act 1974. Air pollution risks are addressed through ongoing monitoring and inspections at project sites. The Port Division has installed dust barriers and fog cannons to mitigate air pollution. Washing bays were provided to clean cargo trucks before they access public roads, and road sweepers and water trucks were deployed to manage dust levels within the port area.

In FY2024, there were no major incidents and penalties due to spillage.

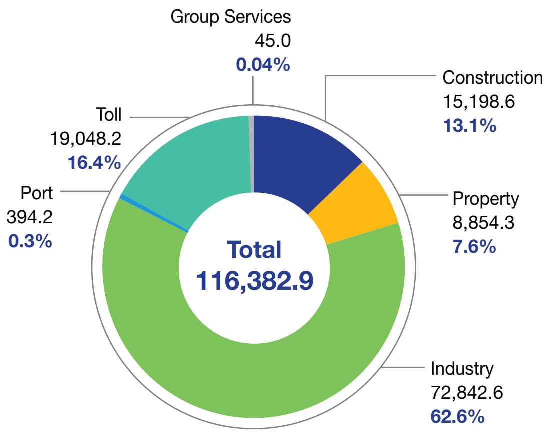
## Optimising Material Usage and Reducing Waste

[GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5]

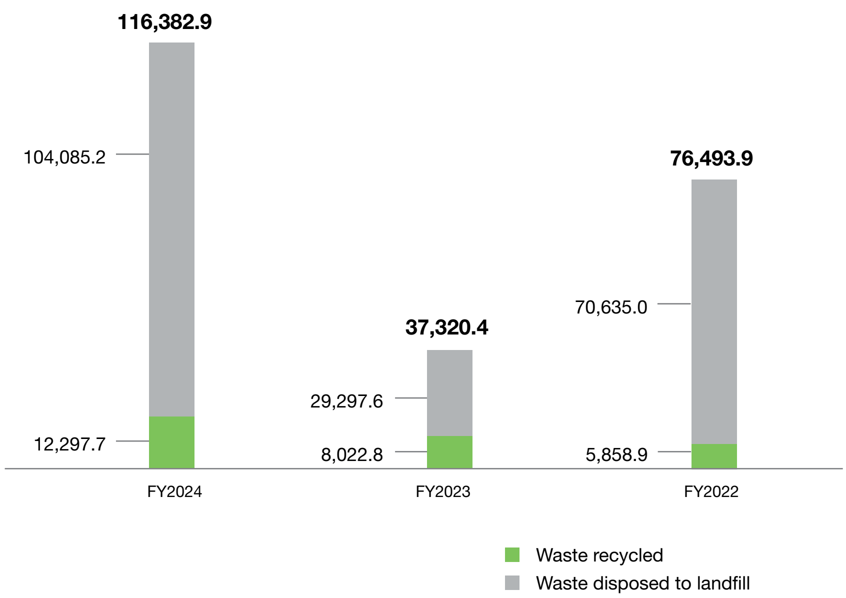
The Group manages waste efficiently and is committed to responsible material usage across all operations. We aim to reduce, reuse, and recycle our waste, whenever feasible. We comply with local waste regulations while continuously working towards managing waste beyond this minimum threshold. Waste reduction is one of the key measures in our climate strategy to achieve Scope 3 emissions reduction. Our target is to reduce wastes generated from our operations through enhanced process efficiency and increased awareness of circular economy principles.

In FY2024, a total of 116,382.9 tonnes of scheduled and non-scheduled wastes were generated by the Group. 85.5% of waste generated within the Group are categorised as construction waste whereas scheduled waste made up 0.08% of our total waste.

### Scheduled and Non-Scheduled Waste Generated by Division in FY2024 (Tonnes)




### Total Waste Generated (Tonnes)



# ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

We implement proactive measures across all our operations to minimise waste disposed to the landfills by recycling and reusing the waste we generate. In FY2024, 10.6% of our waste was reused or recycled.

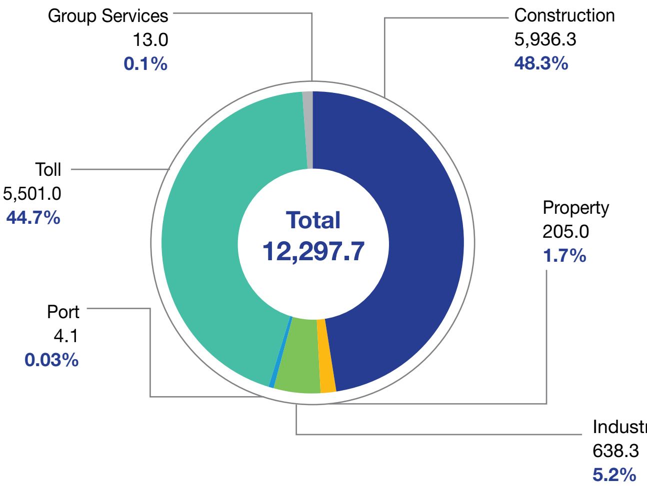
Solid or non-scheduled wastes are segregated at the point of generation with designated collection areas. We appoint licensed contractors to dispose and recycle waste at accredited facilities. Recycling and reusing of construction waste are prioritised for practical implementation at sites, for instance, concrete waste is crushed and repurposed to stabilise road access to sites. In FY2024, waste that have been diverted from landfill, which includes recycled waste, and treated waste off-site and on-site, amounted to 12,379.1 tonnes.

The Construction Division established a Waste Reduction Framework in FY2023, in line with the Group's Sustainability Roadmap FY2023 to FY2025. The framework guides the management and reduction of solid wastes within operations. In FY2024, a few projects were selected as pilot projects to initiate the implementation of the Waste Reduction Framework which include waste segregation, reusing and recycling of construction waste material.

Unused concrete is repurposed at the Industry Division's IBS factory by segregating sand, aggregates, and slurry effluents through a reclaimer, effectively optimising material usage and enhancing cost efficiency. Excess water is collected and separated from slurry effluents, then reused for concrete batching, sprinkler systems, and cleaning purposes.

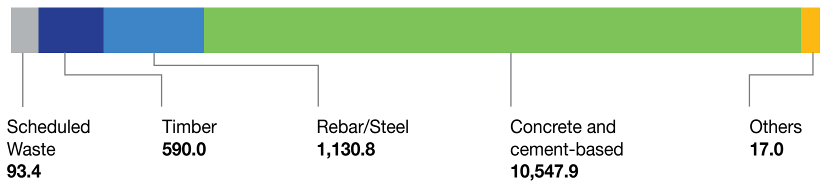
The Toll Division is exploring the use of mill waste from the existing pavement and resurfacing as compaction material to stabilise soil before road overlay works. Reusing milled waste from pavement repair offers several advantages. It reduces the need for new raw materials, conserving natural resources and lowering project costs. This recycling process decreases landfill waste, promoting environmental sustainability. Reclaimed asphalt pavement (RAP) can enhance the performance of new asphalt mixtures, providing durability and stability. Additionally, utilising RAP minimises the energy consumption and emissions associated with producing

**Waste Recycled by Division in FY2024 (Tonnes)**

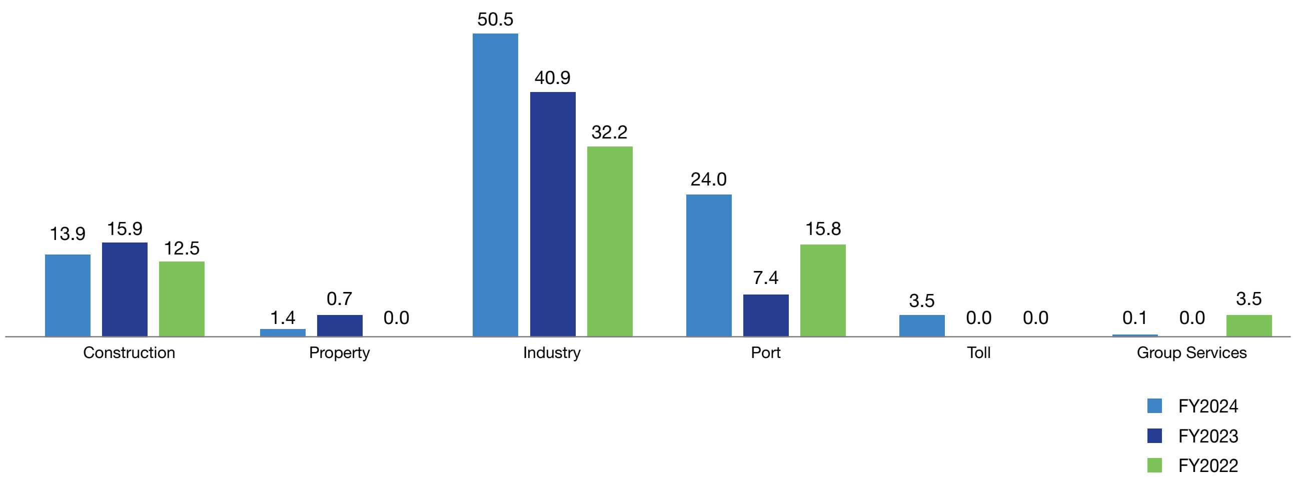



**Waste Diverted from Landfill by Type in FY2024 (Tonnes)**

**Total: 12,379.1**




**Scheduled Waste Generated by Division (Tonnes)**



new materials, contributing to a reduction in the carbon footprint of pavement rehabilitation. Reusing milling waste supports eco-friendly practices, cost-efficiency, and the creation of high-quality, sustainable pavements.

Scheduled and hazardous waste are managed and disposed of in adherence to safety and environmental legislations. These wastes are securely stored in designated areas, labelled with precise guidelines and specification. The Group engages licensed contractors to dispose of scheduled waste at approved treatment facilities. In FY2024, there were no fines of non-compliance with environmental laws and regulations relating to handling of scheduled waste.

## CONSERVING BIODIVERSITY

[GRI 304-1, 304-3]

We appreciate the value that nature provides and recognise the importance of conserving natural ecosystems to ensure business resilience. Our commitment includes minimising our impact on the surrounding environment in our operational areas, responsibly managing natural resources, and, when feasible, undertaking initiatives to conserve biodiversity.

Biodiversity loss and ecosystem collapse are recognised as among the fastest-rising global risks in the coming decade. The Group acknowledges the growing significance of integrating nature-related risks into business strategies for long-term viability, safeguarding profitability, and ensuring a sustainable future for both businesses and the environment. We will explore the intricate interdependencies between nature and business using the Taskforce on Nature-related Financial Disclosures (TNFD) framework, evaluating how these connections translate into a wider gamut of financial risks.

All projects exceeding 50 hectares must undergo an Environmental Impact Assessment (EIA) to evaluate biodiversity within their boundaries and propose measures to mitigate disturbances to the natural environment. We strive to incorporate regenerative practices where possible across our operations. The Property Division has established an internal goal to integrate green spaces into their developments that surpass the minimum requirements mandated by local councils.

The Property Division is presently exploring the support of two biodiversity-rich locations that are adjacent to their developments. The support may potentially include allocating development land bank, providing access infrastructure, creating gallery space, conducting biodiversity audits, and collaborating with local academia and non-profit organisations. Further details will be provided as these projects progress.

Sebana Cove, Johor, located next to the biodiversity-rich Sungai Santi forest reserve


IJM
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IJM

# WORKPLACE
## EMPOWERING OUR PEOPLE

# WORKPLACE: EMPOWERING OUR PEOPLE

At IJM, we recognise that our workforce is the cornerstone of our operational success and long-term sustainability. Our commitment to a conducive workplace is demonstrated through our approach that prioritises the professional development, well-being, and safety of our employees. By fostering a supportive and inclusive work environment, we aim to enhance job satisfaction and productivity, thereby contributing to the overall success of our organisation.

## PEOPLE STRATEGY AND GOALS [GRI 2-7, GRI 2-8, GRI 401-1, GRI 404-1, GRI 404-2, GRI 405-1]

We strive to create a workplace that not only motivates our employees but also enhances our overall organisational resilience and performance. This approach underpins our People Strategy that focuses on providing a conducive workplace, cultivating learning agility and fostering an engaged workforce. Through these three focus areas, the Group aims to elevate leadership skills, nurture a robust talent pipeline, and build an agile and high-performance organisational culture. By placing the right individuals in the right roles, we build a workplace that promotes productivity and success. This strategy equips our workforce with the necessary resources, skills and capabilities to effectively contribute to the achievement of our business objectives.

This section of the Statement highlights various initiatives covering our People Strategy focus areas. The initiatives ensure that our employees are well prepared to meet the evolving demands of our industry and contribute to the Group's long-term success.


### Fostering an Engaged Workforce

Fostering an engaged workforce is integral to our corporate culture. We are committed to attracting, developing, and retaining top talent to drive our business growth and innovation. In FY2024, we conducted an extensive employee engagement survey, *MyVoice*, the first survey post-COVID that was constructive to understand and address the evolving needs and sentiments of our employees.

The survey identified areas for improvement, including enhancing engagements with senior leaders, revitalising workplace experiences, and reigniting cross-divisional synergy. These insights guide our efforts to create a workplace with strong interpersonal connections, high morale, and a sense of fulfilment among our employees.

## Fostering an Inclusive Culture

Diversity and inclusion are key to driving innovation, creativity, and business success. We promote a diverse and inclusive workplace that values and respects the unique contributions of each individual. Our workforce is diverse in terms of age and ethnicity, with employees from various age groups and ethnic backgrounds represented at all levels of the organisation.

## Employee Diversity

As at 31 March 2024, IJM Group had **3,502** employees

**76%** Permanent full-time employees

**24%** Contract full-time employees

### IJM Group Workforce by Ethnicity

**54%** Bumiputera

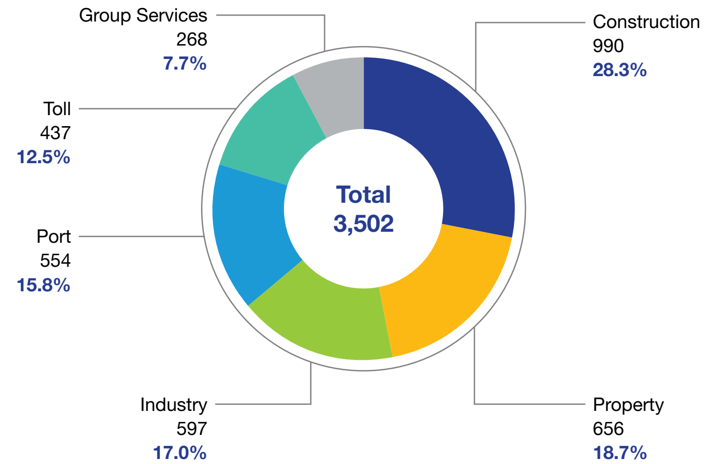
**24%** Chinese

**6%** Indian

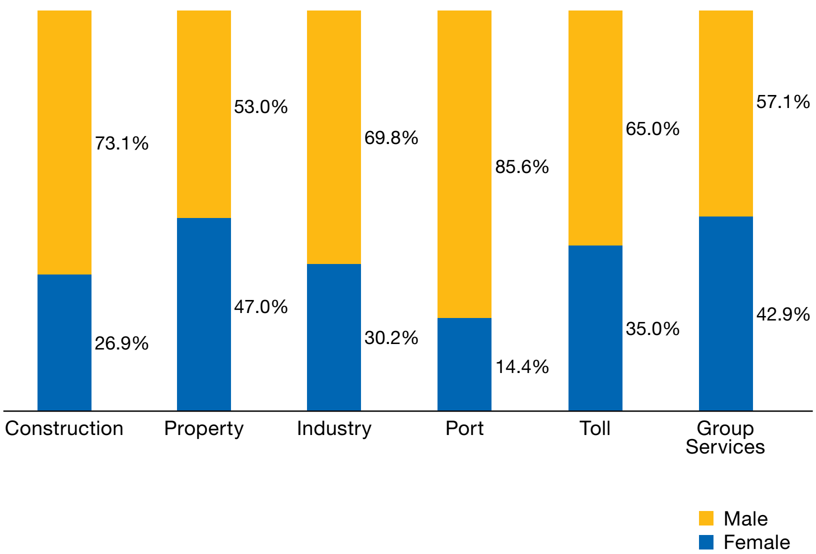
**<1%** Others

**16%** Non-Malaysian: Indian and Chinese nationals

### IJM Group Employees by Division in FY2024




### IJM Group Employees by Gender in FY2024

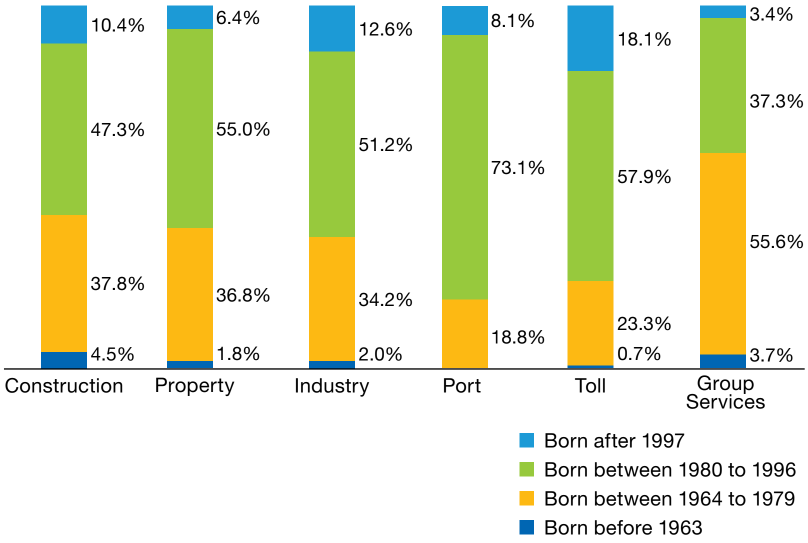


# WORKPLACE: EMPOWERING OUR PEOPLE

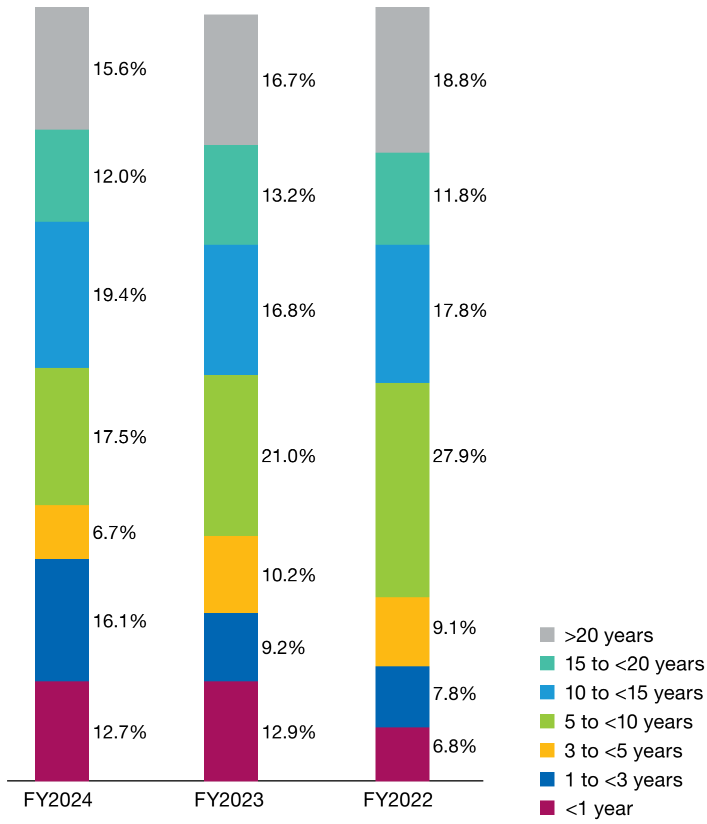
Our employee satisfaction survey results showed improvement by seven points from the last conducted survey in 2022. Based on the survey, employees across the Group are satisfied with their jobs and would recommend IJM as a great place to work.


Building success through diversity

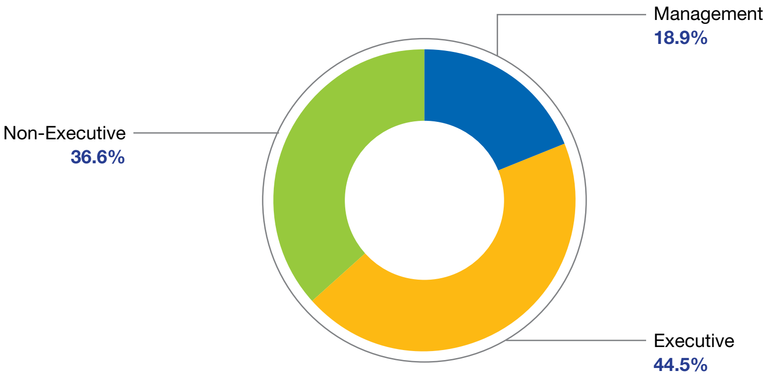
**IJM Group Employees by Generation as at 31 March 2024**



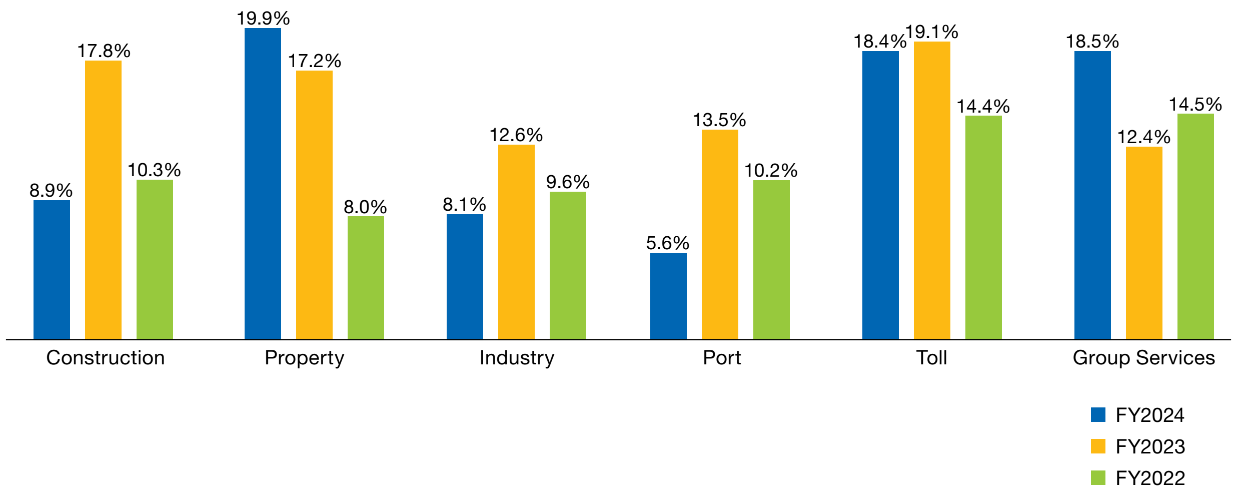

**IJM Group Workforce by Length of Service**



### IJM Group New Employee Hires by Employment Category in FY2024




### IJM Group Turnover Rate by Division

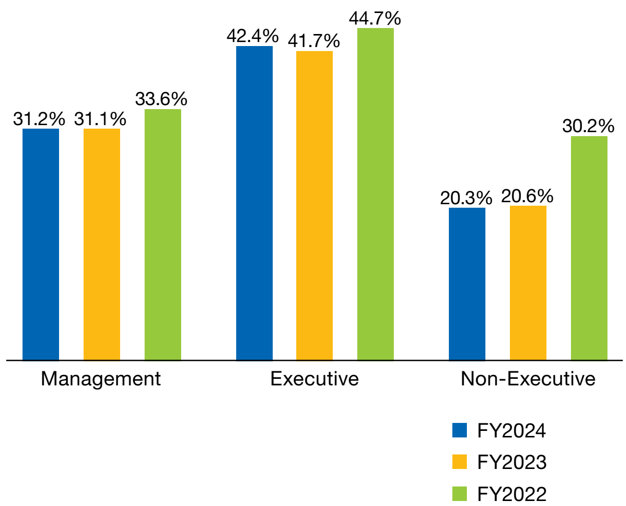



### Women at work

By recognising and valuing the unique strengths and perspectives women bring, we invest in their professional growth and development to enhance retention and career progression, in line with *SDG 5: Gender Equality*. Our flexible work arrangements help women balance work and personal responsibilities, increasing job satisfaction.

As of 31 March 2024, women made up 31% of our workforce where 31.2% of our management positions were held by women, ensuring diverse voices are part of our decision-making processes, inspiring other women to pursue advancement opportunities within the Group.

### IJM Group Women Representation by Employment Category



# WORKPLACE: EMPOWERING OUR PEOPLE

## Engaging Senior Leaders

### Townhall with Senior Leadership

Townhall meetings collectively contribute to a motivated and well-informed workforce, ready to drive the Company towards achieving its strategic goals

In FY2024, IJM Group and business divisions conducted respective townhall meetings that served as a crucial platform for fostering transparent communication between senior leadership and employees. The primary purpose of these townhalls is to ensure that every employee is well-informed about the Company's strategic direction and the steps necessary to achieve organisational goals.

While providing employees with direct access to senior leaders, the townhall meetings also allowed for an open exchange of ideas, concerns, and feedback. Several key points were highlighted during the townhall meetings, showcasing the effectiveness of these engagements. Senior leaders have taken the initiative to clearly articulate how the Group and business divisions plan to execute their various strategies, ensuring that all employees understand their role in this journey.

Such interactions not only provide clarity on the Company's strategy but also align everyone's efforts towards common objectives, enhancing overall organisational cohesion and morale.

### Expanding Leadership Horizons

Fostering synergy and growth through leadership and collaboration

Our senior leaders immersed themselves in a dynamic leadership workshop that also served as an integrative platform to explore ideas and foster alignment with the Group's strategy. Emphasising crucial frameworks and concepts, the workshop further broadened their perspectives, envisioning new possibilities and innovative solutions for the Group. The engagement that shared best practices and successful business models created potential synergies within the Group crucial for the sustained growth of the Company and our diverse businesses.

**Succession Planning**

We focus on attracting and retaining top talent by ensuring that our future leaders are well prepared to take on executive roles. Aligned with the overall strategic goals of the Company, our succession planning framework is purposefully designed to ensure the seamless transition of leadership and the ongoing development of high-potential employees.

Our approach identifies and nurtures future leaders, ensuring business continuity and sustained growth. We maintain our competitive edge by systematically preparing for future leadership needs, mitigating risks associated with leadership gaps. The process typically involves identifying potential employees within the organisation and providing them with the necessary training and development to manage and lead the Company effectively in the future.

The process begins with the nomination of potential successors by senior leaders, followed by comprehensive assessments that include tools like the Psychometrics Assessment and Performance Data Analysis. These assessments are plotted into a 9-box matrix, evaluating both performance and potential of nominated successors. The matrix helps in categorising employees into various levels to facilitate targeted development plans.

**Nomination of potential successors**

By senior leaders

**Comprehensive assessments**

- Psychometric assessment
- Performance data analysis

**9-box matrix evaluation**

Categorises employees according to:

- Performance consistency
- Potential

Post-assessment, the Group's elected Talent Council reviews and calibrates the findings, ensuring a balanced perspective on each candidate. Identified talents undergo development interventions tailored to their specific needs, which includes on-the-job learning, targeted training programmes, and executive coaching and mentoring. Progress is continuously tracked to ensure readiness for future roles.

Our approach emphasises the 70/20/10 development model, where 70% of learning is on-the-job, 20% from interactions with others, and 10% through formal education, ensuring a holistic growth environment.

**Talent council review**

- Calibrate findings
- Ensure balanced perspective

**Targeted development interventions**

- On-the-job learning
- Targeted training programmes
- Executive coaching and mentoring

**Progress tracking**

- Continuous monitoring of readiness for future roles
- 70/20/10 development model

"By investing in our employees' growth and aligning our practices with best-in-class standards, the Group ensures a robust pipeline of leaders ready to drive our future success."

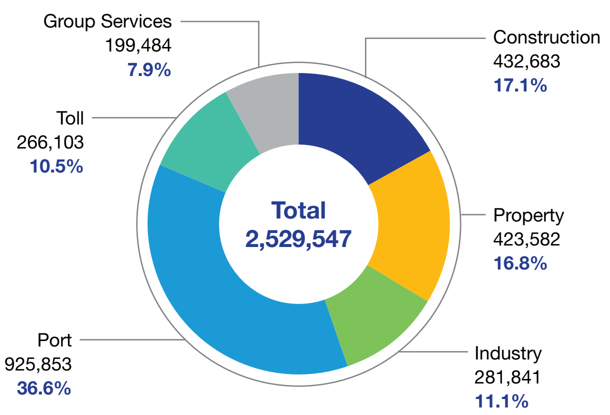
**Ho Mei Seah**
Human Resources

# WORKPLACE: EMPOWERING OUR PEOPLE

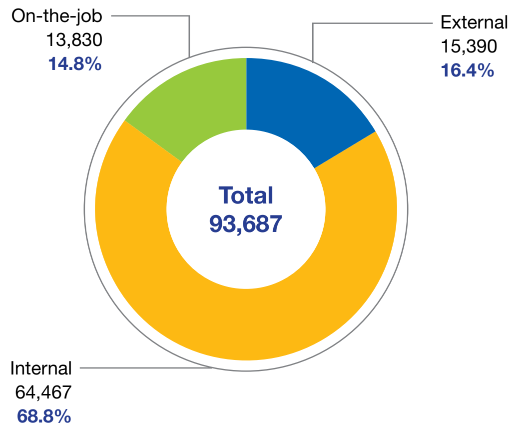
## Cultivating Learning Agility

### Training and Development

**Learning and Development Spending by Division in FY2024 (RM)**




**IJM Group Training Hours by Type in FY2024**




All our employees receive feedback through our annual performance reviews to help them identify areas for growth and development. Our training and development programmes not only help employees navigate but also thrive amidst change and ensure that they have the necessary skills and knowledge to continue excelling in their roles.

In FY2024, the Group's Learning and Development team streamlined internal training standards across the Group, introducing a minimum of 16 learning hours for each employee. Our collaboration with LinkedIn Learning further facilitated employee training and development, garnering interest from our workforce since its introduction in 2023.

Our employees gained the flexibility to develop their skills and expand their knowledge base at their own pace. Over 3,650 learning hours and 3,479 courses of various topics covering sustainability, technical skills, digital competencies, data analytics, artificial intelligence, soft skills, and professional development were completed in FY2024. By fostering a future-ready mindset and approach in employees, the Group ensures our resilience and adaptability to drive sustainable growth and success.

**Completed over**
**3,400**
LinkedIn courses

**Completed over**
**3,600**
learning hours

**Talent Management and Development**

In FY2024, in line with our Individual Development Plan (IDP), we implemented a series of targeted talent management initiatives, namely LEAD, Managerial Curriculum and Graduate Associate Programme ("GAP").

These tailored programmes are designed to help identify gaps and provide clarity to the career aspirations of employees, equip them with necessary skills, competencies, relevant business skillsets and exposure needed to support the Group's short and long-term business goals and strategies.

***Leadership Development Programmes***

| LEAD | Managerial Curriculum | Graduate Associate Programme |
|---|---|---|
| The LEAD programme aims to cultivate people management skills essential for building and managing internal teams and external partners. The programme facilitates the transfer of industry experience and knowledge through mentorship from across divisions, industries and countries, ensuring a well-rounded leadership pipeline. A blended approach focusing on leadership helps identify and retain potential future leaders. | The Managerial Curriculum is specifically designed to develop and strengthen the competencies of people managers at every level, empowering them with the tools and knowledge to drive results, build effective teams, and navigate managerial responsibilities. | The GAP provides scholarship recipients with the opportunity to gain familiarity with key functions within IJM through departmental rotations, offering diverse and comprehensive exposure. By experiencing different roles and departments, GAP participants develop a holistic understanding of IJM's operations, fostering their growth and preparing them for future roles within the company. |

## Providing a Conducive Workplace [GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7]

**Invigorating the Workplace Environment**

Creating a positive and inspiring work environment that fosters innovation and collaboration and promotes employee wellbeing

In October 2023, the IJM head office - Wisma IJM and Annexe underwent a major renovation, creating a shared space that nurtures collaboration, diversity and inclusion, and improves interpersonal connections and communication. In addition, we are dedicated to supporting the mental and physical wellbeing of our employees through various wellness programmes and initiatives.

# WORKPLACE: EMPOWERING OUR PEOPLE

**Competitive Employee Compensation and Benefits**

We offer competitive compensation packages designed to attract and retain top talent. Our benefits include health insurance, retirement plans, and parental leave policies. Additionally, we provide flexible working arrangements to support work-life balance.

<table>
<tr><th colspan="2">Types of leave</th></tr>
<tr><td colspan="2">Annual Leave, Blocked Leave, Marriage Leave, Parental Leave, Family Care Leave, Bereavement Leave, Sick or Hospitalisation Leave, Prolonged Illness Leave, Study and Examination Leave, Compassionate Leave and Replacement Leave</td></tr>
<tr><th>Employee wellness</th><th>Work arrangement</th></tr>
<tr><td>Outpatient Medical Coverage, Annual Medical Check-up, Dental and Optical</td><td>Flexi working hours, Flexi lunch hours (based at office), Two Saturdays off (For on-site employees), Overtime and Flexible work arrangement</td></tr>
<tr><th>Allowance and subsidies</th><th>Insurance coverage</th></tr>
<tr><td>Business travel reimbursements and business claims</td><td>Hospitalisation and Surgical Insurance, Group Term Assurance, Group Personal Accident</td></tr>
<tr><th colspan="2">Others</th></tr>
<tr><td colspan="2">Car park facility, Retirement benefits, Long Service Award, IJM Scholarship Award, IJM Academic Excellence Award</td></tr>
</table>

### Launch of MiCare application

Introducing seamless acces to medical care through MiCare to employees

In January 2024, IJM adopted a cashless and paperless outpatient facility to provide convenience and easy accessibility to medical care to our employees. Facilitated by the MiCare, our employees can access their wide arrays of medical clinics across the country in ensuring that they can obtain the best medical care when the need arise.

## UPHOLDING HUMAN RIGHTS

[GRI 412-2]

The Group is committed to protecting the rights of its people and treating them with dignity, in line with the UNGC Ten Principles and other relevant legal requirements and regulations.

We comply with all applicable labour laws, including working hours and overtime, in the jurisdictions where we operate. We have also integrated all other provisions of the amended Employment Act into our employee Schemes and Conditions to ensure conformance with the gazetted Minimum Wages Order 2022, which came into effect on 1 September 2022.

At IJM, we uphold human rights and fair labour practices in all aspects of our business operations. We have implemented policies and procedures to ensure compliance with labour laws and regulations, which includes child labour that prohibits the employment of anyone under the age of 18; forced labour that prohibits the use of forced or compulsory labour; and a grievance mechanism that allows our employees to report any concerns or violations related to human rights or labour practices.

In FY2024, 2% of our employees were covered by collective bargaining agreements, and our Whistleblower Policy also ensures that employees can report unethical behaviour without fear of retaliation. The Group has not received grievances related to human rights or labour practices in the past three years.

## WORKPLACE HEALTH AND SAFETY

[GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9]

Ensuring the safety and wellbeing of our employees and contractors is our top priority. We have implemented a comprehensive Occupational Safety and Health ("OSH") management system that aligns with international standards and best practices. We implement our safety policy and conduct regular training programmes to minimise risks and create a secure working environment.

### Occupational Safety and Health

At IJM, we place significant importance on our occupational health and safety standards. In FY2024, all active projects at the Construction Division, ICP factories of the Industry Division and Port Division continued to be ISO 45001:2018 certified, and their safety and health data were audited and verified by Standard and Industrial Research Institute of Malaysia ("SIRIM"), except for Port Division that was verified by TUV Nord. We achieved zero non-conformity in the independent audit conducted by SIRIM. In addition, our Toll Division was awarded with the ISO 45001: 2018 certification. The certification recognises the highways operator's efforts and initiatives on safeguarding the workforce and other stakeholders' health and safety.

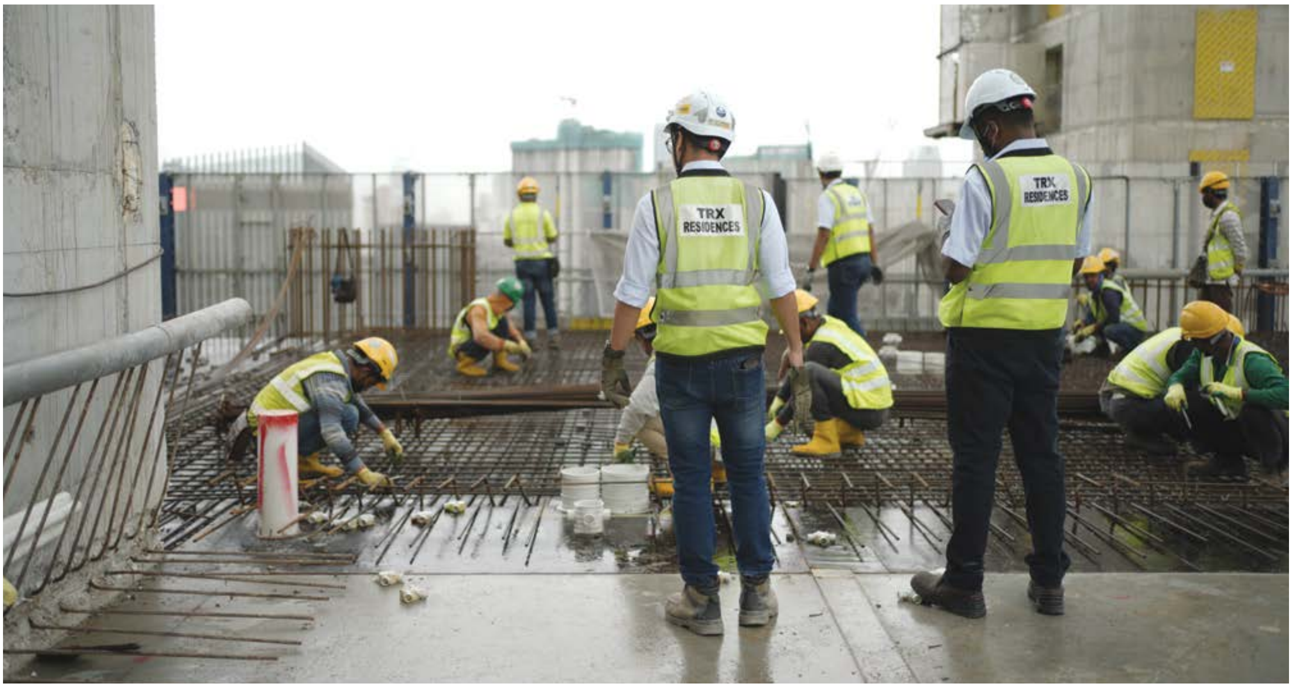
Our initiatives aim to promote a strong safety culture. Our proactive approach includes regular audits, risk assessments, and continuous improvement processes. Additionally, our joint management-employee health and safety committees at project sites ensure the involvement from employees of all levels and the management in discussing and addressing OSH issues. Health, Safety, and Environment ("HSE") Committees are also present in all divisions and locations to oversee HSE matters.

In FY2024, we enhanced the HSE Management System by developing the IJM HSE Minimum Requirement Handbook. This guide covers the pre-commencement processes, high-risk activities, and operational requirements, all aimed at elevating the minimum standards for operational practices. Additionally, we integrated the Safe Work Method Statement into our Hazard Identification, Risk Assessment, and Determining Control (HIRADC) procedures, further improving our risk management processes. We conducted several workshop sessions with internal stakeholders across the Construction Division to ensure thorough understanding and implementation of our updated safety processes, ensuring a cohesive and informed approach to HSE practices.

The Construction, Industry, and Port Divisions comply with the OSH (Use and Standard of Exposure of Chemicals Hazardous to Health) Regulation 2000 through Chemical Health Risk Assessments (CHRA) for both ongoing and new project sites, quarries, and port facilities.


Promoting a strong safety culture through health and safety initiatives and certifications

# WORKPLACE: EMPOWERING OUR PEOPLE



The new HSE handbook guides safe operations

The Organisational Context, Risk, and Opportunities process is executed to facilitate strategic planning and ensure full compliance and high level of performance across all workplaces. By managing OSH hazards, environmental aspects, and operational risks and opportunities throughout the project lifecycle, especially during the design and pre-construction stages, we effectively minimise the potential for accidents and environmental pollution.

The Toll Division conducts a comprehensive Road Safety Audit (Stage 5) every three years and follows through with improvement and enhancement works based on the findings and assessments of traffic experts to ensure road users' safety along our highways. Extensive periodical inspection such as the Lumen test for street lighting system and reflectivity test for road signages and road line marking were executed to monitor system effectiveness and ensure road visuality and driving safety.

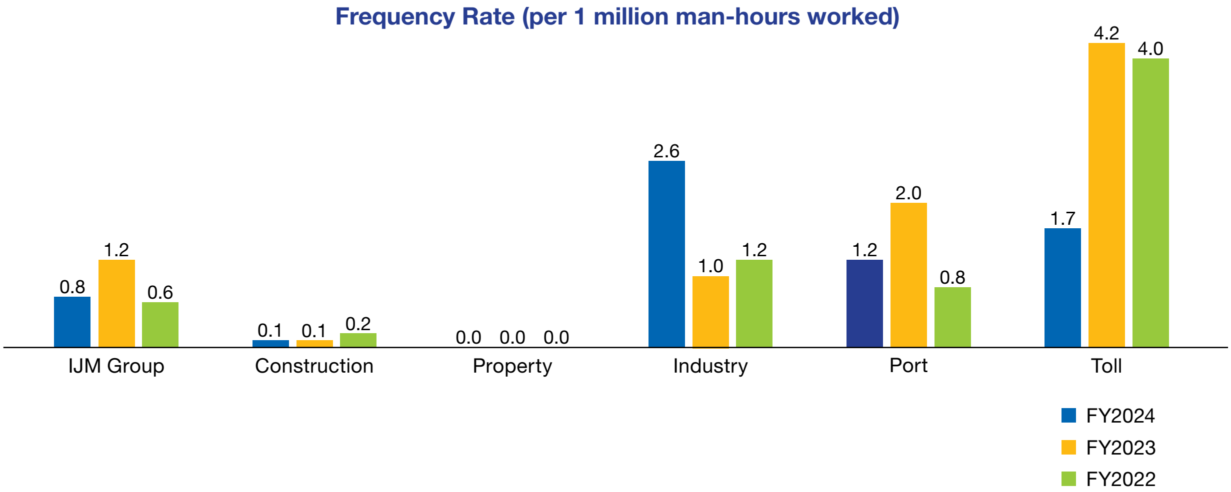
In FY2024, the division proposed a road widening upgrade at our BESRAYA highway, which aims to mitigate traffic weaving issues and improve mainline traffic capacity. This is targeted for completion by October 2024. In addition, four new motorcycle shelters were constructed along our highways. These shelters provide protection for motorcyclists during adverse weather conditions, ensuring they have a safe place to stop during bad weather.

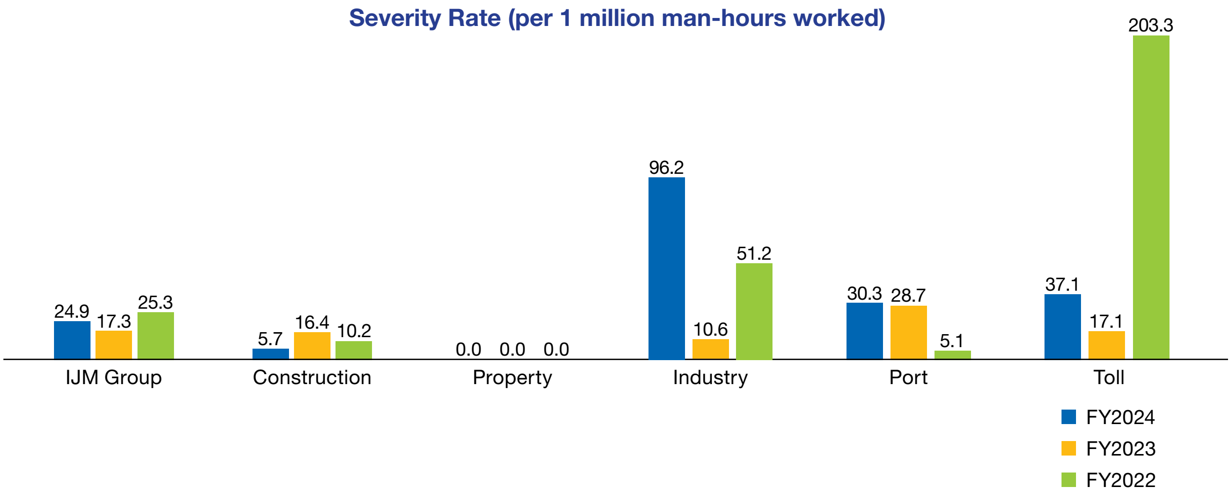
We gradually implemented other road safety measures such as the installation of new W-Beam guardrails, additional guardrail posts, New Jersey Barriers, anti-skid transverse bars, new rumble strips, high performance road line marking and supplementary road signages at key locations. These initiatives highlight our commitment to provide a secure and reliable travel experience through regular assessment and improvement to our highway infrastructure.

Constant monitoring and close collaboration with third-party project owners along the highways are crucial to ensure strict adherence to road safety guidelines and operating procedures, as ongoing project works may adversely affect the highways' traffic flow or be harmful to the safety of road users. In FY2024, several significant development projects progressed well along the corridor of our highways. They include the completion of the Mass Rapid Transit (MRT) Putrajaya Line Phase 2, Sungai Besi-Ulu Kelang Expressway (SUKE), Setiawangsa-Pantai Expressway (SPE), and the Langat 2 water treatment plant project.

## Preventing Workplace Accidents [GRI 403-9]

In FY2024, the Group recorded a Lost Time Injury ("LTI") frequency rate of 0.80, of which reflects the number of LTI incidents occurring every 1 million working hours. The severity rate, which measures the number of lost workdays due to work-related injuries occurring for every 1 million working hours, was 24.97.




The Group is dedicated to achieving zero accidents through continuous monitoring of safety and health standards and implementing necessary corrective actions. Zero fatality and zero accident objectives are critical performance metrics integrated into incentive programmes for all project directors.

In FY2024, there were two fatality cases reported by the Industry and Construction Divisions. In October 2023, an accident occurred at the external stockyard of a factory. A worker was crushed by a stack of piles that gave way during a transfer activity. In response, the division initiated a thorough investigation to determine the root cause and implemented a corrective action plan to prevent similar incidents in the future. The division implemented a new pile stacking method that incorporates the use of a lock plate for enhanced stability and safety during pile transfer activities.

In December 2023, a worker was electrocuted while performing tack welding works at a project site. The Construction Division conducted a safety stand-down with the work contractor and operation team to assess operational controls and prevent similar incidents. A safe operating procedure was implemented for welding works involving mobile distribution boards. Additionally, all electrical tools were reinspected to ensure they were in good condition.

Regular site consultation and internal audit programmes are conducted to monitor the effectiveness of the HSE management system, while providing guidance to improve on performance. In FY2024, the Construction Division conducted a total of 44 HSE consultation programmes and 16 internal audits that determined necessary actions to correct non-compliance and tackle issues based on the root cause.


# COMMUNITY

## BUILDING AND ENABLING BETTER COMMUNITIES

# COMMUNITY: BUILDING AND ENABLING BETTER COMMUNITIES

We understand the crucial role that community initiatives play in advancing sustainable development. Our commitment to community initiatives is deeply rooted in our belief that a thriving community is the cornerstone of long-term sustainability. Through our engagements with local communities, we strive to address social, economic, and environmental challenges while fostering positive change.

Our community initiatives are an integral part of our overall sustainability strategy. By actively engaging with communities, we not only fulfill our social responsibility but also contribute to the creation of shared value for all stakeholders.

In this section, we aim to provide insights into our community investment efforts and demonstrate how they contribute to our broader sustainability goals. By working hand in hand with local communities in the areas where we operate, we endeavor to build resilience, promote inclusivity, and drive positive change for a brighter and more sustainable future.

## IJM COMMUNITY INVESTMENT FRAMEWORK AND STRATEGY

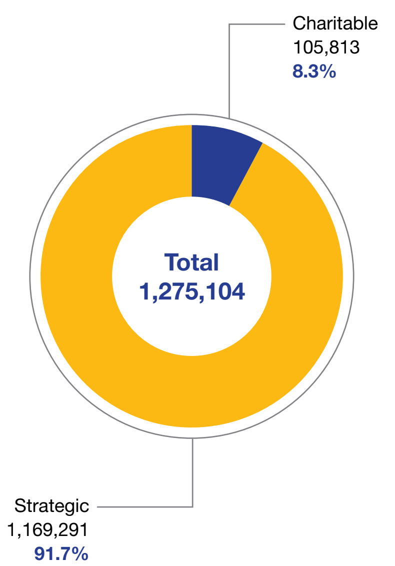
[GRI 413-1]

With our Community Investment Framework and Strategy introduced in FY2023, we anticipate our efforts will further strengthen our social contributions to foster sustainable community growth.

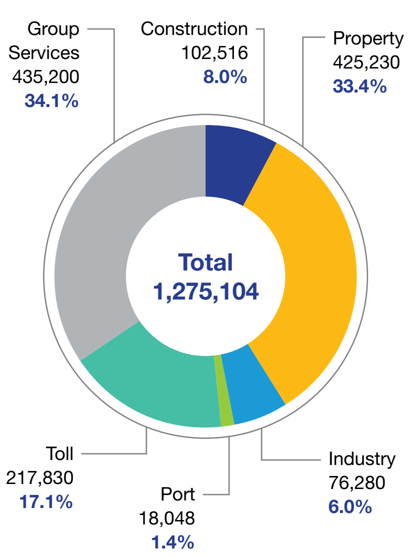
The framework emphasises building resilience and strengthening connections, ensuring our approach is responsive to local needs, consistent, and transparent. Our framework and strategy revolves around three key pillars: Community Development, Education, and Built Environment. These pillars not only directly benefit our communities but also contribute to the long-term success of our business operations.

In FY2024, IJM Group invested RM1,275,104, accounting for 0.8% of the Group's PATMI towards community investment initiatives, where 92% of our initiatives were strategic, long-term community partnership initiatives and 8% were charitable initiatives aimed at providing short-term relief. Our initiatives were supported by more than 1,567 employees across the Divisions, clocking more than 13,772 hours.

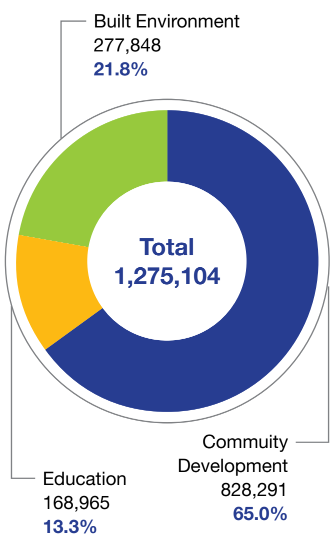
**Motive for Contributions in FY2024 (RM)**




**Expenditure by Division (RM)**




**Expenditure by Community Investment Pillar (RM)**



> We aim to serve through impactful initiatives supporting each of our Community Investment pillars. Our efforts ensure mutual benefits that strengthen our societal contributions and foster sustainable community growth.
>
> **Chai Kian Soon**
> Central Region, Property Division

## COMMUNITY DEVELOPMENT

**What Community Development means to us:**

With a keen emphasis on building resilience and strengthening connections, our Community Development pillar aims to empower individuals and communities.

We strive to promote social cohesion, economic growth, and an improved quality of life. By investing in initiatives that foster community engagement, entrepreneurship, and social support networks, we enable communities to become more resilient, interconnected and better equipped to face challenges together.

| Pillar | Goal | Focus Areas | SDGs | **Impacts/Outcomes** Through Community Investment, IJM will: |
|---|---|---|---|---|
| Community Development | To contribute to the socioeconomic wellbeing of the community by promoting safe and healthy living conditions in the areas where we operate | • Community resilience<br>• Disaster relief<br>• Social inclusion<br>• Non-mainstream sports development<br>• Health and well-being | 3 GOOD HEALTH AND WELL-BEING<br>8 DECENT WORK AND ECONOMIC GROWTH<br>10 REDUCED INEQUALITIES<br>17 PARTNERSHIPS FOR THE GOALS | • Improve access to economic opportunities of disadvantaged communities<br>• Build stronger and healthier communities<br>• Reduce vulnerability of communities to stress and shock events<br>• Improve access to essential services and infrastructure for the marginalised and vulnerable<br>• Leave positive legacies in the communities we work in |

**RM828,292**
contributed

**28,627**
beneficiaries

**5,720**
employee volunteering hours

# COMMUNITY: BUILDING AND ENABLING BETTER COMMUNITIES

### Focus Area: Social Inclusion


Spreading festive cheer ensures joyous celebrations for families in need, strengthening our community bonds

#### Festive Giving

Each year, the Group organises a series of charitable initiatives to illuminate the lives of underprivileged families during significant festive seasons throughout the year. In FY2024, the Property Division contributed more than RM82,000 worth of cash donations, daily essentials, and groceries to low-income households. This not only alleviated their circumstances but also ensured that their festivities were filled with warmth, joy and support.

The Toll and Port Divisions collectively contributed more than RM28,000 for various community service initiatives during the month of Ramadan, such as organising a *Bubur Lambuk* distribution and purchasing livestock for Hari Raya Haji Korban for distribution to the less fortunate. These initiatives help build community solidarity within the communities we operate in, fostering a more inclusive and compassionate community during these significant cultural and religious celebrations.

#### Fundraising Initiatives

Our Property Division contributed RM50,000 to Dama Asia's fundraising initiative for two of their most acclaimed musicals, *All That Glitz & Glamour* and *In Perfect Harmony, Too*. This collaboration, which supports local talent, is aligned to our focus on social inclusion and community resilience. Our support is aimed at helping Dama Asia and emerging Malaysian performing talents return to the stage, enriching the cultural landscape and nurturing arts in Malaysia. The outcome of our support is visible in the successful staging of these musicals and the funds raised for Dama Asia's future endeavours, ensuring that arts continue to thrive in Malaysia.

In March 2024, we supported the Children's Protection Society's Fundraising Gala 2024. The non-profit organisation provides a safe and nurturing environment for over 30 at-risk and vulnerable children, focusing on their emotional, physical, and educational development. Funds raised will go towards educational programmes, social skill development, and recreational activities, all of which are crucial for the healthy growth and future success of the children.

In September 2023, we took part in the Sarawak Society for Parents of Children with Special Needs' (PIBAKAT) annual fundraising food fair to support children with special needs, ensuring they receive the support and opportunities they deserve to thrive within the community. Funds raised from event will be utilised for more than 400 special needs children in the One-Stop Early Intervention Centre (OSEIC).

Distributing food and groceries in support of the community we operate in

**Community Support Initiatives**

We aimed to alleviate food insecurity through essential supplies and ensured these resources reached those in need efficiently and effectively. During the month of Ramadan in 2023, we distributed packed food and groceries to the surrounding communities of Tun Razak Exchange ("TRX").

In May 2023, we contributed to a charity golf event organised by Persatuan Sukan dan Kebajikan Lembaga Lebuhraya Malaysia (PSKLM) to raise funds for the underprivileged. The event gathered golf enthusiasts from various corporate backgrounds, emphasising the spirit of community and social inclusion.

In February 2024, we welcomed Chinese New Year by contributing to Yayasan Sunbeams Home, along with red packets and goodie bags. The vibrant celebration began with a traditional lion dance blessing at our head office in Wisma IJM that was attended by over 500 employees. The celebration featured a flash mob dance, live band, best-dressed competition, and impromptu performances, creating a joyous atmosphere.

We support efforts that create a safer, more inclusive community, emphasising the importance of gender equity and healthy relationships. In January 2024, the Industry Division contributed to All Women's Action Society's (AWAM) White Ribbon Run 2024, themed *Break the Silence, End the Violence,* to contribute to combatting gender-based violence.

# COMMUNITY: BUILDING AND ENABLING BETTER COMMUNITIES

### Focus Area: Non-mainstream Sports Development

Helping build an inclusive sports culture in rugby

#### Fostering Sports Excellence

IJM recognises the pivotal role the COBRA Rugby Club plays in the sport's history and growth in the country, that is aligned with our community investment strategy of supporting non-mainstream sports.

In November 2023, IJM sponsored RM175,000 to the 50th COBRA 10s Rugby Tournament 2023. The tournament saw a high-level of competition that featured nine teams, who were participating shortly after the rugby world cup. A new women's category with five teams debuted, highlighting the growing inclusion of women in the sport. In addition, the Port Division contributed to a local school to support the rugby team in their school's sport event.

Encouraging sports with dedicated facilitiles and equipment for local schools

The Industry Division continued to support a local school providing them with the necessary infrastructure and resources to train and excel in softball in 2024. A total contribution of RM9,000 went towards the construction of an in-house softball training centre and purchase of sport equipment. By investing in the development of softball, the division aims to foster athletic skills and encourage holistic development through sports.

IJM Allianz Duo Highway Challenge 2023 has evolved to more than a sporting event, looked forward to by the surrounding communities. Sponsoring and organising such an initiative gives us the opportunity to engage with sports enthusiasts and the local community.

**Chua Lay Hoon**
Toll Division

## Focus Area: Health and Wellbeing


Our sponsorship for the IJM Allianz Duo Highway Challenge fosters vibrant, healthy communities

### Promoting Active Lifestyles

Renowned as the first duo highway challenge in Asia, RM350,000 was invested into the IJM Allianz Duo Highway Challenge 2023 in FY2024. This unique event involved the complete closure of our BESRAYA and NPE highways to create a safe, traffic-free roadway for more than 10,000 running enthusiasts.

The marathon included a range of categories, from fun runs to half marathons, catering to a diverse group of participants, from families, amateur runners to professional athletes.

In addition, themed *Run Together, Bond Stronger*, IJM Land Half Marathon reinforced the value of building a cohesive society by uniting individuals from diverse backgrounds to engage in a shared activity. Drawing participants from across Malaysia and internationally, this marathon is enthusiastically supported by the local community and runners alike.

Donating blood just once can save up to three lives. The Industry Division aimed to foster community involvement apart from supporting critical healthcare services. In collaboration with Hospital Sultanah Aminah Johor Bahru on a blood donation campaign, the division contributed RM5,000 and a total of 58 bags, impacting the lives of 174 recipients.

Focusing on health and wellbeing within the communities we serve, we supported our law enforcement by donating to the Rakan Sukan Polis Diraja Malaysia (PDRM). Our contribution helped fund various health and fitness activities, which aimed to promote physical wellbeing among the local police force.

These initiatives align itself with IJM's community development pillar and our goal to create vibrant, healthy communities by promoting physical wellbeing and social interaction.

# COMMUNITY: BUILDING AND ENABLING BETTER COMMUNITIES

## EDUCATION

### What Education means to us:

Education plays a pivotal role in building resilience and nurturing strong connections within communities. Our Education pillar, we prioritise initiatives that enhance access to quality education, improve educational infrastructure, and support the holistic development of children and youth.

Through scholarships, educational resources, and strategic partnerships with educational institutions, we aim to equip individuals with the knowledge and skills necessary to thrive and forge meaningful connections within their communities.

| Pillar | Goal | Focus Areas | SDGs | Impacts/Outcomes Through Community Investment, IJM will: |
|---|---|---|---|---|
| Education | To enhance access to equitable quality education and learning, industry skills development and enhanced livelihood opportunities | • Scholarships, academic support and training<br>• Empowerment<br>• Digitalisation and innovation<br>• Skills development | 4 QUALITY EDUCATION<br>8 DECENT WORK AND ECONOMIC GROWTH<br>17 PARTNERSHIPS FOR THE GOALS | • Improve educational achievement by supporting deserving students to pursue quality tertiary education<br>• Improve opportunities to participate in the workforce of the future through industry skills and knowledge development<br>• Educate the next generation ensuring future skills and knowledge development<br>• Improve access to educational resources and infrastructure to ease transition to a digitalised economy |

| RM168,965 | 1,670 | 1,126 |
|---|---|---|
| contributed | beneficiaries | employee volunteering hours |

### Focus Area: Scholarships, Academic Support, and Training

IJM Scholarship Award recipients recognised for their academic and potential

**Investing in Education**

Supporting educational engagements fosters growth and career readiness among future professionals, creating a skilled and knowledgeable workforce.

In FY2024, we extended the IJM Scholarship Award to 11 deserving undergraduates, with a total investment of RM442,000. By covering tuition fees and living expenses and offering opportunities for career advancement within IJM Group through the Graduate Associate Programme, the IJM scholarship not only equips scholars to excel in a dynamic and competitive environment but also enriches IJM's talent pool, ensuring a robust workforce capable of driving

Our partnership with AYDA nurtures local talent and blends education and industry experience

the Company's growth and making a meaningful contribution to society. Since its inception in 1994, the scholarship has positively impacted over 370 students.

During the Institution of Engineers Malaysia's ("IEM") 64th Annual Dinner and Awards Night in July 2023, we launched the IJM-IEM Scholarship with a contribution of RM200,000. Six scholarships will be distributed to deserving students to pursue engineering degrees at local universities and is aligned with our broader strategy of enhancing educational opportunities in the communities we serve. Our support and funding of educational bodies like IEM showcases our dedication to uplift and empower individuals with access to quality education, fostering the next generation of engineering talent.

We empower the design talent pool by supporting initiatives that blend creative education with practical industry experience. Our partnership with Nippon Paint on Asia Young Designer Award ("AYDA") since 2014 has played an integral role in nurturing local young talent and providing them with the opportunities to realise their aspirations and influence the future of real estate. In FY2024, the Property Division donated RM50,000 to AYDA 2023 that garnered a total of 1,490 entries in the architecture and interior design categories from 52 colleges and universities across Malaysia.

In April 2023, the Construction Division spent more than four hours to facilitate an industrial visit by the Institution of Civil Engineers, University of Malaya Student Chapter ("ICEUMSC") to provide 21 students with valuable exposure to the construction industry. The visit allowed students to gain insights into real-world applications of their academic knowledge, enhancing their understanding of the industry's demands and opportunities.

# COMMUNITY: BUILDING AND ENABLING BETTER COMMUNITIES

In FY2024, we allocated resources to refurbish office desktop computers, diverting them from landfills and repurposing them to enhance learning opportunities for students. Our employees volunteered for 96 hours to refurbish 31 desktops donated to two schools and two orphanages, benefitting over 1,000 students.

In addition, the Port Division contributed towards local schools aimed at enhancing their educational resources such as their schools' publication and annual convocation and luncheon programme.

Distributing desktops to local schools in support of academic growth

### Focus Area: Digitalisation and Innovation

In FY2024, we contributed towards fostering digitalisation and innovation within the construction sector, aiming to enhance efficiency, sustainability, and overall project quality. The Construction Division supported a seminar focused on new technology in the construction industry where we shared insights on innovative construction methods and cutting-edge technology employed in their Malaysian projects. Through these knowledge-sharing activities, we encourage adopting innovative practices and advance industry practices in construction projects.


Leading a seminar to empower future builders and drive progress and efficiency

### Focus Area: Empowerment

Our India operations showcased commitment to empowering the younger generation with the knowledge and skills needed to navigate and contribute to safer road environments.

We conducted a Safety Awareness Drive throughout the months of January and February 2024 that aimed to educate students from schools and colleges along highways on pedestrian safety. Activities such as interactive quizzes, creative slogans, posters, debates, and drawing competitions that focused on the do's and don'ts while driving on highways were introduced. Additionally, we provided safety guides on using foot over bridges (FOBs), pedestrian underpasses (PUPs), and wayside amenities.

### Focus Area: Skills Development

In FY2024, we organised various community engagement programmes to promote skills development and provide practical experiences for students interested in the construction industry. In collaboration with University Malaya, we shared insights on green building design parameters, thermal transfer requirements, and practical experiences from actual construction projects to 19 students of Master of Facilities and Maintenance Management studies.

Additionally, our employees volunteered close to 80 hours at the Career Exposure Visit, offering students comprehensive understanding of the construction process through guided tours, interactive demonstrations, and informative sessions.

These initiatives aimed to equip students with practical insights into various phases of construction, from conceptualisation to completion, and provide opportunities for hands-on experiences with the latest construction methodologies and innovative solutions.

## BUILT ENVIRONMENT

### What Built Environment means to us:

IJM understands the importance that the physical environment plays in providing resilience and community connections. Our Built Environment pillar is dedicated to creating safe, inclusive, and sustainable spaces.

By collaborating closely with local governments, urban planners, and non-governmental organisations (NGOs), we contribute to infrastructure projects that promote environmental stewardship, enhance public safety, and improve overall quality of life.

| Pillar | Goal | Focus Areas | SDGs | **Impacts/Outcomes** Through Community Investment, IJM will: |
|---|---|---|---|---|
| **Built Environment** | To deliver social value on built environment projects, enhancing environmental, economic and social well-being to improve quality of life | • Environment and climate change<br>• Community spaces<br>• Urban regeneration, restoration and rehabilitation<br>• Biodiversity and conservation | 11 Sustainable Cities and Communities<br>13 Climate Action<br>17 Partnerships for the Goals | • Improve resilience to potential physical impacts of climate change by contributing to community and ecosystem adaptation planning<br>• Support the community and business partners to reduce greenhouse gas emissions<br>• Protect natural capital over the life cycle of our built environment<br>• Ensure environmental and social benefits through water stewardship and climate change mitigation and adaptation |

**RM277,484**
contributed

**1,844**
beneficiaries

**1,475**
employee volunteering hours

### Focus Area: Environment and Climate Change

Completing a marathon to raise awareness and advocate for climate action

As part of our climate efforts in mitigating environmental impacts and building community resilience, we actively participate in industry events and conferences that serve as an avenue to synergise decarbonisation efforts.

In October 2023, we contributed RM48,000 to Bursa Malaysia's flagship capital market charity run, *Bursa Bull Charge Charity Run 2023*, that brought together over 1,000 runners from more than 100 organisations. Resuming after a three-year hiatus due to the COVID-19 pandemic, this year's run, themed *Race to Net Zero*, aimed to help raise awareness and funds primarily for eight beneficiaries that advocate for climate action and environmental protection. Our participation in this event exemplifies IJM Group's dedication to creating a bigger impact through climate action champions, NGOs and organisations and contributing positively to society, aligning with *SDG 13, Climate Action*.

# COMMUNITY: BUILDING AND ENABLING BETTER COMMUNITIES

IJM was a panelist at the UNGCMYB SBTi Symposium 2023

In June 2023, we contributed towards United Nations Global Compact Malaysia and Brunei's SBTi Symposium 2023. The event raised awareness among business leaders about the importance of adopting science-based targets, provide practical guidance on implementing net-zero standards to protect the environment and fortify businesses for a successful economy, and encourage networking and partnership opportunities.

The transition to a low-carbon economy involves a commitment from everyone. We collaborate with industry stakeholders, sharing knowledge, and promoting sustainable practices to mitigate the environmental impact of the construction sector.

In September 2023, we supported the Pacific Association of Quantity Surveyors (PAQS) Congress 2023 that focused on *Decarbonising the Future*, the event highlighted how industry professionals can play a role in addressing climate change.

### Focus Area: Community Spaces

In FY2024, the Property Division invested and launched a recycling hub in the Bandar Utama township. This facility was created to make it easy and convenient for residents to segregate and deposit their recyclable items, with the goal of raising awareness about the importance of recycling and its positive environmental impact. The recycling hub also fostered sustainable practices within the community by encouraging individuals and businesses to incorporate recycling into their daily routines.

In addition, we contributed towards the infrastructure enhancement of Surau Bilal Ibnu Rabah in Kapar, Selangor. This initiative aimed to improve the functionality and capacity of the community space, enabling the surau to better serve the local residents.


Inspiring green living communities by embracing eco-friendly initiatives

### Focus Area: Urban Regeneration, Restoration and Rehabilitation



Improving the life of a recipient family through our MyHome rehabilitation programme

In FY2024, we conducted several collaborative efforts that not only improve the physical condition of the neighbourhood but also foster a sense of community ownership and pride.

Our flagship MyHome Rehabilitation Programme aims to provide access to safe and secure housing for the communities we operate in. In FY2024, we extended our programme to assist four families across Malaysia, contributing over RM113,500. Through home enhancement repairs, we create comfortable and accommodating living spaces tailored to their specific needs.

We focus on vulnerable groups such as senior citizens, single parents with young children, and specially abled individuals and ensure that vulnerable communities have the support they need to thrive and rebuild their lives with dignity and resilience.

In December 2023, the Property Division restored a damaged road on the bicycle lane of the Children's Protection Society premises. An improved condition of the infrastructure will ensure a safe environment for children to engage in cycling activities.

In addition, more than 35 employees volunteered 227 hours to paint guardhouses and road dividers, clean common areas, drainages, and trim bushes and trees, with the aim of maintaining a cleaner township environment in *gotong-royong* initiatives organised by the Construction Division.

### Focus Area: Biodiversity and Conservation

We support initiatives that promote biodiversity and environmental conservation and sustainable practices and minimises the impact of human activities on natural habitats and wildlife.

The Construction Division invested RM34,500 to rehabilitate and maintain the Bukit Jambul hiking trail as part of our Built Environment initiative, aligning our commitment to creating sustainable and safe built environments. A total of 75 employees came together and repaired erosion damage, cleared overgrown vegetation, and installed signages for better safety and navigation by hikers. By dedicating resources to this initiative, we were not only promoting outdoor recreation but also supporting environmental conservation efforts.

This project was aimed at enhancing safety by maintaining and upgrading the trails, ensuring they remain accessible and well-kept for all users.

During the reporting year, we sponsored the installation of a new signage for the Penang State Forestry Department to help visitors navigate to scenic viewpoints within the forest reserves and raising awareness about the importance of preserving these natural habitats. In addition, we participated in a beach clean-up activity, collecting waste and debris to maintain the cleanliness of coastal ecosystems.

Championing conservational efforts at Bukit Jambul

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# SASB ENGINEERING AND CONSTRUCTION: SECTOR DISCLOSURE

| SASB Sustainability Disclosure Topics | SASB Code | Accounting Metric | Section of Sustainability Statement and 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 *Environmental Pollution Management*, page 171 |
| | 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 *Conserving Biodiversity*, page 173 |
| Structural Integrity & Safety | IF-EN-250a.1 | Amount of defect and safety-related rework costs | Information unavailable |
| | IF-EN-250a.2 | Total amount of monetary losses as a result of legal proceedings associated with defect and safety-related incidents[1] | Information unavailable |
| 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 187 |
| | | Total recordable incident rate (TRIR) for contract employees | |
| | | Fatality rate for direct employees | There were two fatality cases reported in FY2024. Disclosure can be found under *Preventing Workplace Accidents*, page 187 |
| | | Fatality rate for contract employees | There were two fatality cases reported in FY2024. Disclosure can be found under *Preventing Workplace Accidents*, page 187 |
| 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 *Facilitating Sustainable Buildings and Infrastructure*, page 164 |
| | | Number of projects seeking such certification | 11 on-going projects |
| | IF-EN-410a.2 | Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design | The Property Division has implemented a Green Building Design Framework for residential landed and high-rise developments in Malaysia. This framework serves as a guideline to achieve GreenRE certification, with a minimum benchmark of a 'Bronze' certification for all new residential projects. This initiative requires the integration of energy-efficient and passive design strategies, water efficiency features, indoor environmental quality considerations, and various environmental protection elements, among others. Disclosure can be found under *Facilitating Sustainable Buildings and Infrastructure*, page 164 |
| 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 |

[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.

# SASB ENGINEERING AND CONSTRUCTION: SECTOR DISCLOSURE

| SASB Sustainability Disclosure Topics | SASB Code | Accounting Metric | Section of Sustainability Statement and Page Reference |
|---|---|---|---|
| Business Ethics | IF-EN-510a.1 | Number of active projects | There were 21 active projects during FY2024 |
| | | 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 were zero monetary losses as a result of legal proceedings associated with charges of bribery or corruption in FY2024. Disclosure can be found under *Anti-Bribery and Corruption Measures*, page 145 |
| | | 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 in place the Anti-Bribery and Corruption System ("ABCS") that reaffirms our adherence to local laws and regulations including the Malaysian Anti-Corruption Commission (Amendment) Act 2018, which took effect on 1 June 2020. Disclosure can be found under *Ethics & Integrity*, page 121 and *Anti-Bribery and Corruption Measures*, page 145 |
| | | Description of policies and practices for prevention of anti-competitive behavior in the project bidding processes | IJM has in place the Anti-Bribery and Corruption System ("ABCS") that reaffirms our adherence to local laws and regulations including the Malaysian Anti-Corruption Commission (Amendment) Act 2018, which took effect on 1 June 2020. Disclosure can be found under *Ethics & Integrity*, page 121 and *Anti-bribery and Corruption Measures*, page 145 |

# SASB ENGINEERING AND CONSTRUCTION: ACTIVITY METRIC

| Activity Metric | SASB Code | FY2024 |
|---|---|---|
| Number of active projects[4] | IF-EN-000.A | 21 on-going projects |
| Number of commissioned projects[5] | IF-EN-000.B | 7 projects |
| Total backlog[6] | IF-EN-000.C | 6.0 billion |

[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 recognized), 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.

# UNGC TEN PRINCIPLES

| Principle | IJM Commitment Alignment | References that Underscore IJM's Commitment | GRI Standards and SASB Alignment |
|---|---|---|---|
| **Human Rights** | | | |
| Principle 1 | **The Group supports and respects the protection of internationally proclaimed human rights.**<br><br>We protect the rights of our people and to treat them with dignity in line with all relevant legal requirements and regulations. We had taken a proactive approach to ensure that human rights and workplace standards are upheld across all our operations. | • Sustainability Statement FY2024<br>• Human Rights Policy<br>• Policy Statement for Occupational Safety and Health<br>• Code of Conduct and Ethics for Employees<br>• Code of Business Conduct for Third Parties<br>• Diversity and Inclusion Policy<br>• Whistleblowing Policy<br>• Privacy Policy<br>• Community Investment Policy | <u>GRI Standards</u><br>• GRI 401: Employment 2016<br>• GRI 403: Occupational Health and Safety 2018<br>• GRI 404: Training and Education 2016<br>• GRI 413: Local Communities 2016<br><br><u>SASB</u><br>• Workforce Health & Safety: IF-EN-320a.1 |
| Principle 2 | **The Group ensures that we are not complicit in human rights abuses.**<br><br>We also comply with all applicable labour laws, including working hours and overtime, in the jurisdictions where we operate. We comply with the amendments to the Employment Act that came into effect on 1 September 2022. | • Sustainability Statement FY2024<br>• Code of Business Conduct for Third Parties<br>• Human Rights Policy<br>• Responsible Supply Chain Policy<br>• Quality Policy | |
| **Labour** | | | |
| Principle 3 | **The Group upholds the freedom of association and the effective recognition of the right to collective bargaining.**<br><br>We respect the rights of our employees' freedom of association and collective bargaining in accordance with national laws. Our labour union represent less than 2% of the Group's workforce, all of whom are in the Port Division. | • Sustainability Statement FY2024 | <u>GRI Standards</u><br>• GRI 2-30: Collective bargaining agreements<br>• GRI 401: Employment 2016<br>• GRI 403: Occupational Health and Safety 2018<br>• GRI 405: Diversity and Equal Opportunity 2016<br>• GRI 406: Non-discrimination 2016<br>• GRI 409: Forced or Compulsory Labor 2016<br><br><u>SASB</u><br>• Workforce Health & Safety: IF-EN-320a.1 |
| Principle 4 | **The Group supports the elimination of all forms of forced and compulsory labour.**<br><br>The nature of our businesses is labour intensive where many foreign workers are hired by our subcontractors. We require our subcontractors to uphold foreign labour rights and ensure that they receive fair treatment with regard to wages, working hours, holidays, terminations, non-discrimination practices, freedom of association, access to complaint mechanisms and other established protection policies. All these requirements are outlined in our Responsible Supply Chain Policy, which can be found on our Corporate website. | • Sustainability Statement FY2024<br>• Human Rights Policy<br>• Policy Statement for Occupational Safety and Health<br>• Code of Conduct and Ethics for Employees<br>• Code of Business Conduct for Third Parties<br>• Diversity and Inclusion Policy<br>• Whistleblowing Policy<br>• Privacy Policy | |
| Principle 5 | **The Group supports the effective abolition of child labour.**<br><br>We have a zero-tolerance against child labour and any form of forced labour in our direct operations. The legal working age in Malaysia is 18 years. | • Sustainability Statement FY2024<br>• Human Rights Policy<br>• Policy Statement for Occupational Safety and Health<br>• Code of Conduct and Ethics for Employees<br>• Code of Business Conduct for Third Parties<br>• Diversity and Inclusion Policy<br>• Whistleblowing Policy<br>• Privacy Policy | |
| Principle 6 | **The Group supports the elimination of discrimination in respect of employment and occupation.**<br><br>We recognise the benefits of having a multi-generation perspective that will contribute to the growth of our short and long-term business objectives. | • Sustainability Statement FY2024<br>• Human Rights Policy<br>• Code of Conduct and Ethics for Employees<br>• Code of Business Conduct for Third Parties<br>• Diversity and Inclusion Policy<br>• Whistleblowing Policy<br>• Privacy Policy | |

# UNGC TEN PRINCIPLES

| Principle | IJM Commitment Alignment | References that Underscore IJM's Commitment | GRI Standards and SASB Alignment |
|---|---|---|---|
| **Environment** | | | |
| Principle 7 | **The Group keeps a precautionary approach to environmental challenges.**<br><br>We have in place an Environmental Management System ("EMS") to integrate environmental best practices across the Group. All divisions operating in Malaysia have obtained ISO 14001:2015 Environmental Management Systems certification. | • Sustainability Statement FY2024<br>• Policy Statement for Environment<br>• Statement on Risk Management and Internal Controls | GRI Standards<br>• GRI 302: Energy 2016<br>• GRI 303: Water and Effluents 2018<br>• GRI 304: Biodiversity 2016<br>• GRI 305: Emissions 2016<br>• GRI 306: Waste 2020<br><br>SASB<br>• Environmental Impacts of Project Development:<br>- IF-EN-160a.1<br>- IF-EN-160a.2<br>• Lifecycle Impacts of Buildings & Infrastructure:<br>- IF-EN-410a.1<br>- IF-EN-410a.2<br>• Climate Impacts of Business Mix:<br>- IF-EN-410b.1<br>- IF-EN-410b.2<br>- IF-EN-410b.3 |
| Principle 8 | **The Group undertakes initiatives to promote greater environmental responsibility.**<br><br>We work toward establishing proactive climate-related actions by reducing our carbon emissions and introducing strategic interventions to build greater resilience in the face of increasing climate change challenges, form extreme weather to diminishing resources and evolving regulations. We continuously improve our processes and operations across all our businesses by expanding our share of renewable energy, reducing our waste, utilising resources efficiently and protecting the biodiversity in areas we operate.<br><br>This year, we formalised our Climate Strategy to drive emissions reduction and build climate resilience, following an extensive climate assessment conducted since FY2022. | • Sustainability Statement FY2024<br>• Policy Statement for Environment<br>• Code of Business Conduct for Third Parties | |
| Principle 9 | **The Group encourages the development and diffusion of environmentally friendly technologies.**<br><br>We continue to embrace technological disruptions that empower us to rethink our processes and yield the benefits of building more efficiently and sustainably. The Group has been in the forefront of advancing sustainable building solutions such as Building Information Modelling ("BIM") and Industrial Building Systems ("IBS"). | • Sustainability Statement FY2024<br>• Policy Statement for Environment | |
| **Anti-corruption** | | | |
| Principle 10 | **The Group works against all forms of corruption, including extortion and bribery, in our area of influence.**<br><br>IJM has zero-tolerance for all forms of bribery and corruption. Our Anti- Bribery and Corruption System ("ABCS") reaffirms our compliance to local laws and regulations including the Malaysian Anti-Corruption Commission (Amendment) ("MACC") Act 2018 for operations in Malaysia and the National Prevention of Corruption Act 1988 for operations in India. | • Sustainability Statement FY2024<br>• Anti-Bribery and Corruption Policy<br>• Code of Conduct and Ethics for Employees<br>• Code of Business Conduct for Third Parties | GRI Standards<br>• GRI 205: Anti-corruption 2016<br><br>SASB<br>• Business Ethics:<br>- IF-EN-510a.1<br>- IF-EN-510a.2<br>- IF-EN-510a.3 |

# APPENDIX 1: BSI VERIFICATION REPORT

# Verification Report

## Verification Opinion

| Verified as Satisfactory | |
|---|---|
| Based on the process and procedures conducted, there is no evidence that the GHG statement contained in the following report "IJM Corporation Berhad Greenhouse Gas (GHG) Emissions FY2024 Report Version 3.1 dated 12 June 2024" produced by IJM Corporation Berhad | • is not materially correct and is not a fair representation of GHG data and information.<br>• has not been prepared in accordance with ISO14064-1 and it's principles. |
| Lead Verifier | **Shaiful Rahman** |
| Verifier | **Salmiah Hasbullah** |
| Independent Reviewer | **Noemel Macunat** |
| Signed on behalf of BSI | **Evelyn Chye - Managing Director, Malaysia** |
| Issue Date | 26 June 2024 |
| BSI Malaysia Suite 29.01, Level 29, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia | |
| NOTE: BSI Malaysia is independent to and has no financial interest in IJM Corporation Bhd. This 3rd party Verification Opinion has been prepared for IJM Corporation Bhd only for the purposes of verifying its statement relating to its GHG emissions more particularly described in the scope above. It was not prepared for any other purpose. In making this Statement, BSI Malaysia has assumed that all information provided to it by IJM Corporation Bhd is true, accurate and complete. BSI Malaysia accepts no liability to any third party who places reliance on this statement. | |

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# APPENDIX 1: BSI VERIFICATION REPORT

## Verification Engagement

| | |
|---|---|
| Organization | IJM Corporation Bhd |
| Responsible party | IJM Corporation Bhd |
| Verification Objectives | To express an opinion on whether the organizational GHG Statement which is historical in nature:<br>• Is accurate, materially correct and is a fair representation of GHG data and information<br>• Has been prepared in accordance with ISO14064-1: 2018 the criteria used by BSI to verify the GHG Organizational Statement |
| Materiality Level | 5% |
| Level of Assurance | Limited |
| Verification evidence gathering procedures | • Evaluation of the monitoring and controls systems through interviewing employees observation & inquiry<br>• Verification of the data through sampling recalculation, retracing, cross checking and reconciliation |
| The verification activities applied in a limited level of assurance verification are less extensive in nature, timing and extent than in a reasonable level of assurance | |
| Verification Standards | The verification was carried out in accordance with ISO 14064-3: 2019 and ISO 14065: 2020 |
| Note: IJM Corporation Bhd is responsible for the preparation and fair presentation of the GHG statement and report in accordance with the agreed criteria. BSI is responsible for expressing an opinion on the GHG statement based on the verification. | |

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bsi.

By Royal Charter

**CFV 807010 26062024**

## Organizational GHG Statement

<table>
<tr><td colspan="2">Organization</td><td>IJM Corporation Berhad</td></tr>
<tr><td colspan="2">Organizations GHG Report containing GHG Statement</td><td>GHG Report IJM Corporation Berhad<br>Greenhouse Gas (GHG) Emissions Report FY2024<br>Version 3.1 dated 12 June 2024</td></tr>
<tr><td colspan="2">Organizational Boundary</td><td>Operational Control</td></tr>
<tr><td colspan="2">Locations included in the Organizational Boundary</td><td>See Appendix A</td></tr>
<tr><td colspan="2">Scope of activities:</td><td>Construction, property development, industry (quarrying and the manufacture of building materials) and infrastructure concessions (management of toll and port).</td></tr>
<tr><td rowspan="3">Reporting Boundary:</td><td>Direct GHG Emissions<br>(Category 1 / Scope 1)</td><td>1. Stationary combustion: use of natural gas, and diesel-fired boilers at ICP factories, the diesel-fired emergency generators, cranes, cargo handling equipment, harbour vessels and other petrol-based equipment owned or controlled by IJM<br>2. Mobile combustion: use of fuel for operation of company vehicles, mobile gensets, forklifts, and other machineries used on site.<br>3. GHG fugitive from facilities: refrigerant leaks from air conditioning system.</td></tr>
<tr><td>Indirect GHG Emissions from imported energy<br>(Category 2 / Scope 2)</td><td>4. Use of purchased electricity</td></tr>
<tr><td>Indirect GHG emissions from transportation<br>(Category 3)</td><td>5. Upstream land transportation & distribution of raw materials from supplier warehouse to individual project sites.<br>6. Business Travel: includes business air travel and road transportation, covering passenger cars, motorcycle, rail, bus and taxi.</td></tr>
</table>

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# APPENDIX 1: BSI VERIFICATION REPORT

| | | |
|---|---|---|
| | Indirect GHG emissions from products used by organization (Category 4) | 7. Purchased Goods and Services - purchased goods and services that collectively account for at least 80% of the total spend in terms of monetary values from suppliers.<br><br>7.1. For construction projects and industrial manufacturing: these emissions are A1 to A3 stages of the Embodied Carbon concept, including the emissions caused in the materials production phase of the lifecycle, or "cradle-to-gate".<br>7.2. For infrastructure and road projects, the bulk materials include concrete, steel, aggregates, asphalt and bitumen, which are purchased for new construction projects, as well as major maintenance repair of existing ones.<br>7.3. Use of waste treatment services: wastes Generated in Operations: emissions arise from landfill disposal of non-scheduled waste or solid waste comprising domestic waste, construction waste and e-waste, and scheduled wastes which include hazardous wastes. |
| | Indirect GHG emissions associated with the use of products from the organization (Category 5) | 8. Use of Sold Products - for the Port Division only. The Port Division reports emissions under this category in alignment to the requirements imposed by the Lembaga Pelabuhan Kuantan (LPK) to meet the IMO guidelines in terms of reporting the GHG emissions from the sea-going vessels and other services used by customers at Kuantan Port.<br>9. Downstream Leased Assets: for Group Services, Property, Industry and Port Divisions. Menara Prudential building is leased out by the Group Services; the sand mining operation under Industry Division is leased to a sub-contractor; and there are tenants leasing lands at Kuantan Port. Only Scope 1 and 2 of lessees/ tenants' emissions are reported under this category.<br>10. Investments: for Toll Division for the reporting of emissions for LEKAS Highway. Only the proportional Scope 1 and 2 emissions of the investment in LEKAS Highway is reported as the Scope 3 emissions. |

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| | | |
|---|---|---|
| | Indirect GHG emissions from other sources | N/A |
| Criteria for developing the organizational GHG Inventory: | | IJM GHG Procedure/1.1 – ISO 14064-1:2018 |
| Reporting Period | | 1 April 2023 to 31 March 2024 |

| | $tCO_2e$ |
|---|---|
| Direct Emissions | |
| Mobile Combustion | 8,493.8 |
| Stationary Combustion | 12,030.0 |
| Fugitive emission from refrigeration | 296.4 |
| Indirect emissions from purchased electricity | 51,429.5 |
| Indirect emissions from transportation | |
| Upstream transportation and distribution | 1,237.5 |
| Business travel | 6,073.1 |
| Employee commuting | 4,817.2 |
| Indirect GHG emissions from products used by organization | |
| Purchase goods and services | 918,618.1 |
| Disposal of waste generated in operations | 6,889.9 |
| Indirect GHG emissions associated with the use of products from the organization | |
| Indirect GHG emissions from downstream leased assets | 17,781.2 |
| Indirect GHG emissions from investments | 1,838.4 |
| Indirect GHG emissions from use of sold products | 983.3 |
| **Gross Emission** | 1,030,488.4 |
| **Intra-Group emission overlap** | 90,553.8 |
| **Net Emission** | 939,934.6 |

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# APPENDIX 2: BURSA MALAYSIA ESG PERFORMANCE DATA TABLE

| Indicator | Measurement Unit | 2024 |
|---|---|---|
| **Bursa (Anti-corruption)** | | |
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category | | |
| Top management | Percentage | 100.00 |
| Senior management | Percentage | 100.00 |
| Management | Percentage | 100.00 |
| Junior management | Percentage | 100.00 |
| Executives | Percentage | 100.00 |
| Non-executives | Percentage | 100.00 |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks | Percentage | 100.00 |
| Bursa C1(c) Confirmed incidents of corruption and action taken | Number | 0 |
| **Bursa (Data privacy and security)** | | |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | 0 |
| **Bursa (Supply chain management)** | | |
| Bursa C7(a) Proportion of spending on local suppliers | Percentage | 95.07 |
| **Bursa (Energy management)** | | |
| Bursa C4(a) Total energy consumption | Megawatt | 157,982.00 |
| **Bursa (Water)** | | |
| Bursa C9(a) Total volume of water used | Megalitres | 1,011.476000 |
| **Bursa (Diversity)** | | |
| Bursa C3(a) Percentage of employees by gender and age group, for each employee category | | |
| Age Group by Employee Category | | |
| Top management Born after 1997 | Percentage | 0.00 |
| Top management Born between 1980 and 1996 | Percentage | 0.00 |
| Top management Born between 1964 and 1979 | Percentage | 71.43 |
| Top management Born between 1946 and 1963 | Percentage | 28.57 |
| Senior management Born after 1997 | Percentage | 0.00 |
| Senior management Born between 1980 and 1996 | Percentage | 2.00 |
| Senior management Born between 1964 and 1979 | Percentage | 94.00 |
| Senior management Born between 1946 and 1963 | Percentage | 4.00 |
| Management Born after 1997 | Percentage | 0.00 |
| Management Born between 1980 and 1996 | Percentage | 28.70 |
| Management Born between 1964 and 1979 | Percentage | 64.20 |
| Management Born between 1946 and 1963 | Percentage | 7.10 |
| Junior management Born after 1997 | Percentage | 0.22 |
| Junior management Born between 1980 and 1996 | Percentage | 56.05 |
| Junior management Born between 1964 and 1979 | Percentage | 40.13 |
| Junior management Born between 1946 and 1963 | Percentage | 3.59 |
| Executive Born after 1997 | Percentage | 14.05 |
| Executive Born between 1980 and 1996 | Percentage | 56.29 |
| Executive Born between 1964 and 1979 | Percentage | 28.19 |
| Executive Born between 1946 and 1963 | Percentage | 1.47 |
| Non-executive Born after 1997 | Percentage | 15.43 |
| Non-executive Born between 1980 and 1996 | Percentage | 61.93 |
| Non-executive Born between 1964 and | Percentage | 21.64 |

Internal assurance | External assurance | No assurance | (*)Restated

| Indicator | Measurement Unit | 2024 |
|---|---|---|
| **Bursa (Diversity)** | | |
| 1979 | | |
| Non-executive Born between 1946 and 1963 | Percentage | 1.00 |
| Gender Group by Employee Category | | |
| Top management Male | Percentage | 0.34 |
| Top management Female | Percentage | 0.06 |
| Senior management Male | Percentage | 1.57 |
| Senior management Female | Percentage | 0.46 |
| Management Male | Percentage | 8.14 |
| Management Female | Percentage | 3.17 |
| Junior management Male | Percentage | 9.74 |
| Junior management Female | Percentage | 5.28 |
| Executive Male | Percentage | 21.02 |
| Executive Female | Percentage | 15.45 |
| Non-executive Male | Percentage | 27.73 |
| Non-executive Female | Percentage | 7.05 |
| Bursa C3(b) Percentage of directors by gender and age group | | |
| Male | Percentage | 73.00 |
| Female | Percentage | 27.00 |
| Born after 1997 | Percentage | 0.00 |
| Born between 1980 to 1996 | Percentage | 0.00 |
| Born between 1964 to 1979 | Percentage | 40.00 |
| Born between 1946 and 1963 | Percentage | 60.00 |
| **Bursa (Labour practices and standards)** | | |
| Bursa C6(a) Total hours of training by employee category | | |
| Top management | Hours | 212 |
| Senior management | Hours | 1,856 |
| Management | Hours | 13,251 |
| Junior management | Hours | 15,373 |
| Executives | Hours | 41,647 |
| Non-executives | Hours | 18,860 |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff | Percentage | 24.41 |
| Bursa C6(c) Total number of employee turnover by employee category | | |
| Top management | Number | 4 |
| Senior management | Number | 10 |
| Management | Number | 48 |
| Junior management | Number | 45 |
| Executive | Number | 141 |
| Non-executive | Number | 168 |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations | Number | 0 |
| **Bursa (Health and safety)** | | |
| Bursa C5(a) Number of work-related fatalities | Number | 2 |
| Bursa C5(b) Lost time incident rate ("LTIR") | Rate | 0.80 |
| Bursa C5(c) Number of employees trained on health and safety standards | Number | 1,283 |
| **Bursa (Community/Society)** | | |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR | 1,275,104.00 |
| Bursa C2(b) Total number of beneficiaries of the investment in communities | Number | 32,141 |

Internal assurance External assurance No assurance (*)Restated

# LEVERAGING GROWTH MOMENTUM. DRIVING GROUP SYNERGIES & ADVANCED AUTOMATION

FY2024 was a standout year for our Industry Division, driven by robust demand for pre-tensioned spun piles from both local and export markets. Our focus on advanced automation has been fruitful, with our SMART IBS (Industrialised Building Systems) solution gaining increasing market acceptance. The Industry Division also made significant strides in reducing carbon emissions, including achieving breakthroughs with low-carbon cement substitutes.

Kuang Quarry in Selangor has the distinction of being the first quarry operator in Malaysia to be awarded the ISO 9002 certificate for quality management

# LIST OF MATERIAL PROPERTIES

As at 31 March 2024

| 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 | PT 9211 (HSD 119540) | Residential | 1.36 | Leasehold (expiring 2106) | Under development | A: 2013 | N/A | 1,207,540 |
| | PT 9216 (HSD 119543)<br>PT 9222 (HSD 119548)<br>PT 9223 (HSD 119549) | Residential land | 5.90 | | For future development | | | |
| | PT 9212 (HSD 119541)<br>PT 9217 (HSD 119544)<br>PT 9218 (HSD 119545)<br>PT 9219 (HSD 119546)<br>PT 9220 (HSD 119547)<br>PT 9230 (HSD 119550) | Commercial land | 11.63 | | | | | |
| 2 | Mukim Tanjung Dua Belas, Kuala Langat District, Selangor<br>PT 36309, 36330 - 36334, 36341, 36348 - 36349, 41090, 41184 - 41186, 41188 - 41189, 41211, 41213 - 41217, 43417, 44088 | Mixed development | 358.54 | Leasehold (expiring 2111) | Under development | A: 2014 | N/A | 868,738 |
| 3 | PT 37158 - PT 37323<br>PT 41407 - PT 41586<br>PT 41691 - PT 41714<br>PT 51322 - PT 51361<br>Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus | Residential | 8.51 | | Under development | | | |
| | PT 32965<br>Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus<br><br>PT 23227 - 23243<br>Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus<br><br>PT 36987 - 37048<br>PT 37049 - 37055<br>PT 37057 - 37067<br>PT 37069 - 37150<br>PT 37801<br>PT 37068<br>Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus<br><br>PT 37340 - PT 37351<br>PT 37388 - PT 37421<br>PT 37428 - PT 37431<br>PT 37434 - PT 37527<br>PT 51376 - PT 51393<br>Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus | Residential land | 61.00 | | | | | |

| No | Location | Description | Area Hectares | Tenure | Existing Use | Year of Revaluation (R)/ Acquisition (A) | Approx. Age of Building (Years) | Net Book Value (RM'000) |
|---|---|---|---|---|---|---|---|---|
| 3 | PT 40554 - PT 41306<br>PT 41715 - PT 42086<br>PT 41307 - PT 41406<br>PT 41587 - PT 41690<br>PT 42112 - PT 42273<br>Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus | | | | | | | |
| | PT 46894<br>Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus | | | | | | | |
| | PT 36066<br>PT 36982 - PT 36983<br>PT 37154<br>PT 37327<br>Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus | | | Freehold | | A: 2004 | N/A | 517,368 |
| | PT 40174 - PT 40175<br>PT 40179<br>PT 42274 - PT 42305<br>PT 42306<br>PT 42307 - PT 42310<br>Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus | Commercial land | 28.40 | | For future development | | | |
| | PT 23245 - 23247<br>PT 23996<br>PT 22597<br>PT 25326 - 25328<br>PT 27157 - 27158<br>PT 28064 - 28105<br>Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus | | | | | | | |
| | PT 27161<br>Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus | | | | | | | |
| | PT 40180<br>PT 40181 - PT 40182<br>PT 42087<br>Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus | Agriculture land | 24.28 | | | | | |
| 4 | Menara Prudential<br>Persiaran TRX Barat<br>Tun Razak Exchange<br>55188 Kuala Lumpur | Commercial | 3.84 | Freehold | Office building | A: 2017 | 5 | 452,579 |

# LIST OF MATERIAL PROPERTIES (cont'd)

As at 31 March 2024

| 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 | Seksyen 8, Georgetown Daerah Timur Laut Penang Balance Parcel A1 | Residential, mixed development & commercial | 13.96 | Freehold | Reclaimed | N/A | N/A | 375,859 |
| | 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 | | | |
| 6 | Block A, Royal Mint Gardens, Royal Mint Street, London, E1 8LG | Mixed development | 0.32 | Leasehold (expiring 3011) | Under development | A: 2012 | N/A | 301,489 |
| 7 | Mukim Sungai Karang Kuantan, Pahang Lot 110206 PN 28927 | Commercial | 404.80 | Leasehold (expiring 2115) | Under development | A: 2017 | N/A | 285,358 |
| 8 | HS(D) 44250-60 PTD 6652-62<br>HS(D) 44286-383 PTD 6688-6785<br>HS(D) 44384-386 PTD 6809-11<br>HS(D) 44387-45070 PTD 6826-7509<br>HS(D) 45072-102 PTD 7511-41<br>HS(D) 45103-391 PTD 7583-871<br>HS(D) 45392-505 PTD 7886-999<br>HS(D) 45633-930 PTD 8127-424<br>HS(D) 45988-6035 PTD 8482-529<br>HS(D) 46063-91 PTD 8557-585<br>HS(D) 46093-237 PTD 8587-728<br>HS(D) 46277-338 PTD 8771-8832<br>HS(D) 46370-441 PTD 8864-8935<br>HS(D) 46464-502 PTD 8958-96<br>HS(D) 16092 PTD 8586<br>HS(D) 46503-4 PTD 9025-6<br>HS(D) 46510-1 PTD 9056-7 | | | Leasehold (expiring 2117) | | | | |

| No | Location | Description | Area Hectares | Tenure | Existing Use | Year of Revaluation (R)/ Acquisition (A) | Approx. Age of Building (Years) | Net Book Value (RM'000) |
|---|---|---|---|---|---|---|---|---|
| 8 | HS(D) 46516 PTD 9063<br>HS(D) 46518-38<br>PTD 9067-87<br>Mukim Pengerang<br>Daerah Kota Tinggi<br>Johor<br>HS(D) 36851-56<br>PTD 3974-9<br>HS(D) 36861-64<br>PTD 3984-7<br>Mukim Pengerang<br>Daerah Kota Tinggi<br>Johor | Development land | 174.63 | Leasehold (expiring 2115) | Under development | A: 2008 | N/A | 262,283 |
| | HS(D) 33935-86<br>PTD 3999-4050<br>Mukim Pengerang<br>Daerah Kota Tinggi<br>Johor | | | Leasehold (expiring 2098) | | | | |
| | HS(D) 13901-2<br>PTD 2926-7<br>Mukim Pengerang<br>Daerah Kota Tinggi<br>Johor | | | Leasehold (expiring 2092) | | | | |
| 9 | Phase 1B<br>Lot 19586<br>Mukim Sungai Karang<br>Kuantan, Pahang Darul Makmur | Berth structure | 2.28 | N/A | Berth | A: 2019 | 5 | 147,433 |
| 10 | PT 5454<br>PT 5707 - PT 5728<br>PT 5729 - PT 5741<br>PT 5743 - PT 5764<br>PT 5817 - PT 5842<br>PT 5843 - PT 5854<br>PT 5859 - PT 5874<br>PT 5875 - PT 5894<br>PT 5895 - PT 5916<br>PT 5917 - PT 5938<br>PT 5939 - PT 5946<br>PT 5947<br>PT 5949<br>PT 5950 | Residential | 7.06 | Leasehold (expiring 2112) | Under development | A: 2015 | N/A | 145,246 |
| | PT 15843 - PT 15844<br>PT 15845<br>PT 15971 - PT 15972<br>Mukim Bandar Ampang<br>Daerah Hulu Langat<br>Selangor | | | Leasehold (expiring 2116) | | | | |
| | PT 5455 - PT 5464<br>PT 5467 - PT 5508<br>PT 5685 - PT 5706<br>PT 5779 - PT 5786 | | 0.17 | Leasehold (expiring 2112) | | | | |
| | PT 15797<br>Mukim Bandar Ampang<br>Daerah Hulu Langat<br>Selangor | | | Leasehold (expiring 2113) | | | | |

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 40th Annual General Meeting ("AGM") of IJM CORPORATION BERHAD [198301008880 (104131-A)] will be held virtually through live streaming from the broadcast venue at the Centrestage, 3rd Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia ("Broadcast Venue") on Thursday, 29 August 2024, at 10.00 a.m. to transact the following matters:-

1. To receive the audited financial statements for the year ended 31 March 2024 together with the reports of the Directors and Auditors thereon.

2. To re-elect Tan Ting Min who retires by rotation in accordance with Clause 88 of the Company's Constitution and who being eligible, offers herself for re-election. (Resolution 1)

   *Please refer to Explanatory Note 1*

3. To re-elect Datuk Ir. Ahmad 'Asri bin Abdul Hamid who retires in accordance with Clause 92 of the Company's Constitution and who being eligible, offers himself for re-election. (Resolution 2)

   *Please refer to Explanatory Note 1*

4. To re-appoint PricewaterhouseCoopers PLT as Auditors and to authorise the Directors to fix their remuneration. (Resolution 3)

5. As special business to consider and pass the following resolutions:-

   a) DIRECTORS' FEES

   (i) "THAT the payment of Directors' fees to the Non-Executive Directors for the period from 30 August 2024 until the next Annual General Meeting based on the following structure be approved:- (Resolution 4)

| Fees per person | Board (RM/annum) | Audit Committee (RM/annum) | Audit Committee (India Operations) (RM/annum) | Nomination & Remuneration Committee (RM/annum) | Operating Committee (RM/annum) | Risk Management & Sustainability Committee (RM/annum) |
|---|---|---|---|---|---|---|
| Chairperson | 300,000 | 75,000 | 60,000 | 37,500 | - | 37,500 |
| Member | 150,000 | 56,600 | - | 28,700 | 28,700 | 28,700 |

"

   *Please refer to Explanatory Note 2*

   (ii) "THAT the payment of Directors' fees of RM39,462 to the Non-Executive Director, serving as an Operating Committee member, for the period from 14 April 2023 to 29 August 2024 be approved." (Resolution 5)

   *Please refer to Explanatory Note 2*

   (iii) "THAT the payment of Directors' fees of RM71,175 to several Non-Executive Directors, serving as Risk Management & Sustainability Committee members, for the period from 30 November 2023 to 29 August 2024 be approved." (Resolution 6)

   *Please refer to Explanatory Note 2*

   b) DIRECTORS' BENEFITS (Resolution 7)

   "THAT the payment of Directors' benefits to the Non-Executive Directors for the period from 30 August 2024 until the next Annual General Meeting be approved as follows:-

   (i) meeting allowance of RM1,500 per person for each meeting attended; and

   (ii) other benefits of up to an amount of RM376,000."

   *Please refer to Explanatory Note 2*

c) DIRECTORS' FEES AND MEETING ALLOWANCE OF SUBSIDIARIES

"THAT the payment of Directors' fees and/or meeting allowance by subsidiaries to several Non-Executive Directors be approved as follows:-

(i) Directors' fees of RM48,000 each per annum for the period from 30 August 2024 until the next Annual General Meeting; and (Resolution 8)

(ii) Directors' meeting allowance of RM1,000 per person for each meeting attended during the period from 30 August 2024 until the next Annual General Meeting." (Resolution 9)

*Please refer to Explanatory Note 2*

d) PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (Resolution 10)

"THAT the Directors be and are hereby authorised to purchase the ordinary shares of the Company through the stock exchange of Bursa Malaysia Securities Berhad at any time upon such terms and conditions as the Directors in their absolute discretion deem fit provided that:-

i) the aggregate number of shares purchased (which are to be treated as treasury shares) does not exceed 10% of the total number of issued shares of the Company; and

ii) the funds allocated for the purchase of shares shall not exceed its retained profits

AND THAT the Directors be and are hereby further authorised to deal with the treasury shares in their absolute discretion (which may be distributed as dividends, resold, transferred, cancelled and/or in any other manner as prescribed by the Companies Act 2016, and the relevant rules, regulations and/or requirements)

AND THAT such authority shall continue to be in force until:-

a) the conclusion of the next Annual General Meeting ("AGM");

b) the expiration of the period within which the next AGM is required by law to be held; or

c) revoked or varied in a general meeting,

whichever occurs first."

*Please refer to Explanatory Note 3*

By Order of the Board

Ng Yoke Kian
Company Secretary
CCM PC No. 202008000554
MAICSA 7018150

Petaling Jaya
31 July 2024

# NOTICE OF ANNUAL GENERAL MEETING

## IMPORTANT NOTICE

A. **VIRTUAL MEETING**

The 40th AGM of the Company will be conducted online from the Broadcast Venue. Members can attend, participate and vote in the meeting remotely (online) 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 40th 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 **22 August 2024** 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 28 August 2024**:-

(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 40th AGM; and

(vi) a member who has appointed a proxy or authorised representative to attend and vote at the 40th AGM via RPV Facilities 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 40th AGM.

C. The Annual Report, Share Buy-Back Statement, Form of Proxy and Administrative Guide are available for viewing and/or downloading at **https://www.ijm.com/investor/agm**.

## EXPLANATORY NOTES ON ORDINARY/SPECIAL BUSINESS

1. **RE-ELECTION OF DIRECTORS**

Tan Ting Min and Datuk Ir. Ahmad 'Asri bin Abdul Hamid have respectively signed a declaration of fitness and propriety according to the Fit and Proper Policy of the Company, and being eligible, have offered themselves for re-election at this AGM. The Directors have met the fit and proper criteria as set out in the Directors' Fit and Proper Policy.

The performance of each Director subject for re-election had been assessed through the annual Board Effectiveness Evaluation. The Nomination & Remuneration Committee and the Board are satisfied with the performance of the Directors, and are of the view that their continued service would benefit the Company and its stakeholders.

The profiles of the Directors who are subject for re-election are set out on pages 30 and 32 of the Annual Report 2024.

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.

(a) Resolution 4

If approved, the payment of Directors' fees to Non-Executive Directors ("NED") will be made on a quarterly basis, upon the discharge of responsibilities and rendering of services by the NED, based on the fee structure for the period from 30 August 2024 until the next AGM in year 2025.

(b) Resolution 5

Dato' Ir. Tan Gim Foo ("DTGF") was appointed as a member of the Operating Committee on 14 April 2023. The payment of RM39,462 to DTGF as an Operating Committee member for the period from 14 April 2023 to 29 August 2024 is derived based on an annual fee of RM28,700.

(c) Resolution 6

The Risk Management & Sustainability Committee ("RMSC") was set up on 30 November 2023 and the members of the RMSC are Datuk Ir. Ahmad 'Asri bin Abdul Hamid (Chair), Loh Lay Choon and Azhar Bin Ahmad. The payment of RM71,175 to the RMSC members for the period from 30 November 2023 to 29 August 2024 is derived based on the fee structure set out below:-

| Fees per person | Risk Management & Sustainability Committee (RM/annum) |
|---|---|
| Chairperson | 37,500 |
| Member | 28,700 |

(d) Resolution 7

If approved, will authorise the payment of Directors' benefits to NED by the Company for the period from 30 August 2024 until the next AGM in year 2025. The meeting allowance for a NED is RM1,500 per meeting. The amount of RM376,000 for other benefits consist of overseas allowance of the Chairman of Audit Committee (IJM India Operations), travel and medical claim of the NEDs and car benefits of the Non-Executive Chairman.

(e) Resolutions 8 and 9

(i) The Resolution 8 is in relation to the payment of Directors' fees by IJM Land Berhad ("IJML") and IJM Construction Sdn Bhd ("IJMC") to Datuk Lee Teck Yuen ("DLTY") and Dato' Ir. Tan Gim Foo ("DTGF") respectively, as well as other NEDs who may be appointed to the Board of IJML and IJMC. The payment of RM48,000 each person per annum will be made on a quarterly basis, upon the discharge of responsibilities and rendering of services by the NED, for the period from 30 August 2024 until the next AGM in year 2025; and

(ii) The Resolution 9 is in relation to meeting allowance payable by IJML, IJMC and other subsidiaries for Board meetings to be attended by DLTY, DTGF and other NEDs who may be invited to attend the meetings, during the period from 30 August 2024 until the next AGM in year 2025. All of them are entitled to a meeting allowance of RM1,000 per person for each meeting attended.

The Directors' fees and/or meeting allowance payable by IJML and IJMC are subject to the shareholders' approval at the general meetings of IJML and IJMC respectively.

3. **SHARE BUY-BACK AUTHORITY**

The details of the proposal are set out in the Share Buy-Back Statement dated 31 July 2024, which is available at the Company's website at **https://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 40th Annual General Meeting ("AGM") of IJM CORPORATION BERHAD to be held virtually through live streaming from the broadcast venue at the Centrestage, 3rd Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 29 August 2024, at 10.00 a.m., and at any adjournment thereof, in the manner indicated below:-

| No. | Resolutions | For | Against |
|---|---|---|---|
| 1. | To re-elect Tan Ting Min as Director | | |
| 2. | To re-elect Datuk Ir. Ahmad 'Asri bin Abdul Hamid as Director | | |
| 3. | To re-appoint PricewaterhouseCoopers PLT as Auditors and to authorise the Directors to fix their remuneration | | |
| 4. | To approve the payment of Directors' fees for the period from 30 August 2024 until the next AGM | | |
| 5. | To approve the payment of Directors' fees to the Operating Committee member for the period from 14 April 2023 to 29 August 2024 | | |
| 6. | To approve the payment of Directors' fees to the Risk Management & Sustainability Committee members for the period from 30 November 2023 to 29 August 2024 | | |
| 7. | To approve the payment of Directors' benefits for the period from 30 August 2024 until the next AGM | | |
| 8. | To approve the payment of Directors' fees by subsidiaries for the period from 30 August 2024 until the next AGM | | |
| 9. | To approve the payment of meeting allowance by subsidiaries for the period from 30 August 2024 until the next AGM | | |
| 10. | To approve the Proposed Renewal of Share Buy-Back Authority | | |

Please indicate with "X" how you wish your vote to be cast. In the absence of specific instruction, your Proxy will vote or abstain as he/she thinks fit.

Signed (and sealed) this ______________ day of ______________ 2024

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 **22 August 2024** 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 28 August 2024**:-

(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 40th AGM; and

(vi) a member who has appointed a proxy or authorised representative to attend and vote at the 40th 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 40th AGM.

2. Fold this flap to seal

Stamp

The Share Registrar

**Tricor Investor & Issuing House Services Sdn. Bhd.**

Registration No. 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

1. Fold here

# CORPORATE INFORMATION

## IJM CORPORATION BERHAD
198301008880 (104131-A)

## Head Office
Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: 603-7985 8288
E-mail: ijm@ijm.com Website: www.ijm.com

## MALAYSIA BRANCH OFFICES

**JOHOR**
17-05, 17th Floor, City Plaza, Jalan Tebrau
80250 Johor Bahru, Johor Darul Ta'zim
Malaysia
Tel : 607-333 4895, 607-333 4896
E-mail : ijm@ijm.com
Website: www.ijm.com
Contact: Wong Heng Wai

**PENANG**
Suite 05-01, Menara IJM Land
1, Lebuh Tunku Kudin 3
11700 Gelugor, Penang
Malaysia
Tel : 604-296 1388
E-mail : ijm@ijm.com
Website: www.ijm.com
Contact: Tan Ling Jin

**SARAWAK**
1st Floor, Lots 7886 & 7887
Queen's Court, Jalan Wan Alwi
93350 Kuching, Sarawak
Malaysia
Tel : 6082-463 496, 6082-463 497
E-mail : ijm@ijm.com
Website: www.ijm.com
Contact: 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
E-mail : ijm@ijm.com
Website: www.ijm.com
Contact: Wong Heng Wai

**INDIA**
**IJM (INDIA) INFRASTRUCTURE LIMITED**
H. No 3-71/NR, Plot No. 71, Kavuri Hills
Phase II, Madhapur, Hyderabad - 500033
Telangana, India
Tel : 91 40 2311 4661/62/63/64
E-mail : ijmii@ijm.com
Website: www.ijmindia.com
Contact: Viswanathan Nagarajan

**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: Wong Heng Wai

**SINGAPORE**
**HEXACON CONSTRUCTION PTE LTD**
(198204843K)
432, Balestier Road
#02-432 Public Mansion
Singapore 329813
Tel : 65-6251 9388
E-mail : info@hexacon.com.sg
Website: www.hexacon.com.sg
Contact: 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)

**IJM BUILDING SYSTEMS SDN BHD**
198401006016 (118536-T)

Wisma IJM Annexe, Jalan Yong Shook Lin
46050 Petaling Jaya, Selangor Darul Ehsan
Malaysia
Tel : 603-7955 8888
E-mail : icp@ijm.com
Website: www.icpb.com.my
Contact: Lau Liang See

**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)

**IJM MINERALS SDN BHD**
201501026704 (1152028-P)

Wisma IJM Annexe, Jalan Yong Shook Lin
46050 Petaling Jaya, Selangor Darul Ehsan
Malaysia
Tel : 603-7955 8888
Website: www.ijm.com
Contact: Tan Chuan Choon

**INDIA**
**IJM CONCRETE PRODUCTS PRIVATE LIMITED**

***Head Office – Hyderabad***
H. No 3-71/NR, Plot No. 71
Kavuri Hills, Phase II, Madhapur
Hyderabad - 500033
Telangana, India
Tel : 91 40 4340 8888
E-mail : ijmcppl@ijm.com
Contact: Lim Chin Leong

### INFRASTRUCTURE

**TOLL**

**BESRAYA (M) SDN BHD**
199501013021 (342223-A)
Plaza Tol Loke Yew, Lebuhraya Sungai Besi
56100 Kuala Lumpur, Malaysia
Tel : 603-9282 8382
E-mail : info.besraya@ijm.com
Website: www.ijmtolldiv.com
Contact: 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
E-mail : info.npe@ijm.com
Website: www.ijmtolldiv.com
Contact: 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
E-mail : info.lekas@ijm.com
Website: www.ijmtolldiv.com
Contact: Wan Salwani Binti Wan Yusoff

**PORT**

**KUANTAN PORT CONSORTIUM SDN BHD**
199601002037 (374383-H)
Wisma KPC, KM 25
Tanjung Gelang, 25720 Kuantan
Pahang Darul Makmur, Malaysia
Tel : 609-586 3888
E-mail : info.kuantanport@ijm.com
Website: www.kuantanport.com.my
Contact: Chan Weng Yew & Mazlim Bin Husin

### PROPERTY

**MALAYSIA**
**IJM LAND BERHAD**
198901010104 (187405-T)

***Head Office – Petaling Jaya***
Ground Floor, Wisma IJM
Jalan Yong Shook Lin, 46050 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : 603-7985 8288
E-mail : ask@ijm.com
Website: www.ijmland.com
Contact: Datuk Wong Tuck Wai

**Kuala Lumpur**
***Pantai Sentral Park***
No.2, Jalan Pantai Sentral 1, Pantai Sentral
59200 Kuala Lumpur, Malaysia
Tel : 1 800 880 456
E-mail : ask@ijm.com
Website: www.pantaisentralpark.com
Contact: Datuk Tony Ling Thou Lung

**Selangor**
***IJM Rimbayu***
No 1, Jalan Flora 3, Bandar Rimbayu
42500 Telok Panglima Garang
Selangor Darul Ehsan, Malaysia
Tel : 603-5525 3900
E-mail : ask@ijm.com
Website: www.rimbayu.com
Contact: Chai Kian Soon

**Negeri Sembilan**
PT10786, Seremban 2, 70300 Seremban
Negeri Sembilan Darul Khusus, Malaysia
Tel : 1800 222 456
E-mail : ask@ijm.com
Website: www.seremban2.ijmland.com
Contact: Chai Kian Soon

**Penang**
Suite 15-01, Menara IJM Land
1, Lebuh Tunku Kudin 3
11700 Gelugor, Penang
Malaysia
Tel : 604-296 1222
E-mail : ask@ijm.com
Website: www.ijmland.com
Contact: Goh Su Yin

**Johor**
17-01, 17th Floor, City Plaza
Jalan Tebrau, 80250 Johor Bahru
Johor Darul Ta'zim
Malaysia
Tel : 607-339 1888
E-mail : ask@ijm.com
Website: www.ijmland.com
Contact: Soh Wai Fong

***Sebana Cove***
Property Gallery, No. 1
Persiaran Sebana Utama
Sebana Cove, 81600 Pengerang
Johor Darul Ta'zim
Malaysia
Tel : 607-824 6119
E-mail : ask@ijm.com
Website: www.sebanacoveresort.com
Contact: Soh Wai Fong

***Nasa City***
No 1, Jalan Palma Puteri 4
Desa Palma, 81100 Johor Bahru,
Johor Darul Ta'zim
Malaysia
Tel : 607-357 8899
E-mail : ask@ijm.com
Website: nasacity.ijmland.com
Contact: Soh Wai Fong

**Sabah**
Wisma KLK Sandakan, Ground Floor
Lot 1, Jalan Bandar Utama
Mile 6, Jalan Utara
90000 Sandakan, Sabah
Malaysia
Tel : 6089-671 899
E-mail : ask@ijm.com
Website: www.ijmland.com
Contact: Steven Goh Kiat Lee

**Sarawak**
Level 2, Riverine Emerald Condominium
(South Wing Mail Box)
Jalan Petanak, 93100 Kuching
Sarawak, Malaysia
Tel : 6082-255 255
E-mail : ask@ijm.com
Website: www.ijmland.com
Contact: Chai King Sing

**UNITED KINGDOM**
**RMS (ENGLAND) LIMITED**
43, Royal Mint Street
London E1 8LG
United Kingdom
Tel : 44 (0) 20 3752 3949
E-mail : ask@ijm.com
Website: www.royalmintgardens.co.uk
Contact: Mark Lahiff

**REGISTERED OFFICE**
2nd Floor, Wisma IJM
Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : 603-7985 8288
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
Email : is.enquiry@my.tricorglobal.com

**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

IJM CORPORATION BERHAD 198301008880 (104131-A)

ANNUAL REPORT **2024** | www.ijm.com

**IJM CORPORATION BERHAD**
198301008880 (104131-A)

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IJM CORPORATION BERHAD

# STRONGER CORE NEW GROWTH ENGINES

FINANCIAL REPORT 2024

# WHAT'S INSIDE

# 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 2024.

## 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, port operations, tollway operations and investment holding.

## FINANCIAL RESULTS

| | The Group RM'000 | The Company RM'000 |
|---|---|---|
| Net profit for the financial year | 665,192 | 31,236 |
| Attributable to: | | |
| Owners of the Company | 600,278 | 31,236 |
| Perpetual sukuk | 46,695 | - |
| Non-controlling interests | 18,219 | - |
| | 665,192 | 31,236 |

## 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 2023: | |
| A single tier second interim dividend and a special dividend of 4 sen and 2 sen per share respectively, paid on 21 July 2023 | 210,543 |
| In respect of the financial year ended 31 March 2024: | |
| A single tier first interim dividend of 2 sen per share, paid on 29 December 2023 | 70,123 |
| | 280,666 |

On 29 May 2024, the Directors have declared a single tier second interim dividend and a special dividend in respect of the financial year ended 31 March 2024 of 5.0 sen and 1.0 sen respectively per share to be paid on 19 July 2024 to every member who is entitled to receive the dividend as at 5:00 pm on 28 June 2024.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2024.

## RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

## SHARES, OPTIONS OVER ORDINARY SHARES, WARRANTS AND DEBENTURES

No shares, options over ordinary shares, warrants or debentures had been issued by the Company during the financial year.

# DIRECTORS' REPORT AND STATEMENT (cont'd)

## TREASURY SHARES

During the financial year, the Company purchased 6,735,800 of its ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM10,189,829. The average price paid for the shares purchased was approximately RM1.51 per share.

Details of the treasury shares are set out in Note 14(B) to the financial statements.

## 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 Lee Chun Fai^, *Chief Executive Officer ("CEO") & Managing Director ("MD")*
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*
Dato' Ir. Tan Gim Foo#^, *Independent Non-Executive Director*
Ms Loh Lay Choon#$, *Independent Non-Executive Director*
Datuk Ir. Ahmad 'Asri bin Abdul Hamid$, *Independent Non-Executive Director (appointed on 4 September 2023)*
Datuk Lee Teck Yuen*, *Non-Executive Director*
Encik Azhar bin Ahmad$, *Non-Executive Director*

\# *members of the Audit Committee*
$ *members of the Risk Management and Sustainability Committee*
* *members of the Nomination and Remuneration Committee*
@ *members of the Securities and Options Committee*
^ *members of the Operating 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 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 1.4.2023 | Acquired | Disposed | Balance at 31.3.2024 |
| Tan Sri Dato' Tan Boon Seng @ Krishnan | | | | |
| Direct interest | 9,447,466 | 400,000 | - | **9,847,466** |
| Indirect interest [1] | 721,972 | 300,000 | - | **1,021,972** |
| Lee Chun Fai | | | | |
| Direct interest | 977,500 | - | - | **977,500** |
| Indirect interest [1] | 250,000 | - | - | **250,000** |
| Goh Tian Sui | | | | |
| Indirect interest [1] | 10,000 | - | - | **10,000** |
| Datuk Lee Teck Yuen | | | | |
| Direct interest | 11,764,692 | - | - | **11,764,692** |

Note:

[1] *Through a family member*

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 of the Company and its related corporations during the financial year.

## DIRECTORS' BENEFITS

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.

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.

## DIRECTORS' REMUNERATION

The aggregate amounts of remuneration received/receivable by Directors of the Company for the financial year are as follows:

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024<br>RM'000 | 2023<br>RM'000 | 2024<br>RM'000 | 2023<br>RM'000 |
| Directors of the Company: | | | | |
| Fees | **2,085** | 1,968 | **1,929** | 1,872 |
| Defined contribution retirement plan | **342** | 606 | **342** | 606 |
| Other emoluments | **2,319** | 8,834 | **2,302** | 8,813 |
| Share-based payments | **-** | (168) | **-** | (168) |
| Monetary value of benefits-in-kind | **305** | 196 | **305** | 196 |
| | **5,051** | 11,436 | **4,878** | 11,319 |

## 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 total amount of indemnity coverage for the Directors and officers of the Group for the financial year 2024 was RM77 million.

## 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.

# DIRECTORS' REPORT AND STATEMENT (cont'd)

## OTHER STATUTORY INFORMATION (cont'd)

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.

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 6 to 177 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 2024 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
Aziz Bin Bahaman
Chai Kian Soon
Chai Koon Wah
Chan Kok Keong
Chan Weng Yew
Cheah Tian Hong
Dato' Cheong Hock Soon
Chitra Ramachandran
Chong Ann Ching
Choy Teik San
Chow Man Fui
Chua Lay Hoon
Circle Corporate Services (Jersey) Limited
Dato' David Frederick Wilson
Deepak Dasgupta
Dato' Edward Chong Sin Kiat
Faizal Amir bin Mohd Zain
Fang Hoong Meng
Fong Wern Sheng
Gan Chin Giap
Gan Sher Lin
Goh Chee Huat
Goh Kiat Lee
Goh Su Yin
G. P. V. Narasimham
Hazlan Bin Abdul Aziz
Dato' Josphine Juliana a/p S Arulanandam
Datuk Ir. Hamzah bin Hasan
Dato' Khor Kiem Teoh
Kang Hong Jie
Lau Liang See
Lee Chun Fai
Lee Chee Heong
Datuk Lee Teck Yuen
Leong Yew Kuen
Liew Siew Wai
Lim Chin Leong
Datuk Ling Thou Lung
Loh Zhi Ming @ Loh Kui Song
Lu, Yong
Mark Andrew Lahiff
Ma, Zhengguo
Mazlim bin Husin
Mo, Nu
Dato' Md Naim bin Nasir
Dato' Mohamed Feisal bin Ibrahim
Mahesh Chandra
Muhammad Hidzir Bin Mohamed Yusoff
Muhammed Rafiq Haji Abdul Rahim
Najeeb Amin
Nicholas James Terry
Nikhil Viswanathan Nagarajan
Ocorian Corporate Services (Jersey) Limited
Ong Jing Ren
Ramesh Chandra Sinha
Ravi Kumar Kandala
Rishikesh Batoosam
Sanjay Agarwal
Sim Yong Hua
Stien Van Lutam
Syed Sarfaraz Haider Rizvi
Second Circle Corporate Services (Jersey) Limited
Tan Boon Leng
Tan Chin Siong
Tan Chuan Choon
Dato' Ir Tan Gim Foo
Tan Chee Yen
Tan Khee Leng
Tan Khuan Beng
Tan Ling Jin
Tan Peng Kok
Tan Yang Cheng
Vassudha Beethue
Venkata Sunil Kumar Aripirala
Wan Salwani binti Wan Yusoff
Wong Heng Wai
Wong Siew Meng
Wong Soon Fah
Datuk Wong Tuck Wai
Yeoh Oon Tat
Zhou JiHui

## SUBSIDIARIES

Details of subsidiaries are set out in Note 52 to the financial statements.

## AUDITORS' REMUNERATION

Details of auditors' remuneration for financial year ended 31 March 2024 are as follows:

| | The Group RM'000 | The Company RM'000 |
|---|---|---|
| Statutory audit: | | |
| PricewaterhouseCoopers PLT, Malaysia | 2,888 | 510 |
| Other member firms of PricewaterhouseCoopers International Limited | 443 | - |
| Other auditors of subsidiaries | 1,085 | - |
| | 4,416 | 510 |
| Other services: | | |
| PricewaterhouseCoopers PLT, Malaysia | 1,520 | 944 |
| Other member firms of PricewaterhouseCoopers International Limited | 210 | - |
| | 1,730 | 944 |
| | 6,146 | 1,454 |

## 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 5 July 2024.

Signed on behalf of the Board of the Directors:

**TAN SRI DATO' TAN BOON SENG @ KRISHNAN**
DIRECTOR

**LEE CHUN FAI**
DIRECTOR

Petaling Jaya

# STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2024

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| Operating revenue | 4a,13 | **5,918,814** | 4,572,485 | **184,017** | 596,764 |
| Cost of sales | 4b | **(4,368,576)** | (3,392,540) | **(263)** | (887) |
| Gross profit | | **1,550,238** | 1,179,945 | **183,754** | 595,877 |
| Other operating income | | **319,629** | 234,914 | **208,529** | 124,135 |
| Tendering, selling and distribution expenses | | **(59,002)** | (63,639) | **-** | - |
| Administrative expenses | | **(426,712)** | (320,137) | **(56,233)** | (35,103) |
| Other operating expenses | | **(187,220)** | (140,167) | **(169,956)** | (105,120) |
| Net reversal of impairment/(impairment) of financial assets | | **75,847** | (150,051) | **(46,486)** | (44,748) |
| Operating profit before finance cost | 5 | **1,272,780** | 740,865 | **119,608** | 535,041 |
| Finance cost | 9,13 | **(307,137)** | (255,572) | **(87,351)** | (68,816) |
| Operating profit after finance cost | | **965,643** | 485,293 | **32,257** | 466,225 |
| Share of losses of associates | 13 | **(31,217)** | (16,624) | **-** | - |
| Share of profits of joint ventures | 13 | **29,743** | 14,359 | **-** | - |
| Profit before taxation | 13 | **964,169** | 483,028 | **32,257** | 466,225 |
| Income tax expense | 10 | **(298,977)** | (271,432) | **(1,021)** | (18,606) |
| Net profit for the financial year | | **665,192** | 211,596 | **31,236** | 447,619 |
| Other comprehensive income/(loss) (net of tax): | | | | | |
| *Items that will not be reclassified to profit or loss:* | | | | | |
| Fair value loss on financial assets at fair value through other comprehensive income | | **(1,510)** | - | **-** | - |
| *Items that may be reclassified subsequently to profit or loss:* | | | | | |
| Currency translation differences of foreign operations | | **70,431** | 4,220 | **(1,655)** | 984 |
| Share of other comprehensive losses of associates | | **(66)** | (767) | **-** | - |
| Realisation of other comprehensive loss arising from liquidation of a subsidiary | | **92** | - | **-** | - |
| | | **70,457** | 3,453 | **(1,655)** | 984 |
| | | **68,947** | 3,453 | **(1,655)** | 984 |
| Total comprehensive income for the financial year | | **734,139** | 215,049 | **29,581** | 448,603 |

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| Net profit attributable to: | | | | | |
| Owners of the Company | | **600,278** | 158,275 | **31,236** | 447,619 |
| Perpetual sukuk | | **46,695** | 46,555 | **-** | - |
| Non-controlling interests | | **18,219** | 6,766 | **-** | - |
| Net profit for the financial year | | **665,192** | 211,596 | **31,236** | 447,619 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | **664,321** | 161,344 | **29,581** | 448,603 |
| Perpetual sukuk | | **46,695** | 46,555 | **-** | - |
| Non-controlling interests | | **23,123** | 7,150 | **-** | - |
| Total comprehensive income for the financial year | | **734,139** | 215,049 | **29,581** | 448,603 |
| Earnings per share for net profit attributable to owners of the Company: | | | | | |
| - Basic | 11(a) | **17.11 Sen** | 4.49 Sen | | |
| - Fully diluted | 11(b) | **17.11 Sen** | 4.49 Sen | | |

# STATEMENTS OF FINANCIAL POSITION

As At 31 March 2024

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| **CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY** | | | | | |
| Share capital | 14(A) | **6,132,406** | 6,132,406 | **6,132,406** | 6,132,406 |
| Treasury shares | 14(B) | **(235,102)** | (224,912) | **(235,102)** | (224,912) |
| Shares held under trust | 14(C) | **-** | (1,263) | **-** | (1,263) |
| Exchange translation reserve | | **(22,437)** | (87,990) | **3,138** | 4,793 |
| Other reserves | | **(558)** | 952 | **-** | - |
| Retained profits | | **4,342,205** | 4,024,571 | **2,405,631** | 2,655,207 |
| | | **10,216,514** | 9,843,764 | **8,306,073** | 8,566,231 |
| Perpetual Sukuk of a subsidiary | 15 | **847,775** | 847,817 | **-** | - |
| **NON-CONTROLLING INTERESTS** | | **254,567** | 269,489 | **-** | - |
| **TOTAL EQUITY** | | **11,318,856** | 10,961,070 | **8,306,073** | 8,566,231 |
| **NON-CURRENT LIABILITIES** | | | | | |
| Bonds | 16 | **2,703,567** | 2,572,025 | **900,000** | 1,000,000 |
| Term loans | 17 | **1,088,206** | 1,057,825 | **-** | - |
| Government support loan | 18 | **8,655** | 21,129 | **-** | - |
| Lease liabilities | 19 | **62,172** | 52,440 | **15,619** | 8,016 |
| Deferred tax liabilities | 20 | **485,275** | 491,158 | **-** | - |
| Trade and other payables | 22 | **374,985** | 293,503 | **3,878** | 38,965 |
| Retirement benefits | 23 | **1,345** | 1,877 | **-** | - |
| | | **4,724,205** | 4,489,957 | **919,497** | 1,046,981 |
| Deferred income | 24 | **257,485** | 258,778 | **-** | - |
| | | **16,300,546** | 15,709,805 | **9,225,570** | 9,613,212 |

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| **NON-CURRENT ASSETS** | | | | | |
| Property, plant and equipment | 25 | **1,097,500** | 979,189 | **10,773** | 2,692 |
| Right-of-use assets | 26 | **259,519** | 233,370 | **16,264** | 9,210 |
| Investment properties | 27 | **622,172** | 612,246 | **6,422** | 6,596 |
| Concession assets | 28 | **3,882,496** | 3,994,564 | **-** | - |
| Subsidiaries | 29 | **-** | - | **8,073,759** | 8,244,899 |
| Associates | 30 | **1,262,011** | 941,181 | **384,787** | 370,939 |
| Joint ventures | 31 | **607,280** | 550,382 | **149,923** | 215,296 |
| Financial assets at fair value through other comprehensive income | 32 | **2,155** | 3,665 | **2,050** | 2,050 |
| Financial assets at fair value through profit or loss | 38 | **67,006** | - | **67,006** | - |
| Long term receivables | 33 | **243,951** | 235,221 | **-** | - |
| Intangible assets | 34 | **111,756** | 125,414 | **-** | - |
| Deferred tax assets | 20 | **505,433** | 463,512 | **27,350** | 12,653 |
| Inventories | 35 | **550,936** | 537,397 | **-** | - |
| | | **9,212,215** | 8,676,141 | **8,738,334** | 8,864,335 |
| **CURRENT ASSETS** | | | | | |
| Inventories | 35 | **6,297,161** | 6,672,599 | **-** | - |
| Trade and other receivables | 36 | **1,752,272** | 1,261,800 | **491,895** | 395,873 |
| Contract assets | 37 | **440,917** | 432,016 | **-** | - |
| Financial assets at fair value through profit or loss | 38 | **657,937** | 541,934 | **388,031** | 279,877 |
| Tax recoverable | | **83,962** | 98,904 | **-** | - |
| Deposits, cash and bank balances | 39 | **2,870,389** | 2,825,163 | **520,508** | 656,857 |
| Assets held for sale | 40 | **470** | 2,038 | **-** | - |
| | | **12,103,108** | 11,834,454 | **1,400,434** | 1,332,607 |
| Less: **CURRENT LIABILITIES** | | | | | |
| Contract liabilities | 37 | **428,897** | 309,089 | **87** | 541 |
| Trade and other payables | 41 | **2,758,315** | 2,679,845 | **64,991** | 57,945 |
| Lease liabilities | 19 | **17,724** | 18,410 | **1,260** | 1,710 |
| Current tax liabilities | | **81,297** | 86,521 | **1,079** | 1,388 |
| Derivative financial instruments | 42 | **332** | - | **332** | - |
| Provisions | 43 | **4,272** | 2,992 | **-** | - |
| Borrowings | | | | | |
| - Bank overdrafts | 44 | **22,682** | 7,365 | **-** | - |
| - Others | 44 | **1,701,258** | 1,696,568 | **845,449** | 522,146 |
| | | **5,014,777** | 4,800,790 | **913,198** | 583,730 |
| **NET CURRENT ASSETS** | | **7,088,331** | 7,033,664 | **487,236** | 748,877 |
| | | **16,300,546** | 15,709,805 | **9,225,570** | 9,613,212 |

# STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2024

| The Group | Note | Attributable to owners of the Company | | | | | | | | Perpetual Sukuk of a subsidiary RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Share capital RM'000 | Treasury shares RM'000 | Shares held under trust RM'000 | Exchange translation reserve RM'000 | Share-based payment reserve RM'000 | Other reserves RM'000 | Retained profits RM'000 | Total RM'000 | | | |
| **At 1 April 2023** | | 6,132,406 | (224,912) | (1,263) | (87,990) | - | 952 | 4,024,571 | 9,843,764 | 847,817 | 269,489 | 10,961,070 |
| **Comprehensive income:** | | | | | | | | | | | | |
| Net profit for the financial year | | - | - | - | - | - | - | 600,278 | 600,278 | 46,695 | 18,219 | 665,192 |
| **Other comprehensive income:** | | | | | | | | | | | | |
| Currency translation differences arising from translation of net investment in foreign operations | | - | - | - | 65,527 | - | - | - | 65,527 | - | 4,904 | 70,431 |
| Fair value loss on financial assets at fair value through other comprehensive income | | - | - | - | - | - | (1,510) | - | (1,510) | - | - | (1,510) |
| Share of other comprehensive losses of associates | | - | - | - | (66) | - | - | - | (66) | - | - | (66) |
| Realisation of other comprehensive loss arising from liquidation of a subsidiary | | - | - | - | 92 | - | - | - | 92 | - | - | 92 |
| | | - | - | - | 65,553 | - | (1,510) | - | 64,043 | - | 4,904 | 68,947 |
| Total comprehensive income for the financial year | | - | - | - | 65,553 | - | (1,510) | 600,278 | 664,321 | 46,695 | 23,123 | 734,139 |

| The Group (cont'd) | Note | Attributable to owners of the Company Share capital RM'000 | Treasury shares RM'000 | Shares held under trust RM'000 | Exchange translation reserve RM'000 | Share-based payment reserve RM'000 | Other reserves RM'000 | Retained profits RM'000 | Total RM'000 | Perpetual Sukuk of a subsidiary RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Transactions with owners:** | | | | | | | | | | | | |
| Single tier second interim dividend: | | | | | | | | | | | | |
| - Year ended 31 March 2023 | 12 | - | - | - | - | - | - | (210,543) | (210,543) | - | - | (210,543) |
| Single tier first interim dividend: | | | | | | | | | | | | |
| - Year ended 31 March 2024 | 12 | - | - | - | - | - | - | (70,123) | (70,123) | - | - | (70,123) |
| Dividends paid by subsidiaries to non-controlling shareholders | | - | - | - | - | - | - | - | - | - | (40,000) | (40,000) |
| Distribution to perpetual sukuk holders | | - | - | - | - | - | - | - | - | (46,737) | - | (46,737) |
| Acquisition of additional interests in a subsidiary | 52 | - | - | - | - | - | - | (1,832) | (1,832) | - | 1,705 | (127) |
| Issuance of shares by a subsidiary to non-controlling shareholders | | - | - | - | - | - | - | - | - | - | 250 | 250 |
| Share buy back | 14(B) | - | (10,190) | - | - | - | - | - | (10,190) | - | - | (10,190) |
| Disposal of shares held under trust | | - | - | 1,263 | - | - | - | (146) | 1,117 | - | - | 1,117 |
| Total transactions with owners | | - | (10,190) | 1,263 | - | - | - | (282,644) | (291,571) | (46,737) | (38,045) | (376,353) |
| **At 31 March 2024** | | **6,132,406** | **(235,102)** | **-** | **(22,437)** | **-** | **(558)** | **4,342,205** | **10,216,514** | **847,775** | **254,567** | **11,318,856** |

# STATEMENTS OF CHANGES IN EQUITY (cont'd)

For the Financial Year Ended 31 March 2024

| The Group | Note | Attributable to owners of the Company | | | | | | | | Perpetual Sukuk of a subsidiary RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Share capital RM'000 | Treasury shares RM'000 | Shares held under trust RM'000 | Exchange translation reserve RM'000 | Share-based payment reserve RM'000 | Other reserves RM'000 | Retained profits RM'000 | Total RM'000 | | | |
| **At 1 April 2022** | | 6,127,731 | (189,939) | (1,263) | (91,059) | 91,075 | 952 | 4,000,050 | 9,937,547 | 847,924 | 675,263 | 11,460,734 |
| **Comprehensive income:** | | | | | | | | | | | | |
| Net profit for the financial year | | - | - | - | - | - | - | 158,275 | 158,275 | 46,555 | 6,766 | 211,596 |
| **Other comprehensive income:** | | | | | | | | | | | | |
| Currency translation differences arising from translation of net investment in foreign operations | | - | - | - | 3,836 | - | - | - | 3,836 | - | 384 | 4,220 |
| Share of other comprehensive losses of associates | | - | - | - | (767) | - | - | - | (767) | - | - | (767) |
| | | - | - | - | 3,069 | - | - | - | 3,069 | - | 384 | 3,453 |
| Total comprehensive income for the financial year | | - | - | - | 3,069 | - | - | 158,275 | 161,344 | 46,555 | 7,150 | 215,049 |
| Issuance of ESOS and ESGP | | - | - | - | - | (3,049) | - | - | (3,049) | - | - | (3,049) |

| The Group (cont'd) | Note | Attributable to owners of the Company Share capital RM'000 | Treasury shares RM'000 | Shares held under trust RM'000 | Exchange translation reserve RM'000 | Share-based payment reserve RM'000 | Other reserves RM'000 | Retained profits RM'000 | Total RM'000 | Perpetual Sukuk of a subsidiary RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Transactions with owners:** | | | | | | | | | | | | |
| Single tier second interim dividend: | | | | | | | | | | | | |
| - Year ended 31 March 2022 | | - | - | - | - | - | - | (141,127) | (141,127) | - | - | (141,127) |
| Single tier first interim dividend: | | | | | | | | | | | | |
| - Year ended 31 March 2023 | 12 | - | - | - | - | - | - | (70,266) | (70,266) | - | - | (70,266) |
| Dividends paid by subsidiaries to non-controlling shareholders | | - | - | - | - | - | - | - | - | - | (59,043) | (59,043) |
| Distribution to perpetual sukuk holders | | - | - | - | - | - | - | - | - | (46,662) | - | (46,662) |
| Acquisition of a subsidiary | 46(a)(i) | - | - | - | - | - | - | - | - | - | 3,586 | 3,586 |
| Acquisition of additional interests in a subsidiary | 46(a)(ii) | - | - | - | - | - | - | (4,882) | (4,882) | - | (357,467) | (362,349) |
| Issuance of shares: | | | | | | | | | | | | |
| - Vesting of shares under ESGP | 14(A) | 4,675 | - | - | - | (4,675) | - | - | - | - | - | - |
| Share buy back | 14(B) | - | (34,973) | - | - | - | - | - | (34,973) | - | - | (34,973) |
| Transferred to retained profits upon expiry of ESOS & ESGP | | - | - | - | - | (83,351) | - | 82,521 | (830) | - | - | (830) |
| Total transactions with owners | | 4,675 | (34,973) | - | - | (88,026) | - | (133,754) | (252,078) | (46,662) | (412,924) | (711,664) |
| **At 31 March 2023** | | 6,132,406 | (224,912) | (1,263) | (87,990) | - | 952 | 4,024,571 | 9,843,764 | 847,817 | 269,489 | 10,961,070 |

# STATEMENTS OF CHANGES IN EQUITY (cont'd)

For the Financial Year Ended 31 March 2024

| The Company | Note | Share capital RM'000 | Treasury shares RM'000 | Shares held under trust RM'000 | Exchange translation reserve RM'000 | Retained profits RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|
| | | Non-distributable | | | | Distributable | |
| **At 1 April 2023** | | 6,132,406 | (224,912) | (1,263) | 4,793 | 2,655,207 | 8,566,231 |
| **Comprehensive income:** | | | | | | | |
| Net profit for the financial year | | - | - | - | - | 31,236 | 31,236 |
| **Other comprehensive income:** | | | | | | | |
| Currency translation differences arising from translation of foreign operations | | - | - | - | (1,655) | - | (1,655) |
| Total comprehensive income for the financial year | | - | - | - | (1,655) | 31,236 | 29,581 |
| **Transactions with owners:** | | | | | | | |
| Single tier second interim dividend: | | | | | | | |
| - Year ended 31 March 2023 | 12 | - | - | - | - | (210,543) | (210,543) |
| Single tier first interim dividend: | | | | | | | |
| - Year ended 31 March 2024 | 12 | - | - | - | - | (70,123) | (70,123) |
| Disposal of shares held under trust | | - | - | 1,263 | - | (146) | 1,117 |
| Share buy back | 14(B) | - | (10,190) | - | - | - | (10,190) |
| **At 31 March 2024** | | **6,132,406** | **(235,102)** | **-** | **3,138** | **2,405,631** | **8,306,073** |

| 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 2022** | | 6,127,731 | (189,939) | (1,263) | 3,809 | 91,075 | 2,408,351 | 8,439,764 |
| **Comprehensive income:** | | | | | | | | |
| Net profit for the financial year | | - | - | - | - | - | 447,619 | 447,619 |
| **Other comprehensive income:** | | | | | | | | |
| Currency translation differences arising from translation of foreign operations | | - | - | - | 984 | - | - | 984 |
| Total comprehensive income for the financial year | | - | - | - | 984 | - | 447,619 | 448,603 |
| Issuance of ESOS and ESGP | | - | - | - | - | (3,049) | - | (3,049) |
| Transferred to retained profits upon expiry of ESOS and ESGP | | - | - | - | - | (10,630) | 10,630 | - |
| Adjustment to capital contribution in subsidiaries upon expiry of ESOS & ESGP | | - | - | - | - | (72,721) | - | (72,721) |
| **Transactions with owners:** | | | | | | | | |
| Single tier second interim dividend: | | | | | | | | |
| - Year ended 31 March 2022 | | - | - | - | - | - | (141,127) | (141,127) |
| Single tier first interim dividend: | | | | | | | | |
| - Year ended 31 March 2023 | 12 | - | - | - | - | - | (70,266) | (70,266) |
| Issuance of shares: | | | | | | | | |
| - Vesting of shares under ESGP | 14(A) | 4,675 | - | - | - | (4,675) | - | - |
| Share buy back | 14(B) | - | (34,973) | - | - | - | - | (34,973) |
| **At 31 March 2023** | | 6,132,406 | (224,912) | (1,263) | 4,793 | - | 2,655,207 | 8,566,231 |

# CASH FLOW STATEMENTS

For the Financial Year Ended 31 March 2024

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | |
| Receipts from customers | | **5,648,559** | 4,810,865 | **41,935** | 25,976 |
| Payments to contractors, suppliers and employees | | **(4,160,261)** | (3,503,277) | **(63,730)** | (54,579) |
| Income tax paid | | **(328,768)** | (229,140) | **(15,488)** | (10,809) |
| **Net cash flow from/(used in) operating activities** | | **1,159,530** | 1,078,448 | **(37,283)** | (39,412) |
| **INVESTING ACTIVITIES** | | | | | |
| Acquisition of a subsidiary | 46(a)(i) | **-** | (14,911) | **-** | (18,382) |
| Balance of purchase consideration paid in relation to the prior year acquisition of a subsidiary | | **(5,361)** | - | **-** | - |
| Additional investment in a subsidiary | | **-** | - | **-** | (25,330) |
| Investment in associates | | **(73,797)** | (490) | **-** | - |
| Additional investment in an associate | | **-** | (131,651) | **-** | - |
| Investment in jointly controlled entities | | **(5,082)** | - | **-** | - |
| Subscription of ordinary shares in a subsidiary | | **-** | - | **(900)** | (100) |
| Subscription of Redeemable Preference Shares in associates | | **(18,738)** | - | **-** | - |
| Subscription of Redeemable Preference Shares in subsidiaries | | **-** | - | **(308,148)** | (240,823) |
| Subscription of Redeemable Unsecured Murabahah Stocks ("RUMS") in an associate | 30 | **(35,080)** | (18,760) | **-** | - |
| Acquisition of financial assets at fair value through profit or loss | | **(448,104)** | (466,537) | **(150,000)** | (100,000) |
| Purchase of land held for property development | 35(a) | **(30,106)** | (22,241) | **-** | - |
| Purchase of property, plant and equipment, right-of-use assets and investment properties | | **(243,559)** | (53,357) | **(8,725)** | (170) |
| Cost incurred on concession assets | | **(1,177)** | (81,334) | **-** | - |
| Additions to port infrastructure | | **(10,348)** | (36,309) | **-** | - |
| Quarry development expenditure incurred | 34 | **(2,707)** | (2,489) | **-** | - |
| Disposal of property, plant and equipment, right-of-use assets and investment properties | | **4,175** | 10,653 | **-** | 64 |
| Disposal of an associate | | **-** | 2,996 | **-** | 2,996 |
| Disposal of assets held for sale | | **657** | 16,164 | **-** | - |
| Disposal of financial assets at fair value through profit or loss | | **353,057** | 553,535 | **53,409** | - |
| Proceeds arising from liquidation of a subsidiary | | **-** | - | **53** | - |
| Proceeds arising from capital reduction in an associate | | **260** | - | **-** | - |
| Proceeds arising from redemption of preference shares in an associate | | **10,024** | - | **10,024** | - |
| Dividends received from associates | | **6,409** | 1,801 | **5,760** | - |
| Dividends received from other investments | | **230** | 264 | **191** | 235 |
| Dividends received from a joint venture | | **253** | 4,500 | **-** | - |
| Dividends received from subsidiaries | | **-** | - | **151,044** | 568,116 |
| Interest received | | **94,783** | 61,821 | **17,890** | 15,460 |

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| **INVESTING ACTIVITIES** (cont'd) | | | | | |
| Advances to subsidiaries | | **-** | - | **(1,141,468)** | (182,081) |
| Repayments from subsidiaries | | **-** | - | **1,334,083** | 328,907 |
| Advances to associates | | **(11,647)** | (19,500) | **(14)** | - |
| Repayments from associates and a related company | | **70,563** | 56,231 | **-** | - |
| Advances to joint ventures | | **(91,500)** | (20,500) | **-** | - |
| Repayments from joint ventures | | **-** | 1,077 | **-** | - |
| Redemption of Redeemable Convertible Secured Islamic Debt Securities | | **142,062** | - | **142,062** | - |
| **Net cash flow (used in)/from investing activities** | | **(294,733)** | (159,037) | **105,261** | 348,892 |
| **FINANCING ACTIVITIES** | | | | | |
| Drawdown of bonds | 16 | **493,792** | 360,000 | **-** | - |
| Repayment of bonds | 16 | **(345,160)** | (410,000) | **(200,000)** | (300,000) |
| Proceeds from bank borrowings | | **1,218,901** | 738,588 | **979,483** | 284,280 |
| Repayments of bank borrowings | | **(1,296,661)** | (877,109) | **(577,335)** | (122,761) |
| Payment for loan transaction costs | | **(1,037)** | - | **-** | - |
| Repayment of government support loans | | **(13,800)** | (17,800) | **-** | - |
| Repayments of hire purchase and lease liabilities | | **(19,806)** | (14,153) | **(1,692)** | (1,686) |
| Repayment to a subsidiary | | **-** | - | **(35,087)** | (10,144) |
| Acquisition of additional interests in a subsidiary | | **(127)** | (164,749) | **-** | - |
| Balance of purchase consideration paid in relation to the prior year acquisition of remaining equity interest in a subsidiary | | **(197,600)** | - | **-** | - |
| Issuance of shares by a subsidiary to non-controlling shareholders | | **250** | - | **-** | - |
| Interest paid | | **(305,770)** | (264,688) | **(82,656)** | (72,913) |
| Dividends paid by subsidiaries to non-controlling shareholders | | **(40,000)** | (59,043) | **-** | - |
| Dividends paid by the Company | | **(280,666)** | (211,393) | **(280,666)** | (211,393) |
| Distribution to perpetual sukuk holders | | **(46,737)** | (46,662) | **-** | - |
| Purchase of treasury shares | 14(B) | **(10,190)** | (34,973) | **(10,190)** | (34,973) |
| Proceeds from disposal of shares held under trust | | **1,117** | - | **1,117** | - |
| Net uplifts of restricted deposits | | **8,017** | 599 | **-** | - |
| **Net cash flow used in financing activities** | | **(835,477)** | (1,001,383) | **(207,026)** | (469,590) |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR** | | **29,320** | (81,972) | **(139,048)** | (160,110) |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR** | | **2,807,819** | 2,887,474 | **656,857** | 814,485 |
| **FOREIGN EXCHANGE DIFFERENCES** | | **8,606** | 2,317 | **2,699** | 2,482 |
| **CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR** | **47** | **2,845,745** | 2,807,819 | **520,508** | 656,857 |

# CASH FLOW STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

**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 2023 | **57,524** | **70,850** | **5,390,657** | **5,519,031** |
| **Cash flows:** | | | | |
| Drawdown of bonds | **-** | **-** | **493,792** | **493,792** |
| Repayment of bonds | **-** | **-** | **(345,160)** | **(345,160)** |
| Drawdown of borrowings | **-** | **-** | **1,218,901** | **1,218,901** |
| Repayment of borrowings | **-** | **-** | **(1,296,661)** | **(1,296,661)** |
| Repayment of government support loan | **-** | **-** | **(13,800)** | **(13,800)** |
| Payment for loan transaction costs | **-** | **-** | **(1,037)** | **(1,037)** |
| Repayments of lease liabilities | **-** | **(19,806)** | **-** | **(19,806)** |
| Interest paid | **(301,476)** | **(3,392)** | **(902)** | **(305,770)** |
| **Non-cash changes:** | | | | |
| Finance cost | **265,169** | **3,392** | **100** | **268,661** |
| Finance cost capitalised | **35,031** | **-** | **-** | **35,031** |
| Foreign exchange movement | **179** | **465** | **96,856** | **97,500** |
| Addition of leases | **-** | **29,212** | **-** | **29,212** |
| Others | **3** | **(825)** | **4,379** | **3,557** |
| Reclassification | **(28,955)** | **-** | **(2,329)** | **(31,284)** |
| **At 31 March 2024** | **27,475** | **79,896** | **5,544,796** | **5,652,167** |
| At 1 April 2022 | 52,085 | 31,544 | 5,551,969 | 5,635,598 |
| **Cash flows:** | | | | |
| Drawdown of bonds | - | - | 360,000 | 360,000 |
| Repayment of bonds | - | - | (410,000) | (410,000) |
| Drawdown of borrowings | - | - | 738,588 | 738,588 |
| Repayment of borrowings | - | - | (894,909) | (894,909) |
| Repayments of lease liabilities | - | (14,153) | - | (14,153) |
| Interest paid | (262,306) | (2,382) | - | (264,688) |
| **Non-cash changes:** | | | | |
| Acquisition of a subsidiary | - | 1,143 | 2,676 | 3,819 |
| Finance cost | 230,093 | 2,382 | 3,751 | 236,226 |
| Finance cost capitalised | 32,361 | - | - | 32,361 |
| Foreign exchange movement | - | (551) | 38,737 | 38,186 |
| Addition of leases | - | 52,715 | - | 52,715 |
| Others | 5,291 | 152 | (155) | 5,288 |
| **At 31 March 2023** | 57,524 | 70,850 | 5,390,657 | 5,519,031 |

* Borrowings of the Group include bonds, term loans, government support loan, other short-term borrowings and advances from the State Government.

** Included within trade accruals (Note 41).

**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 2023 | **17,392** | **9,726** | **1,522,146** | **38,965** | **1,588,229** |
| **Cash flows:** | | | | | |
| Repayment of bonds | **-** | **-** | **(200,000)** | **-** | **(200,000)** |
| Drawdown of borrowings | **-** | **-** | **979,483** | **-** | **979,483** |
| Repayment of borrowings | **-** | **-** | **(577,335)** | **-** | **(577,335)** |
| Repayments of lease liabilities | **-** | **(1,692)** | **-** | **-** | **(1,692)** |
| Net repayment of balances | **-** | **-** | **-** | **(35,087)** | **(35,087)** |
| Interest paid | **(82,220)** | **(436)** | **-** | **-** | **(82,656)** |
| **Non-cash changes:** | | | | | |
| Foreign exchange movement | **-** | **-** | **21,155** | **-** | **21,155** |
| Finance cost | **81,008** | **436** | **-** | **-** | **81,444** |
| Addition of leases | **-** | **8,845** | **-** | **-** | **8,845** |
| **At 31 March 2024** | **16,180** | **16,879** | **1,745,449** | **3,878** | **1,782,386** |
| At 1 April 2022 | 21,489 | 6,078 | 1,655,038 | 49,109 | 1,731,714 |
| **Cash flows:** | | | | | |
| Repayment of bonds | - | - | (300,000) | - | (300,000) |
| Drawdown of borrowings | - | - | 284,280 | - | 284,280 |
| Repayment of borrowings | - | - | (122,761) | - | (122,761) |
| Repayments of lease liabilities | - | (1,686) | - | - | (1,686) |
| Net repayment of balances | - | - | - | (10,144) | (10,144) |
| Interest paid | (72,477) | (436) | - | - | (72,913) |
| **Non-cash changes:** | | | | | |
| Foreign exchange movement | - | - | 5,589 | - | 5,589 |
| Finance cost | 68,380 | 436 | - | - | 68,816 |
| Addition of leases | - | 5,334 | - | - | 5,334 |
| **At 31 March 2023** | 17,392 | 9,726 | 1,522,146 | 38,965 | 1,588,229 |

* Borrowings of the Company include bonds, term loans and other short-term borrowings.
** Included within trade accruals (Note 41).

# SUMMARY OF MATERIAL ACCOUNTING POLICIES

For the Financial Year Ended 31 March 2024

The following material 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 material 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 Standard, Amendments 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 2023 and applicable to the Group and the Company are as follows:

- MFRS 17 Insurance Contracts and its amendments – *Initial Application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 – *Disclosure of Accounting Policies*
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – *Definition of Accounting Estimates*
- Amendments to MFRS 112 Income Taxes – *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to MFRS 112 Income Taxes – *International Tax Reform – Pillar Two Model Rules* *

The adoption of amendments to published standards listed above did not have any material impact on the current financial year or any prior financial year.

* In December 2021, the Organisation for Economic Co-operation and Development ("OECD") issued Pillar Two model rules which are also commonly known as Global Minimum Tax ("GMT"). The Government of Malaysia has gazetted the Finance (No.2) Act 2023 in December 2023 which sets out, amongst others, the legislative provisions of the OECD's Pillar Two model rules and will be effective for financial years beginning on or after 1 January 2025.

Amendments to MFRS 112 "International Tax Reform – Pillar Two Model Rules" provide a mandatory temporary exception from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The Group is within the scope of the OECD's Pillar Two model rules. The Group operates in certain jurisdictions, namely United Kingdom ("UK") where the legislation to implement the OECD's Pillar Two model rules has been enacted in July 2023 and effective for accounting periods commencing on or after 31 December 2023. In accordance with the transition provisions, the Group has applied the temporary exception in the amendments retrospectively and not accounting for deferred taxes arising from the top-up tax due to the Pillar Two model rules in the consolidated financial statements.

The Group is in the process of assessing the full impact of Pillar Two income taxes arising from the legislation enacted or substantively enacted but not yet in effect.

## 1 BASIS OF PREPARATION (cont'd)

(b) Standard and amendments to published standards that are applicable to the Group and the Company, but are not yet effective and have not been early adopted

(i) The amendments to published standards that are mandatory for the Group's and the Company's financial year beginning on 1 April 2024 and the Group and the Company have not early adopted are 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 first 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 second amendments, "Non-current Liabilities with Covenants" specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

  Both amendments shall be applied retrospectively.

- Amendments on lease liability in a sale and leaseback (Amendments to MFRS 16)

  The amendments specify the measurement of the lease liability arises in a sale and leaseback transaction that satisfies the requirements in MFRS 15 "Revenue from Contracts with Customers" to be accounted for as a sale. In accordance with the amendments, the seller-lessee shall determine the "lease payments" or "revised lease payments" in a way that it does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains.

- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

  The amendments introduce new disclosures on quantitative and qualitative information relating to supplier finance arrangements ("SFA") to enhance the transparency of supplier finance arrangements and assist users of the financial statement to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk.

  The amendments require the following information about SFA to be disclosed in the annual period in which the amendments are first applied:

  (A) the terms and conditions of SFAs;

  (B) the carrying amount of financial liabilities that are part of SFAs and the line items in which those liabilities are presented;

  (C) the carrying amount of the financial liabilities in (B) for which suppliers have already received payment from the finance providers;

  (D) the range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements;

  (E) the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of SFAs; and

  (F) liquidity risk information (e.g. concentration of risks; access to SFA facilities for liquidity requirement).

# SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

For the Financial Year Ended 31 March 2024

## 1 BASIS OF PREPARATION (cont'd)

(b) Standard and amendments to published standards that are applicable to the Group and the Company, but are not yet effective and have not been early adopted (cont'd)

(ii) The amendments to published standards that are mandatory for the Group's and the Company's financial year beginning on 1 April 2025 and the Group and the Company have not early adopted are as follows*:

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

  The amendments clarify that a currency is exchangeable when an entity is able to exchange it into another currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism that creates enforceable rights and obligations. If an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, then the currency is not exchangeable. In such cases, the entity is required to estimate the spot exchange rate at the measurement date.

  The amendments do not specify how an entity estimates the spot exchange rate, but permit an entity to use observable exchange rate without adjustment or another estimation technique, provided it could meet the objective for estimating the spot exchange rate set out in the amendments.

(iii) The new accounting standard that is mandatory for the Group's and the Company's financial year beginning on 1 April 2027 and the Group and the Company have not early adopted is as follows*:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 "Presentation of Financial Statements". The key new concepts introduced in MFRS 18 are:

- New structure of profit or loss statement

  a Categories: Income and expenses are classified into 3 main categories: operating, investing and financing:

  (i) Operating category: This category typically includes the entity's results from its main business activities.

  (ii) Investing category: This category typically includes the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources.

  (iii) Financing category: This category includes all income and expenses from financing liabilities (such as bank borrowings and lease liabilities).

  b Required subtotals: Entities are required to present specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

- Management-defined performance measures (MPMs), i.e. a subtotal of income and expenses that an entity uses to communicate the performance of the entity to the users of financial statements, are required to be disclosed in a single note to the financial statements. MPMs should also be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

- Enhanced principles on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

This new Standard should be applied retrospectively, including for interim financial statements.

* These standard and amendments to published standards will be adopted on the respective effective dates. The Group and the Company have started a preliminary assessment on the effects of the above standard and amendments to published standards and the impact is still being assessed.

## 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. 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.

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.

The Group applies predecessor accounting to account for business combinations under common control. Under predecessor 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 conform with the accounting policies adopted by 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.

# SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

For the Financial Year Ended 31 March 2024

## 2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

### (a) Subsidiaries (cont'd)

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. In addition, any capital reserves associated with the subsidiary will be reclassified to retained profits.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

### (d) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The existence and the effect of potential voting rights are considered when assessing whether the group exercises significant influence over another entity. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment in an associate 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 equal or exceed 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.

## 2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

### (d) Associates (cont'd)

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. The Group eliminates the downstream intercompany transactions with the associate by adjusting against the Group's revenue and cost of sales in the statement of comprehensive income.

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.

### (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

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. Under the equity method, the investment in a joint venture is 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 equal or exceed its interests in the joint ventures, including 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.

# SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

For the Financial Year Ended 31 March 2024

## 2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

**(e) Joint arrangements** (cont'd)

(i) Joint ventures (cont'd)

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. The Group eliminates the downstream intercompany transactions with the joint venture by adjusting against the Group's revenue and cost of sales in the statement of comprehensive income.

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.

## 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 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 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.

# SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

For the Financial Year Ended 31 March 2024

## 5 FOREIGN CURRENCIES (cont'd)

### (c) Group companies

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.

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.

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on a straight-line basis to allocate the cost 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% |

Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

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 on a straight-line basis so as to allocate the cost to their residual values over the expected useful lives. The annual depreciation rate for buildings is 2%.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in 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.

# SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

For the Financial Year Ended 31 March 2024

## 8 CONCESSION ASSETS (cont'd)

### (b) Port infrastructure

The Group recognises concession assets arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructures and facilities. Concession assets received as consideration for providing construction or upgrade services in a service concession arrangement are measured at fair value on initial recognition. Subsequent to initial recognition, the concession assets are measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment. The estimated useful life of concession assets in a service concession arrangement is over the concession period extended to the Group.

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 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 control 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 from construction contracts is recognised over time as the Group is constructing on the customer's land, the customer generally controls any work in progress arising from the Group's performance and the part-constructed building as it is being constructed. In addition, the Group also 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.

## 9 REVENUE RECOGNITION (cont'd)

### (a) Construction contracts (cont'd)

A provision for onerous contract is recognised when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

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.

The customer pays according to the progress claim submitted to them based on the progress of the construction measured over time. If the construction services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised. Further details on the accounting policy of contract assets and contract liability are disclosed in accounting policy 12 on contract assets and contract liabilities.

### (b) Revenue from property development

Contracts with customers may include multiple promises to the customers and therefore accounted for as separate performance obligations. In such cases, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured based on the transaction prices net of expected liquidated ascertained damages ("LAD") payment. LAD is determined based on the expected value method.

The transaction price is adjusted for the effects of time value of money if the timing of payments provides the customer with a significant benefit of financing the transfer of goods or services to the customer. For contracts with advance payment from customer at the beginning of the contract prior to the transfer of developed properties which will take more than one year to complete, a contract liability will be recognised when the advance payment is received.

For contracts with deferred payment scheme, the Group adjusts the promised consideration for the effects of the significant financing component using the discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception. The significant financing component is recognised as finance income in the statement of comprehensive income over the credit period using the effective interest rate applicable at the inception date.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will receive 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.

# SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

For the Financial Year Ended 31 March 2024

## 9 REVENUE RECOGNITION (cont'd)

### (b) Revenue from property development (cont'd)

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 and it is probable that the Group will collect the consideration to which it will be entitled to in exchange for the properties sold.

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) Sales 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, 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.

### (d) 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 28 to the financial statements.

Revenue from 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. There is no element of financing present as the sales are on credit terms of 30 days.

### (e) Telecommunication services

Customers' subscription to the telecommunication services includes the provision of corporate internet leased line or wireless point-to-point internet services and devices such as routers and wireless solutions.

The provision of devices is for the exclusive use of the Group's telecommunication services and do not represent distinct services or goods. Therefore, the services and devices are accounted for as a single performance obligation satisfied over time. Revenue is recognised over the period the telecommunication services are rendered.

## 9 REVENUE RECOGNITION (cont'd)

### (f) Club operations revenue

Revenue from clubhouse operations represents income derived from membership subscription fees and sales of services. Membership subscription fees are recognised over time 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.

### (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 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.

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.

# SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

For the Financial Year Ended 31 March 2024

## 10 BORROWINGS AND BORROWING COSTS (cont'd)

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, shall be recognised immediately 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.

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 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. Interest relating to property development activities and construction contracts are accounted for in a similar manner.

Properties under development which have been sold (where control of the property is transferred over time) should be excluded as qualifying assets for the purposes of borrowing cost capitalisation. All borrowing costs incurred were expensed to profit or loss when incurred when these properties were ready for their intended sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

When the basis to determine the future contractual cash flows of the borrowings are modified entirely as a result of Interbank Offered Rate ("IBOR") reform, the Group applies the reliefs provided by the Phase 2 amendments related to IBOR reform to adjust the effective interest rate of the borrowings with no modification gain or loss being recognised.

In situations where some or all of a change in the basis for determining the contractual cash flows of the borrowings does not meet the criteria of the Phase 2 amendments, the Group first applies the practical expedient to the changes required by IBOR reform, including updating the effective interest rate of the borrowings. Any additional changes are accounted for as modification of borrowings in accordance with the requirement in MFRS 9 (that is, assessed for modification or derecognition, with the resulting modification gain/loss recognised immediately in profit or loss where the borrowings are not derecognised).

## 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.

## 11 INVENTORIES (cont'd)

**(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. In addition, the property development costs include allocated costs of constructing public infrastructure (i.e. common costs). The common costs which are allocated to development projects and will be incurred after the development activities would be accrued. These costs would be allocated as costs incurred that are attributable to the development as the development activities progress. When the public infrastructure is subsequently constructed, the actual costs would be off-set against the accrued costs.

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; 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 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 the estimated costs necessary to make the sale.

## 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 customers. 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).

# SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

For the Financial Year Ended 31 March 2024

## 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) 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.

## 15 LEASES (cont'd)

### (a) Accounting by lessee (cont'd)

**ROU assets** (cont'd)

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.

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.

**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.

A change in lease payments (including rent concessions, except for COVID-19 related rent concessions), other than those arising from a change in amounts expected to 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".

**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.

# SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

For the Financial Year Ended 31 March 2024

## 15 LEASES (cont'd)

### (b) Accounting by lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

**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 the 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 leases 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 the 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.

## 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 which 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.

A discontinued operation is a component of the entity that has been disposed of and that represents a separate major line of business, is part of a single coordinated plan to dispose of such a line of business. The results of discontinued operations are presented separately in the statement of comprehensive income.

# SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

For the Financial Year Ended 31 March 2024

## 18 INCOME TAXES

The income tax expense for the period comprises current and deferred income 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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group, joint ventures and associates operate and generate taxable income.

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 provided in full, 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 liability is recognised for all taxable temporary differences associated with 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.

## 19 EMPLOYEE BENEFITS (cont'd)

### (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 recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further financial 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.

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.

## 20 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash in hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, less bank overdrafts.

Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the statement of cash flows. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

# SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

For the Financial Year Ended 31 March 2024

## 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 as a result of a share buy-back, 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) 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.

<u>Financial Assets</u>

(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.

## 22 FINANCIAL INSTRUMENTS (cont'd)

Financial Assets (cont'd)

(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. The Group reclassifies debt instruments when and only when its business model for managing those assets changes. 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.

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.

# SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

For the Financial Year Ended 31 March 2024

## 22 FINANCIAL INSTRUMENTS (cont'd)

Financial Assets (cont'd)

(D) Subsequent measurement - impairment

(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 following financial instruments of the Group 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")
- RCSIDS Deferred Payment

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, RUMS and RCSIDS Deferred Payment

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.

(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.

## 22 FINANCIAL INSTRUMENTS (cont'd)

Financial Assets (cont'd)

(D) Subsequent measurement - impairment (cont'd)

(b) Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

(c) Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

(i) Quantitative criteria:

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

(ii) Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on an individual basis.

# SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

For the Financial Year Ended 31 March 2024

## 22 FINANCIAL INSTRUMENTS (cont'd)

Financial Assets (cont'd)

(D) Subsequent measurement - impairment (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, RUMS and RCSIDS Deferred Payment 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 financial instrument that does not qualify for hedge accounting are recognised immediately in profit or loss.

## 22 FINANCIAL INSTRUMENTS (cont'd)

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.

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.

# SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

For the Financial Year Ended 31 March 2024

## 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.

## 27 SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The Operating Committee ("OpCo"), 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 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".

## 29 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 2024

## 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, tollway operations, port operations and investment holding. The principal activities of the subsidiaries and associates are described in Note 52 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 5 July 2024.

## 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) 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.

**(b) 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.

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. Variable consideration for construction contracts in the form of variation orders and contractual claims submitted to project employers are only included in the transaction price of a construction contract based on the following factors:

- Status of negotiations with project employers;
- Construction work performed by the Group are identifiable, measurable and considered reasonable in relation to the work scope for the variable consideration claimed by the Group;
- Any evidences providing a legal, objective and verifiable basis for the Group to claim for variable consideration, which includes independent third-party advice; and
- The Group's historical experience in successfully obtaining approval from project employers for the variation work claims submitted by the Group.

## 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

### (b) Construction contracts (cont'd)

The final construction contract transaction price may include assessments of the recovery of variation orders and claims yet to be agreed with the project employer due to timing and requirements of the normal contractual processes. Therefore, the construction revenue recognised by the Group is constrained to the amounts of variable consideration where the Group believes it is highly probable that a significant reversal will not occur. Significant judgement and estimates are also involved in assessing whether liquidated ascertained damages ("LAD") should be included as variable consideration in determining the transaction price for construction revenue recognition. LAD is determined based on the contractual terms of the signed contracts with the project employer and the likelihood of approval of extension of time by project employers, where the Group's construction revenue is constrained to reflect the expected amount of LAD to be included as variable consideration.

Total contract costs are determined based on approved construction budgets. These budgets are supported by sub-contractors' quotations, actual contracts awarded and variation work orders awarded to main and sub-contractors. Significant judgement is required in the estimation of total contract costs, where the total contract costs may include estimated cost contingencies to address specific risks for certain construction contracts. These costs contingencies are reviewed on a regular basis throughout the duration of the construction contract and are adjusted where appropriate. In addition, significant estimates are required for costs to complete when the certification process of contract costs are not finalised with subcontractors, prior to the financial year end. The significant judgement and estimates involved in the estimation of total contract costs and costs to complete affect the stage of completion referred to in determining the construction revenue. Where the actual total contract costs are different from the estimated total contract costs, such difference will impact the contract profits/(losses) recognised. The Management has assessed that a 1% increase to the total estimated contract costs for ongoing construction projects would result in a decrease in construction revenue of RM48.2 million during the financial year.

### (c) 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 receive 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. Total property development costs are determined based on approved budgets. These budgets are supported by the main contractors' quotations, actual contracts awarded and variation work orders awarded to the main contractors.

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. Due to the scale of the projects and the length of the property development cycle, there are inherent estimation uncertainties in deriving the remaining costs to complete such as uncertainties in the estimated costs of work packages yet to be procured by the Group from contractors, macroeconomic factors that may result in potential escalation of prices for building materials and unforeseen circumstances such as impact of climate change on the future building requirements of new properties. The estimation of the future costs to completion would evolve over the life of the property development projects and accordingly, the total property development costs used for the measurement of stage of completion of the revenue recognition would be subject to changes. In addition, significant estimates are required to derive the costs to complete when the certification process of the actual property development costs incurred are not finalised with contractors, prior to the financial year end.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

### (c) Property development (cont'd)

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 differences will impact the property development profits/(losses) recognised.

### (d) Amortisation of expressway development expenditure

The expressway development expenditure of the Group are amortised over the concession period based on the following formula:

$$\frac{\text{Cumulative traffic volume to-date}}{\text{Projected total traffic volume for the entire concession period}} \times \text{Expressway development expenditure}$$

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.

### (e) 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 ability 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. The determination of useful lives for port concession assets is further described in Note 28 on concession assets.

### (f) 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, amongst others, 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.

### (g) 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 (such as growth rates, employment rates and inflation rates) 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:

- Determining the number and relative weightings of forward-looking scenarios

  The Group measures loss allowance on the probability-weighted amount that reflects the possibility of credit loss occurring. This requires forecast of economic variables (such as growth rates, employment rates or inflation rates) 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 likelihood of occurrences 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 estimates of the possible outcomes and are appropriately representative of the range of possible scenarios. These possible outcomes are used in determining ECL allowance for financial assets, such as RUMS in associates and RCULS in joint ventures. The details on the ECL assessments are disclosed in Notes 30, 31 and 36 to the financial statements.

## 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

### (h) 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 quotations from potential buyers; 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. In determining the estimated transaction prices, discounts and costs to complete the property, 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.

As disclosed in Note 35 to the financial statements, valuation reports prepared by independent valuers were used in determining the recoverable amounts of inventories. The key assumption used was market value per square foot of the comparable properties in the vicinity of the said area. An increase or decrease of 5% for market value per square foot will lead to decrease/increase of write down of inventories by RM9.1 million during the financial year.

### (i) Impairment of investments in subsidiaries

The Company determines whether an investment in a subsidiary is impaired by evaluating the extent to which the recoverable amount of the asset is less than its cost. Recoverable amount is measured at the higher of the fair value less costs to sell and value-in-use for the asset.

As there are no readily available market prices for the investments in subsidiaries and in the circumstance that the subsidiaries are not expected to generate positive cash flows in the future, the fair values less cost to sell are determined by measuring the fair value of the individual assets and liabilities recognised in the statement of the financial position of the subsidiaries at the reporting date, less any costs to sell. The Directors determined the recoverability of the investments in subsidiaries based on the subsidiaries' net liquid assets available to repay the Company as the shareholder.

For value-in-use, significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, 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 Company's assessment for impairment of the investments in subsidiaries. The details on the impairment of investment in subsidiaries are disclosed in Note 29 to the financial statement.

## 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to market (including foreign currency exchange and interest rates), 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.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

The Group used derivative financial instruments such as cross currency swap contracts to hedge certain financial risk exposures.

(a) Market risk

(i) Currency risk

Currency risks arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency of the entity.

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.

The currency exposure profile of the Group's and the Company's financial assets and financial liabilities is disclosed in the respective notes to the financial statements.

As at the reporting date, the Group's and Company's Ringgit Malaysia ("RM") functional currency entities had United States Dollar ("USD") denominated net monetary liabilities. The effects to the Group's and the Company's profit after tax if the USD had strengthened/weakened by 3% (2023: 5%) against RM are as follows:

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024<br>RM'000 | 2023<br>RM'000 | 2024<br>RM'000 | 2023<br>RM'000 |
| Net monetary liabilities denominated in USD | **(294,492)** | (277,675) | **(230,991)** | (166,237) |
| Effects to profit after tax if the USD had strengthened/weakened by 3% (2023: 5%) against RM: | | | | |
| - strengthened | **(6,715)** | (10,550) | **(5,267)** | (6,317) |
| - weakened | **6,715** | 10,550 | **5,267** | 6,317 |

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 3% (2023: 5%) against INR are as follows:

| | The Group | |
|---|---|---|
| | 2024<br>RM'000 | 2023<br>RM'000 |
| Net monetary liabilities denominated in USD | **(732,699)** | (699,230) |
| Effects to profit after tax if the USD had strengthened/weakened by 3% (2023: 5%) against INR: | | |
| - strengthened | **(16,486)** | (27,764) |
| - weakened | **16,486** | 27,764 |

This sensitivity analysis 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.

## 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

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.

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 | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Borrowings based on Secured Overnight Financing Rate ("SOFR"): | | | | |
| - increase by 25 basis points | **-** | (168) | **-** | (168) |
| - decrease by 25 basis points | **-** | 168 | **-** | 168 |
| - increase by 75 basis points | **(5,201)** | - | **(1,080)** | - |
| - decrease by 75 basis points | **5,201** | - | **1,080** | - |
| Borrowings based on London Interbank Offered Rate ("LIBOR"): | | | | |
| - increase by 25 basis points | **-** | (1,466) | **-** | (159) |
| - decrease by 25 basis points | **-** | 1,466 | **-** | 159 |
| Borrowings based on cost of funds ("COF"): | | | | |
| - increase by 25 basis points | **(1,410)** | - | **-** | - |
| - decrease by 25 basis points | **1,410** | - | **-** | - |
| - increase by 50 basis points | **-** | (2,763) | **-** | - |
| - decrease by 50 basis points | **-** | 2,763 | **-** | - |
| Borrowings based on Marginal Cost of Lending Rate ("MCLR"): | | | | |
| - increase by 25 basis points | **(534)** | - | **-** | - |
| - decrease by 25 basis points | **534** | - | **-** | - |
| - increase by 50 basis points | **-** | (1,202) | **-** | - |
| - decrease by 50 basis points | **-** | 1,202 | **-** | - |

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.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(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")
- RCSIDS Deferred Payment

(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 2024, the Group's trade receivables and contract assets of RM1,177,556,000 and RM440,917,000 (2023: RM853,589,000 and RM432,016,000) respectively were assessed for impairment under the simplified approach. As at 31 March 2024, the Company's trade receivables of RM56,318,000 (2023: RM54,342,000) were assessed for impairment under the simplified approach.

## 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 (cont'd)

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.

(ii) Other receivables, amounts due from related companies, financial guarantee contracts, RCULS, RUMS and RCSIDS Deferred Payment 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

Cash and cash equivalents are also subject to the impairment requirements of MFRS 9 and the identified impairment was immaterial since the bank balances are mainly deposits with banks with high credit ratings assigned by international credit rating agencies.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Credit risk (cont'd)

Credit risk – Measurement of ECL (cont'd)

(iv) Financial guarantee contracts

The Company provides corporate guarantee to financial institutions on certain subsidiaries' borrowings facilities as of the reporting date.

All of the financial guarantee contracts have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowance was identified based on 12 months ECL.

As the Company does not hold any collateral from its subsidiaries for the corporate guarantee provided to the financial institutions, the Company's maximum exposure to credit risk as disclosed in Note 3(c) to the financial statements is the carrying amount of the subsidiaries' borrowings as at the reporting date.

(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 47) 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.

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 2024** | | | |
| Bonds | **504,513** | **2,034,492** | **1,201,044** |
| Term loans | **620,081** | **1,147,073** | **78,783** |
| Government support loans | **10,000** | **10,798** | **-** |
| Trade and other payables | **2,791,144** | **192,887** | **811,914** |
| Short term borrowings* | **890,136** | **-** | **-** |
| Lease liabilities | **21,343** | **56,933** | **19,858** |
| Derivative financial instruments | **332** | **-** | **-** |
| **At 31 March 2023** | | | |
| Bonds | 466,321 | 1,982,106 | 993,887 |
| Term loans | 694,523 | 1,162,555 | 135,802 |
| Government support loans | 10,000 | 24,598 | - |
| Trade and other payables | 2,666,791 | 113,534 | 698,890 |
| Short term borrowings* | 791,129 | - | - |
| Lease liabilities | 21,610 | 49,404 | 13,784 |

* Short term borrowings of the Group include revolving credits, letters of credit and bank overdrafts (2023: bankers' acceptances, revolving credits, letters of credit and bank overdrafts).

## 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. (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 2024** | | | |
| Bonds | **146,071** | **526,354** | **520,253** |
| Term loans | **201,872** | **-** | **-** |
| Short term borrowings (revolving credits) | **583,852** | **-** | **-** |
| Lease liabilities | **2,106** | **8,507** | **10,354** |
| Trade and other payables | **64,991** | **3,878** | **-** |
| Derivative financial instruments | **332** | **-** | **-** |
| Financial guarantee contracts * | **443,526** | **1,089,567** | **299,585** |
| **At 31 March 2023** | | | |
| Bonds | 250,603 | 445,894 | 746,783 |
| Term loans | 181,444 | - | - |
| Short term borrowings (revolving credits) | 155,719 | - | - |
| Lease liabilities | 2,106 | 8,774 | - |
| Trade and other payables | 57,945 | 38,965 | - |
| Financial guarantee contracts * | 429,371 | 977,287 | 95,841 |

The exposure of the borrowings of the Group and the Company to interest rate changes at the reporting dates are disclosed in Notes 16, 17, 41 and 44 to the financial statements.

* The Company provides a financial guanrantee to IJM Land Berhad ("IJML") on the Perpetual Sukuk as disclosed in Note 15 to the financial statements. The maturity analysis of the financial guarantee provided to IJML is not disclosed as the Perpetual Sukuk has no maturity date unless IJML exercises its call option to redeem the Perpetual Sukuk based on the terms disclosed in Note 15(c) or upon the occurrence of the events disclosed in Note 15(d) to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(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 deposits, cash and bank balances. Equity capital is equivalent to capital and reserves attributable to owners of the Company.

The gearing ratios as at the reporting dates are as follows:

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024<br>RM'000 | 2023<br>RM'000 | 2024<br>RM'000 | 2023<br>RM'000 |
| Total borrowings * | **5,534,298** | 5,364,842 | **1,745,449** | 1,522,146 |
| Less:<br>Deposits, cash and bank balances | **(2,870,389)** | (2,825,163) | **(520,508)** | (656,857) |
| Net debts | **2,663,909** | 2,539,679 | **1,224,941** | 865,289 |
| Capital and reserves attributable to owners of the Company | **10,216,514** | 9,843,764 | **8,306,073** | 8,566,231 |
| Gearing ratio | **0.26** | 0.26 | **0.15** | 0.10 |

* Total borrowings of the Group include bonds, term loans, government support loan, revolving credits, bankers' acceptances, bank overdrafts and letters of credit.
Total borrowings of the Company include bonds, term loans and revolving credits.

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 such externally imposed capital requirements as at the reporting date.

During the financial year, the Group has obtained a waiver from its lender for the compliance of debt covenant in relation to debt service coverage ratio for a term loan. The Group did not breach the debt covenant as of 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 |
|---|---|---|---|---|
| **2024** | | | | |
| **The Group** | | | | |
| Assets: | | | | |
| Financial assets at fair value through profit or loss | **724,943** | **-** | **-** | **724,943** |
| Financial assets at fair value through other comprehensive income | **-** | **-** | **2,155** | **2,155** |
| Total assets | **724,943** | **-** | **2,155** | **727,098** |
| Liabilities: | | | | |
| Derivative financial instruments | **-** | **332** | **-** | **332** |
| Total liabilities | **-** | **332** | **-** | **332** |
| **The Company** | | | | |
| Assets: | | | | |
| Financial assets at fair value through profit or loss | **455,037** | **-** | **-** | **455,037** |
| Financial assets at fair value through other comprehensive income | **-** | **-** | **2,050** | **2,050** |
| Total assets | **455,037** | **-** | **2,050** | **457,087** |
| Liabilities: | | | | |
| Derivative financial instruments | **-** | **332** | **-** | **332** |
| Total liabilities | **-** | **332** | **-** | **332** |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 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 |
|---|---|---|---|---|
| **2023** | | | | |
| **The Group** | | | | |
| Assets: | | | | |
| Financial assets at fair value through profit or loss | 541,934 | - | - | 541,934 |
| Financial assets at fair value through other comprehensive income | - | - | 3,665 | 3,665 |
| Total assets | 541,934 | - | 3,665 | 545,599 |
| **The Company** | | | | |
| Assets: | | | | |
| Financial assets at fair value through profit or loss | 279,877 | - | - | 279,877 |
| Financial assets at fair value through other comprehensive income | - | - | 2,050 | 2,050 |
| Total assets | 279,877 | - | 2,050 | 281,927 |

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 are determined by using a valuation technique. 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(a) OPERATING REVENUE

| | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|
| Revenue from contract with customers: | | | | |
| - construction contracts | **1,656,164** | 1,043,573 | **-** | - |
| - property development | **1,972,430** | 1,563,341 | **-** | - |
| - sale of quarry and manufactured products | **1,184,781** | 995,652 | **-** | - |
| - sale of goods | **19,158** | 24,276 | **-** | - |
| - toll concession revenue | **499,825** | 517,176 | **-** | - |
| - port revenue | **435,879** | 307,408 | **-** | - |
| - telecommunication projects and services | **34,694** | 17,207 | **-** | - |
| - management services | **7,808** | 6,139 | **26,733** | 28,124 |
| - rendering of other services | **17,930** | 20,584 | **-** | - |
| | **5,828,669** | 4,495,356 | **26,733** | 28,124 |
| Revenue from other sources: | | | | |
| - dividend income | **191** | 235 | **156,995** | 568,351 |
| - amortisation of deferred income | **19,609** | 18,625 | **-** | - |
| - port lease | **26,986** | 18,763 | **-** | - |
| - lease income | **43,359** | 39,506 | **289** | 289 |
| | **90,145** | 77,129 | **157,284** | 568,640 |
| | **5,918,814** | 4,572,485 | **184,017** | 596,764 |
| Timing of revenue recognition for revenue from contract with customers: | | | | |
| - At a point in time | **1,970,746** | 1,629,258 | - | - |
| - Over time | **3,857,923** | 2,866,098 | **26,733** | 28,124 |
| | **5,828,669** | 4,495,356 | **26,733** | 28,124 |

Supplementary information on operating revenue of the Group inclusive of the Group's share of revenue of associates and joint ventures are as follows:

| | 2024 RM'000 | 2023 RM'000 |
|---|---|---|
| Operating revenue of the Group | **5,918,814** | 4,572,485 |
| Share of operating revenue of: | | |
| Associates | **494,405** | 334,752 |
| Joint ventures | **182,787** | 128,396 |
| | **6,596,006** | 5,035,633 |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 4(b) COST OF SALES

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Cost of sales consist of: | | | | |
| - Construction contracts costs | **1,597,117** | 932,861 | **263** | 887 |
| - Property development costs | **1,320,615** | 1,022,290 | **-** | - |
| - Cost of quarry and manufactured products sold | **932,641** | 810,412 | **-** | - |
| - Toll operation costs | **288,609** | 399,950 | **-** | - |
| - Port operation costs | **212,150** | 218,271 | **-** | - |
| - Telecommunication projects and services | **17,444** | 8,756 | **-** | - |
| | **4,368,576** | 3,392,540 | **263** | 887 |

## 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 | | The Company | |
|---|---|---|---|---|---|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Property, plant and equipment: | | | | | |
| - depreciation | 25 | **77,447** | 78,909 | **644** | 594 |
| - impairment | 25 | **9,308** | 1,961 | **-** | - |
| - written off | 25 | **2,818** | 4,846 | **-** | - |
| - loss on disposal | | **53** | 899 | **-** | - |
| Right-of-use assets: | | | | | |
| - depreciation | 26 | **23,179** | 15,192 | **1,791** | 1,803 |
| Investment properties: | | | | | |
| - depreciation | 27 | **9,072** | 9,003 | **174** | 174 |
| - impairment | 27 | **-** | 853 | **-** | - |
| Rental of land and buildings | | **736** | 260 | **-** | - |
| Hire of plant and equipment | | **9,895** | 8,228 | **-** | 2 |
| Auditors' remuneration: | | | | | |
| - statutory audit | 8 | | | | |
| Current year | | **3,983** | 3,591 | **510** | 521 |
| Under accrual in respect of prior years | | **433** | 394 | **-** | - |
| - other services | 8 | **1,730** | 694 | **944** | 26 |
| Foreign exchange (gains)/losses (net) | | | | | |
| - realised | | **(4,231)** | 273 | **(1,092)** | (342) |
| - unrealised | | **(26,130)** | 73,810 | **8,514** | 9,025 |
| Fair value loss: | | | | | |
| - financial assets held for trading | | **172** | 787 | **-** | - |
| - derivative financial instruments | | **332** | - | **332** | - |
| Concession assets: | | | | | |
| - amortisation | 28 | **213,021** | 243,914 | **-** | - |
| Intangible assets: | | | | | |
| - amortisation | 34 | **4,523** | 3,099 | **-** | - |
| - impairment | 34 | **11,842** | - | **-** | - |
| Bad debts written off | | **2,434** | 95 | **-** | - |

## 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 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| Impairment of: | | | | | |
| - investment in subsidiaries | 29 | **-** | - | **163,499** | 83,021 |
| - investment in RUMS | 13,30 | **-** | 133,500 | **-** | - |
| - investment in RCULS | 31 | **-** | 20,387 | **-** | 20,387 |
| - amounts owing by joint ventures | 31 | **6** | 237 | **-** | - |
| - trade and other receivables | 36 | **4,530** | 2,823 | **103,482** | 24,361 |
| Write down of inventories: | | | | | |
| - property development costs (net) | 13,35(b) | **83,714** | 2,812 | **-** | - |
| - completed buildings | 13 | **4,389** | 1,096 | **-** | - |
| - other inventories | | **-** | 526 | **-** | - |

(b) The following amounts have been credited in arriving at operating profit before finance cost:

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| Gross dividends received from: | | | | | |
| - subsidiaries (unquoted) | | **-** | - | **151,044** | 568,116 |
| - associates (unquoted) | | **-** | - | **5,760** | - |
| - other investments (quoted) | | **230** | 264 | **191** | 235 |
| Interest income: | | | | | |
| - bank deposits | | **69,822** | 54,007 | **17,786** | 15,431 |
| - loans and receivables from related parties | | **36,260** | 56,586 | **86,657** | 98,397 |
| - loans and receivables from non-related parties | | **8,310** | 1,382 | **-** | - |
| - others | | **2,399** | 1,432 | **104** | 29 |
| Profits from Islamic placements | | **1,752** | 3,343 | **-** | - |
| Profits from Redeemable Unsecured Murabahah Stocks | | **17,469** | 26,457 | **-** | - |
| Gain on disposal of: | | | | | |
| - property, plant and equipment | | **2,212** | 6,082 | **-** | 25 |
| - investment properties | | **-** | 149 | **-** | - |
| - assets held for sale | 40 | **74** | 8,084 | **-** | - |
| Rental income from operating lease | | **24,039** | 22,694 | **14** | 14 |
| Rental income from sub-lease of right-of-use assets | | **135** | 123 | **-** | - |
| Bad debts recovered | | **58** | 231 | **-** | - |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 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 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| Write back of allowance for impairment of: | | | | | |
| - trade and other receivables | 36 | **23,387** | 6,591 | **-** | - |
| - investment in an associate | 30 | **-** | - | **23,872** | - |
| - amounts owing by joint ventures | 31 | **-** | 177 | **-** | - |
| - RCULS | 31 | **56,996** | - | **56,996** | - |
| Reversal of write down of inventories | | | | | |
| - completed buildings | 13 | **19,790** | 24,055 | **-** | - |
| Reversal of impairment of investment properties | 27 | **3,628** | - | **-** | - |
| Fair value gain on: | | | | | |
| - financial assets held for trading | | **22,309** | 18,643 | **12,101** | 7,501 |
| - derivative financial instruments | | **-** | 337 | **-** | - |
| - financial assets at fair value through profit or loss | | **67,006** | - | **67,006** | - |
| Amortisation of government grants | 24(a) | **6,664** | 6,100 | **-** | - |
| Amortisation of deferred income | 28 | **19,609** | 18,625 | **-** | - |
| Gain on disposal of associates | | **-** | 713 | **-** | 2,706 |

## 6 EMPLOYEE BENEFITS COST

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| Wages, salaries and bonus | | **325,730** | 293,280 | **29,523** | 27,408 |
| Defined contribution retirement plan | | **42,884** | 35,880 | **4,328** | 3,329 |
| Defined benefit retirement plan | 23(b) | **166** | 176 | **-** | - |
| Other employee benefits | | **28,332** | 23,082 | **2,970** | 1,708 |
| Share-based payments | | **-** | (2,993) | **-** | (1,203) |
| | | **397,112** | 349,425 | **36,821** | 31,242 |
| Less expenses capitalised into: | | | | | |
| - Construction contract costs | | **(73,284)** | (73,480) | **-** | - |
| | | **323,828** | 275,945 | **36,821** | 31,242 |

## 7 DIRECTORS' REMUNERATION

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Directors of the Company: | | | | |
| Fees | **2,085** | 1,968 | **1,929** | 1,872 |
| Defined contribution retirement plan | **342** | 606 | **342** | 606 |
| Other emoluments | **2,319** | 8,834 | **2,302** | 8,813 |
| Share-based payments | **-** | (168) | **-** | (168) |
| | **4,746** | 11,240 | **4,573** | 11,123 |

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 RM305,000 (2023: RM196,000) and RM305,000 (2023: RM196,000) respectively.

## 8 AUDITORS' REMUNERATION

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Statutory audit: | | | | |
| PricewaterhouseCoopers PLT, Malaysia * | **2,888** | 2,739 | **510** | 521 |
| Other member firms of PricewaterhouseCoopers International Limited * | **443** | 281 | **-** | - |
| Other auditors of subsidiaries | **1,085** | 965 | **-** | - |
| | **4,416** | 3,985 | **510** | 521 |
| Other services: | | | | |
| PricewaterhouseCoopers PLT, Malaysia * | **1,520** | 560 | **944** | 26 |
| Other member firms of PricewaterhouseCoopers International Limited * | **210** | 134 | **-** | - |
| | **1,730** | 694 | **944** | 26 |
| | **6,146** | 4,679 | **1,454** | 547 |

* 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 2024

## 9 FINANCE COST

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| Interest expenses arising from: | | | | | |
| - Advances from subsidiaries | | **-** | - | **880** | 329 |
| - Bank borrowings | | **173,521** | 127,311 | **32,375** | 9,927 |
| - Bonds | | **126,783** | 127,001 | **47,753** | 58,124 |
| - Amortisation of government support loan | | **1,326** | 1,611 | **-** | - |
| - Amortised costs on financial liabilities | | **19,665** | 19,346 | **-** | - |
| - Lease liabilities | | **3,392** | 2,382 | **436** | 436 |
| - Others | | **18,218** | 10,282 | **5,907** | - |
| | | **342,905** | 287,933 | **87,351** | 68,816 |
| Less interest capitalised into: | | | | | |
| - Property development costs | 35(b) | **(35,768)** | (32,361) | **-** | - |
| | | **307,137** | 255,572 | **87,351** | 68,816 |

## 10 INCOME TAX EXPENSE

| | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|
| Current tax: | | | | |
| - Malaysian income tax | **345,103** | 278,823 | **15,718** | 14,196 |
| - Overseas taxation | **1,084** | 17,205 | **-** | - |
| | **346,187** | 296,028 | **15,718** | 14,196 |
| Deferred taxation (Note 20) | **(47,210)** | (24,596) | **(14,697)** | 4,410 |
| | **298,977** | 271,432 | **1,021** | 18,606 |
| Current tax: | | | | |
| - Current year | **327,855** | 262,395 | **15,474** | 14,097 |
| - Benefits from previously unrecognised temporary differences | **(13,706)** | (10,529) | **-** | - |
| - Under accrual in prior years (net) | **32,038** | 44,162 | **244** | 99 |
| | **346,187** | 296,028 | **15,718** | 14,196 |
| Deferred taxation: | | | | |
| - Origination and reversal of temporary differences | **(26,703)** | 3,986 | **(949)** | 4,410 |
| - Over accrual in prior years (net) | **(20,507)** | (28,582) | **(13,748)** | - |
| | **(47,210)** | (24,596) | **(14,697)** | 4,410 |
| | **298,977** | 271,432 | **1,021** | 18,606 |

## 10 INCOME TAX EXPENSE (cont'd)

The explanation of the relationship between income tax expense and profit before taxation is as follows:

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Profit before taxation | **964,169** | 483,028 | **32,257** | 466,225 |
| Tax calculated at the Malaysian tax rate of 24% (2023: 24%) | **231,401** | 115,927 | **7,742** | 111,894 |
| Tax effects of: | | | | |
| - Different tax rates in other countries | **2,927** | (3,180) | **-** | - |
| - Expenses not deductible for tax purposes | **107,609** | 58,651 | **92,696** | 45,645 |
| - Income not subject to tax | **(72,570)** | (5,281) | **(85,913)** | (139,032) |
| - Reversal of deferred tax assets previously recognised and non recognition of deferred tax assets on unused tax losses, investment allowance and unutilised deductible temporary differences | **32,019** | 99,243 | **-** | - |
| - Recognition and utilisation of previously unrecognised tax losses, investment allowance and deductible temporary differences | **(13,706)** | (10,529) | **-** | - |
| - Share of results of associates and joint ventures | **(234)** | 1,021 | **-** | - |
| Under accrual in prior years (net) | **32,038** | 44,162 | **244** | 99 |
| Over accrual of deferred tax in prior years (net) | **(20,507)** | (28,582) | **(13,748)** | - |
| Income tax expense | **298,977** | 271,432 | **1,021** | 18,606 |

There is no tax charge 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 2024

## 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.

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Net profit attributable to owners of the Company | **600,278** | 158,275 |
| | '000 | '000 |
| Weighted average number of ordinary shares in issue | **3,507,797** | 3,521,221 |
| Basic earnings per share (sen) | **17.11** | 4.49 |

### (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 RM600,278,000 (2023: RM158,275,000) by the weighted average number of ordinary shares in issue, adjusted to assume the conversion of all dilutive potential ordinary shares. As at the reporting date, there was no equity instruments which can be converted into any dilutive potential ordinary shares.

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Net profit attributable to owners of the Company | **600,278** | 158,275 |
| | '000 | '000 |
| Weighted average number of ordinary shares in issue | **3,507,797** | 3,521,221 |
| Adjustments for effects of dilution | **-** | - |
| Weighted average number of ordinary shares for diluted earnings per share | **3,507,797** | 3,521,221 |
| Diluted earnings per share (sen) | **17.11** | 4.49 |

## 12 DIVIDENDS

Dividends declared and paid in respect of the current financial year are as follows:

| | The Company | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | 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 | 70,123 | 2.00 | 70,266 |
| Single tier special dividend | 1.00 | * | 2.00 | 70,181 |
| Single tier second interim dividend | 5.00 | * | 4.00 | 140,362 |
| | **8.00** | **70,123** | **8.00** | **280,809** |

* The amount of dividend will be determined based on the number of shareholders entitled to receive the dividend as at 5:00pm on 28 June 2024.

On 29 May 2024, the Directors have declared a single tier second interim dividend and a special dividend in respect of the financial year ended 31 March 2024 of 5.0 sen per share and 1.0 sen respectively per share to be paid on 19 July 2024 to every member who is entitled to receive the dividend as at 5:00pm on 28 June 2024. The second interim dividend and special dividend have not been recognised in the Statement of Changes in Equity as they were 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 2024 (2023: Nil).

## 13 SEGMENTAL REPORTING

Management has determined the operating segments based on the reports reviewed by the Operating Committee ("OpCo") that are used for allocating resources and assessing performance. The OpCo 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/had 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) Infrastructure - Tollway - Tollway operation

(e) Infrastructure - Port - Port operation

Other operations of the Group comprise mainly investment holding and telecommunication.

## 13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the OpCo for the reportable segments for the financial year ended 31 March 2024 is as follows:

| | Construction RM'000 | Property development RM'000 | Manufacturing & quarrying RM'000 | Infrastructure - Toll RM'000 | Infrastructure - Port RM'000 | Investment & others RM'000 | Group RM'000 |
|---|---|---|---|---|---|---|---|
| Revenue: | | | | | | | |
| Total revenue | 2,838,260 | 2,232,436 | 1,275,491 | 623,175 | 470,083 | 274,658 | 7,714,103 |
| Less: Inter-segment revenue | (776,237) | (19,066) | (83,535) | (61) | - | (239,198) | (1,118,097) |
| | 2,062,023 | 2,213,370 | 1,191,956 | 623,114 | 470,083 | 35,460 | 6,596,006 |
| Less: Share of operating revenue of associates and joint ventures | (386,464) | (184,097) | - | (103,562) | (3,069) | - | (677,192) |
| Revenue from external customers * | 1,675,559 | 2,029,273 | 1,191,956 | 519,552 | 467,014 | 35,460 | 5,918,814 |
| Revenue from contract with customers | | | | | | | |
| Timing of revenue recognition: | | | | | | | |
| - At a point in time | 157,331 | 676,680 | 1,136,735 | - | - | - | 1,970,746 |
| - Over time | 1,518,228 | 1,320,790 | 48,046 | 499,825 | 435,879 | 35,155 | 3,857,923 |
| | 1,675,559 | 1,997,470 | 1,184,781 | 499,825 | 435,879 | 35,155 | 5,828,669 |

* Included in revenue from external customers are revenue from contract with customers of RM5,828,669,000 (Note 4(a)).

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.

Toll and port operations were previously reported under infrastructure segment. With effect from this year, these operations have been reported as separate business segments. The corresponding segment information for the preceding financial year are restated accordingly.

## 13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the OpCo for the reportable segments for the financial year ended 31 March 2024 is as follows: (cont'd)

| | Construction RM'000 | Property development RM'000 | Manufacturing & quarrying RM'000 | Infrastructure - Toll RM'000 | Infrastructure - Port RM'000 | Investment & others RM'000 | Group RM'000 |
|---|---|---|---|---|---|---|---|
| Results: | | | | | | | |
| Profit before taxation | 36,809 | 390,966 | 181,789 | 128,308 | 151,387 | 74,910 | 964,169 |
| Depreciation and amortisation (A)* | 11,017 | 18,972 | 50,533 | 149,673 | 68,614 | 2,160 | 300,969 |
| Finance cost (B) | 88,174 | 42,509 | 3,396 | 110,513 | 56,178 | 6,367 | 307,137 |
| Earnings before interest, tax, depreciation and amortisation | 136,000 | 452,447 | 235,718 | 388,494 | 276,179 | 83,437 | 1,572,275 |
| Other than (A) and (B), profit before taxation also includes: | | | | | | | |
| - Interest income | 34,657 | 40,582 | 4,146 | 4,282 | 8,964 | 43,381 | 136,012 |
| - Share of profits/(losses) of associates | 2,577 | (36) | - | (34,076) | 314 | 4 | (31,217) |
| - Share of (losses)/profits of joint ventures | (36) | 29,779 | - | - | - | - | 29,743 |
| - Write down of inventories: | | | | | | | |
| • property development costs (Note 5(a)) | - | (83,714) | - | - | - | - | (83,714) |
| • completed buildings (Note 5(a)) | - | (4,389) | - | - | - | - | (4,389) |
| - Reversal of write down of inventories: | | | | | | | |
| • completed buildings (Note 5(b)) | - | 19,790 | - | - | - | - | 19,790 |

* It comprises depreciation and amortisation of property, plant and equipment, right-of-use assets, investment properties, concession assets and intangible assets, net of amortisation of government grants and deferred income.

## 13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the OpCo for the reportable segments for the financial year ended 31 March 2024 is as follows: (cont'd)

The revenue from external customers reported to the OpCo is measured in a manner consistent with that in the statement of comprehensive income.

Revenue by product and services is disclosed in Note 4(a) to the financial statements.

| | Construction RM'000 | Property development RM'000 | Manufacturing & quarrying RM'000 | Infrastructure - Toll RM'000 | Infrastructure - Port RM'000 | Investment & others RM'000 | Group RM'000 |
|---|---|---|---|---|---|---|---|
| Assets: | | | | | | | |
| Segment assets | **2,439,613** | **10,367,521** | **1,575,126** | **3,706,400** | **2,042,604** | **594,664** | **20,725,928** |
| Unallocated assets: | | | | | | | |
| - Deferred tax assets | | | | | | | **505,433** |
| - Tax recoverable | | | | | | | **83,962** |
| Consolidated total assets | | | | | | | **21,315,323** |
| Segment assets include: | | | | | | | |
| - Investment in associates | **317,635** | **306,390** | **-** | **636,226** | **1,728** | **32** | **1,262,011** |
| - Investment in joint ventures | **805** | **456,529** | **-** | **149,946** | **-** | **-** | **607,280** |
| - Additions to non-current assets* (other than financial instruments and deferred tax assets) | **26,201** | **72,325** | **175,032** | **6,705** | **35,832** | **1,014** | **317,109** |
| Liabilities: | | | | | | | |
| Segment liabilities | **2,675,177** | **3,057,983** | **323,847** | **1,731,244** | **1,226,614** | **415,030** | **9,429,895** |
| Unallocated liabilities: | | | | | | | |
| - Deferred tax liabilities | | | | | | | **485,275** |
| - Current tax liabilities | | | | | | | **81,297** |
| Consolidated total liabilities | | | | | | | **9,996,467** |

* 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 OpCo 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 OpCo for the reportable segments for the financial year ended 31 March 2023 is as follows:

| | Construction RM'000 | Property development RM'000 | Manufacturing & quarrying RM'000 | Infrastructure - Toll RM'000 | Infrastructure - Port RM'000 | Investment & others RM'000 | Group RM'000 |
|---|---|---|---|---|---|---|---|
| Revenue: | | | | | | | |
| Total revenue | 1,895,587 | 1,769,967 | 1,031,462 | 633,339 | 333,045 | 641,527 | 6,304,927 |
| Less: Inter-segment revenue | (572,670) | (27,000) | (28,331) | (267) | - | (641,026) | (1,269,294) |
| | 1,322,917 | 1,742,967 | 1,003,131 | 633,072 | 333,045 | 501 | 5,035,633 |
| Less: Share of operating revenue of associates and joint ventures | (253,011) | (127,752) | (1,244) | (79,887) | (1,254) | - | (463,148) |
| Revenue from external customers * | 1,069,906 | 1,615,215 | 1,001,887 | 553,185 | 331,791 | 501 | 4,572,485 |
| Revenue from contract with customers | | | | | | | |
| Timing of revenue recognition: | | | | | | | |
| - At a point in time | 24,276 | 627,198 | 977,784 | - | - | - | 1,629,258 |
| - Over time | 1,045,630 | 960,656 | 17,869 | 534,383 | 307,408 | 152 | 2,866,098 |
| | 1,069,906 | 1,587,854 | 995,653 | 534,383 | 307,408 | 152 | 4,495,356 |

* Included in revenue from external customers are revenue from contract with customers of RM4,495,356,000 (Note 4(a)).

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 OpCo for the reportable segments for the financial year ended 31 March 2023 is as follows: (cont'd)

| | Construction RM'000 | Property development RM'000 | Manufacturing & quarrying RM'000 | Infrastructure - Toll RM'000 | Infrastructure - Port RM'000 | Investment & others RM'000 | Group RM'000 |
|---|---|---|---|---|---|---|---|
| Results: | | | | | | | |
| Profit/(loss) before taxation | 90,984 | 366,747 | 152,180 | (176,976) | 34,163 | 15,930 | 483,028 |
| Depreciation and amortisation (A)* | 10,373 | 19,007 | 50,316 | 181,715 | 63,946 | 35 | 325,392 |
| Finance cost (B) | 80,054 | 43,432 | 2,837 | 78,359 | 50,890 | - | 255,572 |
| Earnings before interest, tax, depreciation and amortisation | 181,411 | 429,186 | 205,333 | 83,098 | 148,999 | 15,965 | 1,063,992 |
| Other than (A) and (B), profit/(loss) before taxation also includes: | | | | | | | |
| - Interest income | 71,711 | 30,853 | 3,355 | 3,763 | 7,002 | 26,523 | 143,207 |
| - Share of profits/(losses) of associates | 10,119 | 329 | 53 | (27,220) | 91 | 4 | (16,624) |
| - Share of profits of joint ventures | 1,847 | 12,512 | - | - | - | - | 14,359 |
| - Impairment of RUMS (Note 5(a)) | - | - | - | (133,500) | - | - | (133,500) |
| - Write down of inventories: | | | | | | | |
| • property development costs (Note 5(a)) | - | (2,812) | - | - | - | - | (2,812) |
| • completed buildings (Note 5(a)) | - | (1,096) | - | - | - | - | (1,096) |
| - Reversal of write down of inventories: | | | | | | | |
| • completed buildings (Note 5(b)) | - | 24,055 | - | - | - | - | 24,055 |

* It comprises depreciation and amortisation of property, plant and equipment, right-of-use assets, investment properties, concession assets and intangible assets, net of amortisation of government grants and deferred income.

## 13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the OpCo for the reportable segments for the financial year ended 31 March 2023 is as follows: (cont'd)

The revenue from external customers reported to the OpCo is measured in a manner consistent with that in the statement of comprehensive income.

Revenue by product and services is disclosed in Note 4(a) to the financial statements.

| | Construction RM'000 | Property development RM'000 | Manufacturing & quarrying RM'000 | Infrastructure - Toll RM'000 | Infrastructure - Port RM'000 | Investment & others RM'000 | Group RM'000 |
|---|---|---|---|---|---|---|---|
| Assets: | | | | | | | |
| Segment assets | 2,273,542 | 10,121,574 | 1,374,875 | 3,830,648 | 2,050,252 | 297,288 | 19,948,179 |
| Unallocated assets: | | | | | | | |
| - Deferred tax assets | | | | | | | 463,512 |
| - Tax recoverable | | | | | | | 98,904 |
| Consolidated total assets | | | | | | | 20,510,595 |
| Segment assets include: | | | | | | | |
| - Investment in associates | 298,822 | 25,598 | - | 615,061 | 1,414 | 286 | 941,181 |
| - Investment in joint ventures | 771 | 333,134 | - | 216,454 | - | 23 | 550,382 |
| - Additions to non-current assets* (other than financial instruments and deferred tax assets) | 8,334 | 31,761 | 34,237 | 85,971 | 88,257 | 37 | 248,597 |
| Liabilities: | | | | | | | |
| Segment liabilities | 2,396,009 | 3,278,985 | 208,757 | 1,765,138 | 1,322,084 | 873 | 8,971,846 |
| Unallocated liabilities: | | | | | | | |
| - Deferred tax liabilities | | | | | | | 491,158 |
| - Current tax liabilities | | | | | | | 86,521 |
| Consolidated total liabilities | | | | | | | 9,549,525 |

* 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 OpCo 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 2024

## 13 SEGMENTAL REPORTING (cont'd)

Geographical information:

| | Revenue from external customers RM'000 | Non-* current assets RM'000 |
|---|---|---|
| **2024** | | |
| Malaysia | **5,445,752** | **5,225,347** |
| India | **444,597** | **1,298,929** |
| United Kingdom | **28,465** | **67** |
| Other countries | **-** | **36** |
| | **5,918,814** | **6,524,379** |
| **2023** | | |
| Malaysia | 4,144,163 | 5,177,575 |
| India | 421,462 | 1,304,373 |
| United Kingdom | 6,860 | 196 |
| Other countries | - | 36 |
| | 4,572,485 | 6,482,180 |

* 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).

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 AND SHARES HELD UNDER TRUST

### (A) SHARE CAPITAL

| | The Group and the Company | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | 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 2023/2022 | **3,647,567** | **6,132,406** | 3,645,489 | 6,127,731 |
| Issuance of shares arising from: | | | | |
| - Vesting of shares under ESGP | **-** | **-** | 2,078 | 4,675 |
| **At 31 March** | **3,647,567** | **6,132,406** | 3,647,567 | 6,132,406 |

In the preceding financial year, the number of issued and paid-up ordinary shares of the Company was increased from 3,645,488,520 to 3,647,566,120 by way of the issuance of 2,077,600 new ordinary shares arising from the vesting of shares under the Employee Share Grant Plan ("ESGP").

During the financial year, there was no issuance of new ordinary shares.

## 14 SHARE CAPITAL, TREASURY SHARES AND SHARES HELD UNDER TRUST (cont'd)

### (B) TREASURY SHARES

| | The Group and the Company | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Number of shares '000 | Amount RM'000 | Number of shares '000 | Amount RM'000 |
| At 1 April 2023/2022 | **134,664** | **224,912** | 113,330 | 189,939 |
| Share buy back | **6,736** | **10,190** | 21,334 | 34,973 |
| **At 31 March** | **141,400** | **235,102** | 134,664 | 224,912 |

The shareholders of the Company had approved an ordinary resolution at the Annual General Meeting held on 29 August 2023 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 6,735,800 of its ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM10,189,829. The average price paid for the shares purchased was approximately RM1.51 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) SHARES HELD UNDER TRUST

The executive directors and employees could 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 provided funding to the trustee to subscribe for new shares of the Company which were held under a trust and managed by a trustee. Shares issued by the Company under the ETF mechanism were 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 | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| At 1 April 2023/2022 | **1,263** | 1,263 |
| Disposal of shares | **(1,263)** | - |
| **At 31 March** | **-** | 1,263 |

## 15 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.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 15 PERPETUAL SUKUK OF A SUBSIDIARY (cont'd)

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, clarifications or changes in the rating methodology by the Rating Agency resulting in a lower equity credit as compared to its first assigned equity credit or if equity credit is not assigned for the Perpetual Sukuk. ("Rating Event"), or

(iv) the Company ceases to hold more than fifty per cent of voting shares in IJML or when IJML ceases to be a subsidiary of the Company ("Change of Control Event").

(e) The Perpetual Sukuk carries an initial fixed periodic distribution rate 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 3% 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.

## 16 BONDS

| | Unsecured | | | Secured | | | | |
|---|---|---|---|---|---|---|---|---|
| | Sukuk Murabahah (a) RM'000 | Sukuk Murabahah (a) RM'000 | Sukuk Murabahah Notes (b) RM'000 | Debenture (c) RM'000 | Sukuk Murabahah Notes (d) RM'000 | Sukuk Mudharabah Notes (e) RM'000 | Sukuk Wakalah (f) RM'000 | Total RM'000 |
| **The Group** | | | | | | | | |
| **2024** | | | | | | | | |
| At 1 April 2023 | - | - | 1,200,000 | - | 360,000 | 375,000 | 985,000 | 2,920,000 |
| Drawdown during the year | 300,000 | 100,000 | - | 93,792 | - | - | - | 493,792 |
| Redeemed during the year | - | - | (200,000) | (160) | - | (60,000) | (85,000) | (345,160) |
| At 31 March 2024 | 300,000 | 100,000 | 1,000,000 | 93,632 | 360,000 | 315,000 | 900,000 | 3,068,632 |
| Less: | | | | | | | | |
| Transaction cost | (420) | (802) | - | (617) | (1,148) | - | (5,415) | (8,402) |
| Accumulated amortisation | 5 | - | - | 1 | 383 | - | 4,036 | 4,425 |
| | (415) | (802) | - | (616) | (765) | - | (1,379) | (3,977) |
| Exchange differences | - | - | - | 993 | - | - | - | 993 |
| | 299,585 | 99,198 | 1,000,000 | 94,009 | 359,235 | 315,000 | 898,621 | 3,065,648 |
| Less: | | | | | | | | |
| Amount redeemable within 12 months (Note 44) | - | (99,198) | (100,000) | (2,883) | - | (60,000) | (100,000) | (362,081) |
| | 299,585 | - | 900,000 | 91,126 | 359,235 | 255,000 | 798,621 | 2,703,567 |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 16 BONDS (cont'd)

| | Unsecured Sukuk Murabahah Notes (b) RM'000 | Sukuk Murabahah Notes (d) RM'000 | Secured Sukuk Mudharabah Notes (e) RM'000 | Sukuk Wakalah (f) RM'000 | Total RM'000 |
|---|---|---|---|---|---|
| **The Group** | | | | | |
| **2023** | | | | | |
| At 1 April 2022 | 1,500,000 | - | 435,000 | 1,035,000 | 2,970,000 |
| Drawdown during the year | - | 360,000 | - | - | 360,000 |
| Redeemed during the year | (300,000) | - | (60,000) | (50,000) | (410,000) |
| At 31 March 2023 | 1,200,000 | 360,000 | 375,000 | 985,000 | 2,920,000 |
| Less: | | | | | |
| Transaction cost | - | (1,148) | - | (5,415) | (6,563) |
| Accumulated amortisation | - | 153 | - | 3,435 | 3,588 |
| | - | (995) | - | (1,980) | (2,975) |
| | 1,200,000 | 359,005 | 375,000 | 983,020 | 2,917,025 |
| Less: | | | | | |
| Amount redeemable within 12 months (Note 44) | (200,000) | - | (60,000) | (85,000) | (345,000) |
| | 1,000,000 | 359,005 | 315,000 | 898,020 | 2,572,025 |

| | Unsecured Sukuk Murabahah Notes (b) RM'000 | Total RM'000 |
|---|---|---|
| **The Company** | | |
| **2024** | | |
| At 1 April 2023 | **1,200,000** | **1,200,000** |
| Redeemed during the year | **(200,000)** | **(200,000)** |
| **At 31 March 2024** | **1,000,000** | **1,000,000** |
| Less: | | |
| Amount redeemable within 12 months (Note 44) | **(100,000)** | **(100,000)** |
| | **900,000** | **900,000** |
| **2023** | | |
| At 1 April 2022 | 1,500,000 | 1,500,000 |
| Redeemed during the year | (300,000) | (300,000) |
| At 31 March 2023 | 1,200,000 | 1,200,000 |
| Less: | | |
| Amount redeemable within 12 months (Note 44) | (200,000) | (200,000) |
| | 1,000,000 | 1,000,000 |

## 16 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** | | | | | | | | |
| **2024** | | | | | | | | |
| Unsecured | | | | | | | | |
| Sukuk Murabahah | (a) | **299,585** | **-** | **-** | **-** | **-** | **-** | **299,585** |
| Sukuk Murabahah | (a) | **99,198** | **99,198** | **-** | **-** | **-** | **-** | **-** |
| Sukuk Murabahah Notes | (b) | **1,000,000** | **100,000** | **200,000** | **-** | **-** | **200,000** | **500,000** |
| Secured | | | | | | | | |
| Debentures | (c) | **94,009** | **2,883** | **3,872** | **4,851** | **5,831** | **7,791** | **68,781** |
| Sukuk Murabahah Notes | (d) | **359,235** | **-** | **-** | **-** | **359,235** | **-** | **-** |
| Sukuk Mudharabah Notes | (e) | **315,000** | **60,000** | **60,000** | **60,000** | **65,000** | **70,000** | **-** |
| Sukuk Wakalah | (f) | **898,621** | **100,000** | **160,000** | **160,000** | **160,000** | **160,000** | **158,621** |
| | | **3,065,648** | **362,081** | **423,872** | **224,851** | **590,066** | **437,791** | **1,026,987** |
| **2023** | | | | | | | | |
| Unsecured | | | | | | | | |
| Sukuk Murabahah Notes | (b) | 1,200,000 | 200,000 | 100,000 | 200,000 | - | - | 700,000 |
| Secured | | | | | | | | |
| Sukuk Murabahah Notes | (d) | 359,005 | - | - | - | - | 359,005 | - |
| Sukuk Mudharabah Notes | (e) | 375,000 | 60,000 | 60,000 | 60,000 | 60,000 | 65,000 | 70,000 |
| Sukuk Wakalah | (f) | 983,020 | 85,000 | 100,000 | 160,000 | 225,000 | 255,000 | 158,020 |
| | | 2,917,025 | 345,000 | 260,000 | 420,000 | 285,000 | 679,005 | 928,020 |
| **The Company** | | | | | | | | |
| Unsecured | | | | | | | | |
| Sukuk Murabahah Notes | (b) | | | | | | | |
| **2024** | | **1,000,000** | **100,000** | **200,000** | **-** | **-** | **200,000** | **500,000** |
| **2023** | | 1,200,000 | 200,000 | 100,000 | 200,000 | - | - | 700,000 |

## 16 BONDS (cont'd)

B. Principal features of Bonds

(a) Sukuk Murabahah

Pursuant to resolutions of the Board of Directors passed on 12 July 2023 and 15 November 2023 respectively, IJM Treasury Management Sdn Bhd ("IJM TM"), a wholly-owned subsidiary of the Company, established an Islamic commercial papers ("ICP") programme ("ICP Programme") and an Islamic medium term notes ("IMTN") programme ("IMTN Programme") with a combined aggregate limit of up to RM5.0 billion in nominal value, based on the Shariah principle of Murabahah (via Tawarruq arrangement) with corporate guarantee from the Company. The ICP and the IMTN shall collectively, be referred to as "Sukuk Murabahah" and the ICP Programme and the IMTN Programme shall be referred to as "Sukuk Murabahah Programmes".

The Sukuk Murabahah Programmes contain covenants which require the Group to maintain its consolidated gearing ratio of not more than 1.25 times.

On 21 March 2024, IJM TM issued:

(i) First IMTN of RM300 million in nominal value carrying a profit rate of 4.40% per annum, repayable in full 15 years after the issue date; and

(ii) First ICP of RM100 million in nominal value, at discount rate of 3.66% per annum, repayable in full 90 days from the issue date.

The tenure of the IMTN Programme shall be perpetual. The tenure of each IMTN shall be at least one (1) year from the date of issuance.

The tenure of the ICP Programme shall be seven (7) years from the date of the first (1st) issuance of the ICP under the ICP Programme. The tenure of each ICP shall be at least one (1) month and up to twelve (12) months from the date of issuance.

(b) 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. This tranche was fully repaid in the previous financial years.

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. In the preceding financial year, RM300,000,000 was repaid on 10 June 2022.

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. During the financial year, RM200,000,000 was repaid on 2 June 2023.

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.

## 16 BONDS (cont'd)

B. Principal features of Bonds (cont'd)

(b) Sukuk Murabahah Notes (cont'd)

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 2024, the profit rate of the Sukuk is 4.60% (2023: 4.61%) per annum.

(c) Debentures

(i) On 22 March 2024, Dewas Bypass Tollway Private Limited ("DBTPL") ("issuer"), an indirect subsidiary of the Company issued a secured, redeemable, non-convertible debentures ("Debentures") of up to RM93,792,000 in nominal value to be fully redeemed before 31 March 2035. It is repayable in 133 varying monthly instalments, commencing at the end of month after the issue date.

As at 31 March 2024, the coupon rate is 9.15% per annum.

(ii) The Debentures are secured by the following:

- a first ranking pari passu charge by way of hypothecation over all the issuer's fixed assets, moveable assets (as defined in the concession agreement), uncalled and current assets, both present and future, save and except the project assets, and all the bank accounts of issuer;
- all intangible assets of the issuer;
- a first ranking pari passu charge / assignment by way of security over all the right, title, interest, benefits, claims and demands whatsoever of the issuer in, to and under:
  - all the project agreements;
  - all the clearances;
  - any letter of credit, guarantee, performance bond including contractor guarantees, consent agreements, side letters, liquidated damages, performance bonds or any other security under any project agreement;
  - all insurance contracts and proceeds;
- a first ranking pari passu charge by way of pledge of equity shares of the issuer;
- a first charge on termination payments under the concession agreement;
- a Promoter Support Agreement by issuer; and
- a Sponsor Support Agreement by the Company.

(iii) The issuer shall maintain a debt service cover ratio greater than 1.15 times.

## 16 BONDS (cont'd)

B. Principal features of Bonds (cont'd)

(d) Sukuk Murabahah Notes

(i) On 18 July 2022, Fairview Valley Sdn Bhd ("Issuer"), an indirect subsidiary of the Company entered into a subscription agreement with CIMB ("Subscriber") for the inaugural RM360 million nominal value Sukuk Murabahah ("Programme").

On 26 August 2022, FVSB (Issuer) made its first issuance pursuant to the Programme for the amount of RM360,000,000 at nominal value. Sukuk Murabahah's interest rate is the Subscriber's cost of fund plus 1% per annum and profit payment by monthly.

As at 31 March 2024, the profit rate of the Sukuk is 4.84% (2023: 4.42%) per annum.

(ii) The Sukuk is secured by the following:

- First legal charge by the Issuer over the land held under Geran 79869, Lot 20042 Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur, including the building known as "Menara Prudential" and all other buildings and fixtures erected or to be erected thereon (Note 27);
- A charge and assignment by the Issuer over the Designated Accounts and the credit balances therein and the permitted investments;
- Assignment overall all rights, interest and benefits over the sales and purchase agreement entered or to be entered into in relation to the disposal of the Security Property or any parts thereof, if any, including all amount payable to the Issuer thereunder;
- Assignment over all rights, interest and benefits over the Lease/Tenancy Agreement(s) including all amounts and deposit payable to the Issuer thereunder; and
- Irrevocable and unconditional letter of undertaking from IJM Corporation Berhad to undertake to ensure and procure that the Issuer shall (i) keep maintain the Security Property in good state of repair and proper working order, (ii) maintain in full force and effect and promptly renew from time to time and comply with all relevant authorisations, consents, rights, licenses, approvals and permits to enable it to own its assets and carry on its business and (iii) carry out its business and affairs with diligence in a proper and efficient manner and in accordance with sound commercial and business standards and practices so as to be in a position at all times to meet all its obligations and liabilities (financial or otherwise) including but not limited to the obligations under the Transaction Documents and the Lease/Tenancy Agreement(s).

(e) Sukuk Mudharabah Notes

(i) An indirect 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. In the preceding financial year, RM60,000,000 was repaid on 28 July 2022.

During the financial year, RM60,000,000 was repaid on 25 July 2023.

As at 31 March 2024, the profit rate of the Sukuk is 5.21% (2023: 5.17%) per annum.

(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;

## 16 BONDS (cont'd)

B. Principal features of Bonds (cont'd)

(e) Sukuk Mudharabah Notes (cont'd)

(ii) The Sukuk is secured by the following: (cont'd)

- 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.

(f) 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 4.74% to 4.94% (2023: 3.18% to 4.92%) per annum. It is repayable in 8 varying 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 4.74% to 4.95% (2023: 3.25% to 4.93%) per annum. It is repayable in 8 varying 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 4.72% to 4.96% (2023: 3.28% to 4.94%) per annum. It is repayable in 9 varying 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 4.71% to 4.92% (2023: 3.27% to 4.93%) per annum. It is repayable in 10 varying 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 ranging from 4.69% to 4.90% (2023: 3.25% to 4.91%) per annum. It is repayable in 11 varying annual instalments, commencing 4 years after the issue date.

In the preceding financial year, RM50,000,000 was repaid on 28 April 2022.

During the financial year, RM85,000,000 was repaid on 28 April 2023. As at 31 March 2024, the profit rate of the Sukuk is 4.85% (2023: 4.90%) per annum.

On 9 November, KPC had obtained approval to extend the maturity dates for the second and third issuance by a period of 3 months from the original maturity dates. All other terms and conditions as stipulated in the Sukuk Wakalah Programme remain unchanged.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 16 BONDS (cont'd)

B. Principal features of Bonds (cont'd)

(f) 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.

(iii) The Sukuk Wakalah contains covenants which require KPC to maintain its finance to equity ratio of not more than 4.0 times, finance service cover ratio of more than 1.25 times at all times and post-dividend finance service cover ratio of more than 1.5 times.

## 17 TERM LOANS

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| Current: | | | | | |
| Secured | 44 | **37,263** | 153,513 | **-** | - |
| Unsecured | 44 | **473,121** | 429,587 | **189,480** | 172,146 |
| | | **510,384** | 583,100 | **189,480** | 172,146 |
| Non-current: | | | | | |
| Secured | | **1,048,206** | 1,050,920 | **-** | - |
| Unsecured | | **40,000** | 6,905 | **-** | - |
| | | **1,088,206** | 1,057,825 | **-** | - |
| | | **1,598,590** | 1,640,925 | **189,480** | 172,146 |

A. Currency profile of term loans

The currency exposure profile of term loans is as follows:

| | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|
| United States Dollar | **922,179** | 871,376 | **189,480** | 172,146 |

## 17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows:

| The Group | Effective interest rate as at year end % p.a | Total carrying amount RM'000 | Currency | Note | Floating interest rate < 1 year RM'000 | 1-2 years RM'000 | 2-3 years RM'000 | 3-4 years RM'000 | 4-5 years RM'000 | > 5 years RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **2024** | | | | | | | | | | |
| Secured | | | | | | | | | | |
| Term loan 1 | 4.7 | **191,323** | RM | (a) | **-** | **-** | **43,351** | **50,000** | **50,000** | **47,972** |
| Term loan 2 | 9.5 | **28,203** | INR | (b) | **877** | **1,170** | **1,463** | **1,755** | **2,340** | **20,598** |
| Term loan 3 | 5.1 | **56,169** | RM | (c) | **-** | **6,335** | **49,834** | **-** | **-** | **-** |
| Term loan 4 | 4.7 | **2,434** | RM | (d) | **79** | **83** | **87** | **91** | **95** | **1,999** |
| Term loan 5 | 7.5 | **732,699** | USD | (e) | **26,520** | **36,370** | **669,809** | **-** | **-** | **-** |
| Term loan 6 | 5.1 | **7,225** | RM | (f) | **1,500** | **3,000** | **2,725** | **-** | **-** | **-** |
| Term loan 7 | 5.1 | **66,529** | RM | (g) | **7,400** | **7,400** | **51,729** | **-** | **-** | **-** |
| Term loan 8 | 5.1 | **887** | RM | (h) | **887** | **-** | **-** | **-** | **-** | **-** |
| | | **1,085,469** | | | **37,263** | **54,358** | **818,998** | **51,846** | **52,435** | **70,569** |
| Unsecured | | | | | | | | | | |
| Term loan 15 | 6.5 | **94,740** | USD | | **94,740** | **-** | **-** | **-** | **-** | **-** |
| Term loan 16 | 6.6 | **94,740** | USD | | **94,740** | **-** | **-** | **-** | **-** | **-** |
| Term loan 17 | 4.7 | **60,000** | RM | | **20,000** | **20,000** | **20,000** | **-** | **-** | **-** |
| Term loan 18 | 4.7 | **6,905** | RM | | **6,905** | **-** | **-** | **-** | **-** | **-** |
| Term loan 19 | 9.0 | **23,004** | INR | | **23,004** | **-** | **-** | **-** | **-** | **-** |
| Term loan 20 | 8.9 | **214,704** | INR | | **214,704** | **-** | **-** | **-** | **-** | **-** |
| Term loan 21 | 9.0 | **19,028** | INR | | **19,028** | **-** | **-** | **-** | **-** | **-** |
| | | **513,121** | | | **473,121** | **20,000** | **20,000** | **-** | **-** | **-** |
| Total term loans | | **1,598,590** | | | **510,384** | **74,358** | **838,998** | **51,846** | **52,435** | **70,569** |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

| The Group | Effective interest rate as at year end % p.a | Total carrying amount RM'000 | Currency | Note | Floating interest rate < 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 |
|---|---|---|---|---|---|---|---|---|---|---|
| **2023** | | | | | | | | | | |
| Secured | | | | | | | | | | |
| Term loan 3 | 4.8 | 72,250 | RM | (c) | 7,400 | 7,400 | 7,400 | 50,050 | - | - |
| Term loan 4 | 4.4 | 2,618 | RM | (d) | 75 | 79 | 82 | 86 | 89 | 2,207 |
| Term loan 5 | 7.5 | 699,230 | USD | (e) | 14,862 | 24,770 | 33,971 | 625,627 | - | - |
| Term loan 6 | 4.8 | 6,943 | RM | (f) | - | - | 3,000 | 3,000 | 943 | - |
| Term loan 7 | 4.8 | 73,858 | RM | (g) | 7,400 | 7,400 | 7,400 | 51,658 | - | - |
| Term loan 8 | 4.8 | 2,115 | RM | (h) | 1,190 | 925 | - | - | - | - |
| Term loan 9 | 4.4 | 9,558 | RM | (i) | 9,558 | - | - | - | - | - |
| Term loan 10 | 10.2 | 118,459 | INR | (j) | 2,111 | 3,317 | 4,524 | 5,730 | 6,936 | 95,841 |
| Term loan 11 | 4.9 | 118,485 | RM | (k) | 10,000 | 10,000 | 20,000 | 20,000 | 58,485 | - |
| Term loan 12 | 5.7 | 44,363 | RM | (l) | 44,363 | - | - | - | - | - |
| Term loan 13 | 5.2 | 31,578 | RM | (m) | 31,578 | - | - | - | - | - |
| Term loan 14 | 4.3 | 24,976 | RM | (n) | 24,976 | - | - | - | - | - |
| | | 1,204,433 | | | 153,513 | 53,891 | 76,377 | 756,151 | 66,453 | 98,048 |
| Unsecured | | | | | | | | | | |
| Term loan 15 | 5.6 | 88,280 | USD | | 88,280 | - | - | - | - | - |
| Term loan 16 | 5.9 | 50,761 | USD | | 50,761 | - | - | - | - | - |
| Term loan 18 | 4.8 | 26,905 | RM | | 20,000 | 6,905 | - | - | - | - |
| Term loan 19 | 8.9 | 6,725 | INR | | 6,725 | - | - | - | - | - |
| Term loan 20 | 8.7 | 205,516 | INR | | 205,516 | - | - | - | - | - |
| Term loan 21 | 8.8 | 17,216 | INR | | 17,216 | - | - | - | - | - |
| Term loan 22 | 5.9 | 22,070 | USD | | 22,070 | - | - | - | - | - |
| Term loan 23 | 6.6 | 11,035 | USD | | 11,035 | - | - | - | - | - |
| Term loan 24 | 3.5 | 7,984 | RM | | 7,984 | - | - | - | - | - |
| | | 436,492 | | | 429,587 | 6,905 | - | - | - | - |
| Total term loans | | 1,640,925 | | | 583,100 | 60,796 | 76,377 | 756,151 | 66,453 | 98,048 |

## 17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

| The Company | Effective interest rate as at year end % p.a | Total carrying amount RM'000 | Currency | Floating interest rate < 1 year RM'000 | 1-2 years RM'000 | 2-3 years RM'000 | 3-4 years RM'000 | 4-5 years RM'000 | > 5 years RM'000 |
|---|---|---|---|---|---|---|---|---|---|
| **2024** | | | | | | | | | |
| Unsecured | | | | | | | | | |
| Term loan 15 | 6.5 | **94,740** | USD | **94,740** | - | - | - | - | - |
| Term loan 16 | 6.6 | **94,740** | USD | **94,740** | - | - | - | - | - |
| | | **189,480** | | **189,480** | - | - | - | - | - |
| **2023** | | | | | | | | | |
| Unsecured | | | | | | | | | |
| Term loan 15 | 5.6 | 88,280 | USD | 88,280 | - | - | - | - | - |
| Term loan 16 | 6.6 | 11,035 | USD | 11,035 | - | - | - | - | - |
| Term loan 22 | 5.9 | 22,070 | USD | 22,070 | - | - | - | - | - |
| Term loan 23 | 5.9 | 50,761 | USD | 50,761 | - | - | - | - | - |
| | | 172,146 | | 172,146 | - | - | - | - | - |

C. Principal features of secured term loans

(a) Term loan 1 of RM191,323,000 (2023: RM NIL) is secured by way of:

(i) an all monies facility agreement;

(ii) an all monies third party second legal charge over the leasehold land of a subsidiary of IJML (Note 35); and

(iii) an all monies corporate guarantee by IJM Land Berhad ("IJML"), a subsidiary of the Company.

(b) Term loan 2 of RM28,203,000 (2023: RM NIL) is secured by way of:

(i) a first ranking pari passu charge by way of hypothecation over all the fixed assets, moveable assets (as defined in the concession agreement), uncalled and current assets, both present and future, save and except the project assets, and all the bank accounts of the an Indian tollway subsidiary of the Company ("company");

(ii) all intangible assets of the company;

(iii) a first ranking pari passu charge / assignment by way of security over all the right, title, interest, benefits, claims and demands whatsoever of the company in, to and under:

- all the project agreements;
- all the clearances;
- any letter of credit, guarantee, performance bond including contractor guarantees, consent agreements, side letters, liquidated damages, performance bonds or any other security under any project agreement;
- all insurance contracts and proceeds;

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 17 TERM LOANS (cont'd)

C. Principal features of secured term loans (cont'd)

(b) Term loan 2 of RM28,203,000 (2023: RM NIL) is secured by way of: (cont'd)

(iv) a first ranking pari passu charge by way of pledge of equity shares of the company;

(v) a first charge on termination payments under the concession agreement;

(vi) a Promoter Support Agreement by an indirect subsidiary, IJM Dewas (Mauritius) Limited; and

(vii) a Sponsor Support Agreement by the Company.

(c) Term loan 3 of RM56,169,000 (2023: RM72,250,000) 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 certain subsidiaries of IJML (Notes 26 and 35); and

(iii) a corporate guarantee by IJML.

(d) Term loan 4 of RM2,434,000 (2023: RM2,618,000) is secured by way of:

(i) a first party open charge over the lands and buildings of a subsidiary of Globalcomm Solutions Sdn Bhd ("GSSB"), which is 60% held by the Company; and

(ii) joint and several guarantee by shareholders of the subsidiary of GSSB.

(e) Term loan 5 of RM732,699,000 (2023: RM699,230,000) 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;

(v) 51% equity shares of the company; and

(vi) a corporate guarantee by the Company.

(f) Term loan 6 of RM7,225,000 (2023: RM6,943,000) and revolving credit of RM9,737,000 (2023: RM9,737,000) (Note 44(A)(a)) 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 35); and

(iii) a corporate guarantee by IJML.

(g) Term loan 7 of RM66,529,000 (2023: RM73,858,000) and revolving credit of RM18,800,000 (2023: RM100,000,000) (Note 44(A)(b)) 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 35); and

(iii) a corporate guarantee by IJML.

(h) Term loan 8 of RM887,000 (2023: RM2,115,000) 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 35); and

(iii) a corporate guarantee by IJML.

## 17 TERM LOANS (cont'd)

C. Principal features of secured term loans (cont'd)

(i) Term loan 9 of RM NIL (2023: RM9,558,000) was 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 35); and

(ii) a corporate guarantee by IJML.

The loan was fully repaid during the financial year.

(j) Term loan 10 of RM NIL (2023: RM118,459,000) was 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.

The loan was fully repaid during the financial year.

(k) Term loan 11 of RM NIL (2023: RM118,485,000) was 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 35); and

(iii) a corporate guarantee by IJML.

The loan was fully repaid during the financial year.

(l) Term Loan 12 of RM NIL (2023: RM44,363,000) was secured by way of:

(i) a facility agreement for the sum of RM132,000,000;

(ii) a first party legal charge over a leasehold commercial land of a subsidiary of IJML (Note 35);

(iii) an assignment over the current and future proceeds of a subsidiary of IJML;

(iv) an assignment over Contractor's All Risk Insurance (if any) in relation to the pledged commercial land;

(v) a Deed of subordination of shareholders' present and future advances;

(vi) a legal charge over the sales proceeds of the Security Land of a subsidiary of IJML (Note 39); and

(vii) a corporate guarantee from IJML and a corporate shareholder of a subsidiary.

The loan was fully repaid during the financial year.

(m) Term loan 13 of RM NIL (2023: RM31,578,000) was 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 IJML;

(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 (Note 39); and

(v) a corporate guarantee by IJML.

The loan was fully repaid during the financial year.

(n) Term loan 14 of RM NIL (2023: RM24,976,000) was 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 certain subsidiaries of IJML (Note 35); and

(iii) a corporate guarantee by IJML.

The loan was fully repaid during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 18 GOVERNMENT SUPPORT LOAN

| | The Group | |
|---|---|---|
| | 2024 | 2023 |
| | RM'000 | RM'000 |
| Government Support Loan | **18,585** | 31,059 |
| Less: Payable within 12 months (Note 41) | **(9,930)** | (9,930) |
| | **8,655** | 21,129 |

A. Maturity profile of Government Support Loan

| | 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 |
|---|---|---|---|---|---|---|---|
| **2024** | | | | | | | |
| Government Support Loan | **18,585** | **9,930** | **8,655** | **-** | **-** | **-** | **-** |
| **2023** | | | | | | | |
| Government Support Loan | 31,059 | 9,930 | 9,600 | 9,281 | 2,248 | - | - |

B. Principal features of Government Support Loan

The principal features of the Government Support Loan of a subsidiary of Road Builder (M) Holdings Bhd ("RBH"), a subsidiary of the Company, are as follows:

The Government Support Loan 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 variable yearly instalments, which are interest-free.

The Government Support Loan is secured by a negative pledge and by a deed of assignment over:

(i) the balance of the revenue from the scheduled leases, tenancies and new sub leases and tenancies granted after the commencement date of the Privatisation Agreement after deducting the amounts payable to the Kuantan Port Authority; and

(ii) all other revenue received from the Kuantan port operations.

## 19 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 1 to 31 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 3 to 5 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 | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Non-current: | | | | |
| Lease liabilities | **62,172** | 52,440 | **15,619** | 8,016 |
| Current: | | | | |
| Lease liabilities | **17,724** | 18,410 | **1,260** | 1,710 |
| Total lease liabilities | **79,896** | 70,850 | **16,879** | 9,726 |

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).

During the financial year, total cash outflow for the leases (including low valued assets or short term leases) for the Group and the Company amounted to RM33,694,000 (2023: RM24,896,000) and RM2,128,000 (2023: RM2,125,000) 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 | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Less than 1 year | **56,557** | 56,934 |
| Between 1 and 2 years | **52,858** | 56,659 |
| Between 2 and 3 years | **48,078** | 53,459 |
| Between 3 and 4 years | **45,478** | 49,065 |
| Between 4 and 5 years | **32,416** | 46,639 |
| More than 5 years | **191,833** | 216,521 |
| Total undiscounted lease payments | **427,220** | 479,277 |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 20 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 | |
|---|---|---|---|---|
| | 2024<br>RM'000 | 2023<br>RM'000 | 2024<br>RM'000 | 2023<br>RM'000 |
| Deferred tax assets | **505,433** | 463,512 | **27,350** | 12,653 |
| Deferred tax liabilities | **(485,275)** | (491,158) | **-** | - |
| | **20,158** | (27,646) | **27,350** | 12,653 |
| At 1 April 2023/2022 | **(27,646)** | (50,944) | **12,653** | 17,063 |
| Credited/(charged) to income statement (Note 10) | | | | |
| - Property, plant and equipment | **(24)** | (3,419) | **5** | (37) |
| - Concession assets | **6,808** | 6,918 | **-** | - |
| - Right-of-use assets | **615** | 10,392 | **430** | 433 |
| - Post–employment benefit | **40** | (61) | **-** | - |
| - Intangible assets | **3,281** | 144 | **-** | - |
| - Tax losses | **6,304** | 11,739 | **-** | - |
| - Payables | **(18,864)** | (34,085) | **919** | (407) |
| - Inventories | **7,328** | 39,371 | **-** | - |
| - Construction contracts | **7,072** | 10,631 | **-** | - |
| - Borrowings | **318** | 387 | **-** | - |
| - Lease liabilities | **(483)** | (9,362) | **(405)** | (405) |
| - Investment properties | **2,559** | 2,539 | **-** | - |
| - Derivative financial instruments | **-** | (81) | **-** | - |
| - Receivables | **16,747** | (5,491) | **13,748** | (3,994) |
| - Share-based payment | **-** | (9,305) | **-** | - |
| - Contract assets/liabilities | **31,328** | (8,397) | **-** | - |
| - Associates | **-** | 17,866 | **-** | - |
| - Investment allowance | **(15,808)** | (5,220) | **-** | - |
| - Others | **(11)** | 30 | **-** | - |
| | **47,210** | 24,596 | **14,697** | (4,410) |
| Exchange differences | **594** | (344) | **-** | - |
| Acquisition of a subsidiary (Note 46(a)(i)) | **-** | (954) | **-** | - |
| **At 31 March** | **20,158** | (27,646) | **27,350** | 12,653 |

## 20 DEFERRED TAXATION (cont'd)

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Subject to income tax | | | | |
| Deferred tax assets (before offsetting) | | | | |
| - Property, plant and equipment | **511** | 903 | **-** | - |
| - Inventories | **238,030** | 238,491 | **-** | - |
| - Post-employment benefit | **498** | 458 | **-** | - |
| - Payables | **130,362** | 149,718 | **1,728** | 809 |
| - Tax losses | **54,268** | 47,411 | **-** | - |
| - Construction contracts | **36,688** | 29,616 | **-** | - |
| - Borrowings | **108** | 108 | **-** | - |
| - Right-of-use assets | **15,265** | 14,650 | **2,174** | 1,744 |
| - Investment properties | **11,325** | 8,601 | **-** | - |
| - Concession assets | **7,000** | 6,795 | **-** | - |
| - Receivables | **35,578** | 20,133 | **25,778** | 12,030 |
| - Contract liabilities | **32,185** | 857 | **-** | - |
| - Investment allowance | **59,496** | 75,304 | **-** | - |
| - Others | **1,357** | 1,351 | **-** | - |
| | **622,671** | 594,396 | **29,680** | 14,583 |
| Offsetting | **(117,238)** | (130,884) | **(2,330)** | (1,930) |
| Deferred tax assets (after offsetting) | **505,433** | 463,512 | **27,350** | 12,653 |
| Deferred tax liabilities (before offsetting) | | | | |
| - Property, plant and equipment | **(142,280)** | (142,578) | **(305)** | (310) |
| - Intangible assets | **(844)** | (4,125) | **-** | - |
| - Borrowings | **(531)** | (849) | **-** | - |
| - Lease liabilities | **(14,646)** | (14,163) | **(2,025)** | (1,620) |
| - Inventories | **(160,501)** | (168,290) | **-** | - |
| - Payables | **(9,540)** | (10,032) | **-** | - |
| - Concession assets | **(262,374)** | (269,088) | **-** | - |
| - Investment properties | **(7,139)** | (6,974) | **-** | - |
| - Receivables | **(5,259)** | (6,561) | **-** | - |
| - Others | **601** | 618 | **-** | - |
| | **(602,513)** | (622,042) | **(2,330)** | (1,930) |
| Offsetting | **117,238** | 130,884 | **2,330** | 1,930 |
| Deferred tax liabilities (after offsetting) | **(485,275)** | (491,158) | **-** | - |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 20 DEFERRED TAXATION (cont'd)

The amounts of unutilised deductible temporary differences, unutilised investment allowance 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 | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Unutilised deductible temporary differences | **403,474** | 395,672 | **-** | - |
| Unutilised investment allowance | **96,149** | 144,025 | **-** | - |
| Unused tax losses | **1,030,000** | 903,555 | **-** | - |
| | **1,529,623** | 1,443,252 | **-** | - |

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 RM1,030,000,000 and RM96,149,000 (2023: RM903,555,000 and RM144,025,000) respectively will expire in the following financial years:

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Financial year | | |
| 2024 | **-** | 12,635 |
| 2025 | **19,565** | 18,536 |
| 2026 | **34,825** | 33,581 |
| 2027 | **124,846** | 171,296 |
| 2028 | **334,130** | 339,513 |
| 2029 | **81,402** | 79,542 |
| 2030 | **88,478** | 85,040 |
| 2031 | **217,364** | 208,253 |
| 2032 | **55,341** | 39,652 |
| 2033 | **58,918** | 59,532 |
| 2034 | **111,280** | - |
| | **1,126,149** | 1,047,580 |

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.

## 21 FINANCIAL INSTRUMENTS BY CATEGORY

| | 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 |
|---|---|---|---|---|---|
| The Group | | | | | |
| At 31 March 2024 | | | | | |
| Assets as per statement of financial position: | | | | | |
| Non-current assets: | | | | | |
| Associates* | 30 | **504,919** | **18,738** | **-** | **523,657** |
| Joint ventures** | 31 | **510,280** | **-** | **-** | **510,280** |
| Financial assets at fair value through other comprehensive income | 32 | **-** | **-** | **2,155** | **2,155** |
| Long term receivables*** | 33 | **132,640** | **-** | **-** | **132,640** |
| Financial assets at fair value through profit or loss | 38 | **-** | **67,006** | **-** | **67,006** |
| Current assets: | | | | | |
| Trade and other receivables**** | 36 | **1,699,621** | **-** | **-** | **1,699,621** |
| Financial assets at fair value through profit or loss | 38 | **-** | **657,937** | **-** | **657,937** |
| Deposits, cash and bank balances | 39 | **2,870,389** | **-** | **-** | **2,870,389** |
| Total | | **5,717,849** | **743,681** | **2,155** | **6,463,685** |

| | Note | Other financial liabilities at amortised costs RM'000 | Total RM'000 |
|---|---|---|---|
| Liabilities as per statement of financial position: | | | |
| Non-current liabilities: | | | |
| Bonds | 16 | **2,703,567** | **2,703,567** |
| Term loans | 17 | **1,088,206** | **1,088,206** |
| Government support loan | 18 | **8,655** | **8,655** |
| Trade and other payables | 22 | **374,985** | **374,985** |
| Current liabilities: | | | |
| Trade and other payables***** | 41 | **2,753,587** | **2,753,587** |
| Borrowings | 44 | **1,723,940** | **1,723,940** |
| Total | | **8,652,940** | **8,652,940** |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 21 FINANCIAL INSTRUMENTS BY CATEGORY (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 |
|---|---|---|---|---|---|
| The Group (cont'd) | | | | | |
| At 31 March 2023 | | | | | |
| Assets as per statement of financial position: | | | | | |
| Non-current assets: | | | | | |
| Associates* | 30 | 264,928 | - | - | 264,928 |
| Joint ventures** | 31 | 323,347 | 157,540 | - | 480,887 |
| Financial assets at fair value through other comprehensive income | 32 | - | - | 3,665 | 3,665 |
| Long term receivables*** | 33 | 233,199 | - | - | 233,199 |
| Current assets: | | | | | |
| Trade and other receivables**** | 36 | 1,213,808 | - | - | 1,213,808 |
| Financial assets at fair value through profit or loss | 38 | - | 541,934 | - | 541,934 |
| Deposits, cash and bank balances | 39 | 2,825,163 | - | - | 2,825,163 |
| Total | | 4,860,445 | 699,474 | 3,665 | 5,563,584 |

| | Note | Other financial liabilities at amortised costs RM'000 | Total RM'000 |
|---|---|---|---|
| Liabilities as per statement of financial position: | | | |
| Non-current liabilities: | | | |
| Bonds | 16 | 2,572,025 | 2,572,025 |
| Term loans | 17 | 1,057,825 | 1,057,825 |
| Government support loan | 18 | 21,129 | 21,129 |
| Trade and other payables | 22 | 293,503 | 293,503 |
| Current liabilities: | | | |
| Trade and other payables***** | 41 | 2,674,917 | 2,674,917 |
| Borrowings | 44 | 1,703,933 | 1,703,933 |
| Total | | 8,323,332 | 8,323,332 |

## 21 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

The Group (cont'd)

* Associates comprise Redeemable Unsecured Murabahah Stocks ("RUMS"), amount owing by an associate and redeemable preference shares ("RPS") of MCKILP Development Sdn Bhd (2023: RUMS and amount owing by an associate).

** Joint ventures comprise Redeemable Convertible Unsecured Loan Stocks ("RCULS"), RCSIDS Deferred Payment and amounts owing by joint ventures (2023: RCULS, Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS") and amounts owing by joint ventures).

*** Long term receivables exclude prepayments.

**** Trade and other receivables exclude prepayments, GST receivables and costs to secure contracts.

***** Trade and other payables exclude retirement benefits payable and GST payables.

| | 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 |
|---|---|---|---|---|---|
| The Company | | | | | |
| At 31 March 2024 | | | | | |
| Assets as per statement of financial position: | | | | | |
| Non-current assets: | | | | | |
| Subsidiaries* | 29 | **500,558** | **-** | **-** | **500,558** |
| Joint ventures** | 31 | **149,923** | **-** | **-** | **149,923** |
| Financial assets at fair value through other comprehensive income | 32 | **-** | **-** | **2,050** | **2,050** |
| Financial assets at fair value through profit or loss | 38 | **-** | **67,006** | **-** | **67,006** |
| Current assets: | | | | | |
| Trade and other receivables*** | 36 | **491,660** | **-** | **-** | **491,660** |
| Financial assets at fair value through profit or loss | 38 | **-** | **388,031** | **-** | **388,031** |
| Deposits, cash and bank balances | 39 | **520,508** | **-** | **-** | **520,508** |
| Total | | **1,662,649** | **455,037** | **2,050** | **2,119,736** |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 21 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

| | Note | Other financial liabilities at amortised costs RM'000 | Total RM'000 |
|---|---|---|---|
| The Company (cont'd) | | | |
| At 31 March 2024 (cont'd) | | | |
| Liabilities as per statement of financial position: | | | |
| Non-current liabilities: | | | |
| Bonds | 16 | **900,000** | **900,000** |
| Trade and other payables | 22 | **3,878** | **3,878** |
| Current liabilities: | | | |
| Trade and other payables | 41 | **64,991** | **64,991** |
| Borrowings | 44 | **845,449** | **845,449** |
| Total | | **1,814,318** | **1,814,318** |

| | 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 |
|---|---|---|---|---|---|
| The Company | | | | | |
| At 31 March 2023 | | | | | |
| Assets as per statement of financial position: | | | | | |
| Non-current assets: | | | | | |
| Subsidiaries* | 29 | 871,197 | - | - | 871,197 |
| Joint ventures** | 31 | 57,756 | 157,540 | - | 215,296 |
| Financial assets at fair value through other comprehensive income | 32 | - | - | 2,050 | 2,050 |
| Current assets: | | | | | |
| Trade and other receivables*** | 36 | 395,607 | - | - | 395,607 |
| Financial assets at fair value through profit or loss | 38 | - | 279,877 | - | 279,877 |
| Deposits, cash and bank balances | 39 | 656,857 | - | - | 656,857 |
| Total | | 1,981,417 | 437,417 | 2,050 | 2,420,884 |

## 21 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

| | Note | Other financial liabilities at amortised costs RM'000 | Total RM'000 |
|---|---|---|---|
| The Company (cont'd) | | | |
| At 31 March 2023 (cont'd) | | | |
| Liabilities as per statement of financial position: | | | |
| Non-current liabilities: | | | |
| Bonds | 16 | 1,000,000 | 1,000,000 |
| Trade and other payables | 22 | 38,965 | 38,965 |
| Current liabilities: | | | |
| Trade and other payables | 41 | 57,945 | 57,945 |
| Borrowings | 44 | 522,146 | 522,146 |
| Total | | 1,619,056 | 1,619,056 |

* Subsidiaries comprise amounts owing by subsidiaries.

** Joint ventures comprise RCULS, RCSIDS Deferred Payment and amounts owing by joint ventures (2023: RCULS, RCSIDS and amounts owing by joint ventures).

*** Trade and other receivables exclude prepayments.

## 22 TRADE AND OTHER PAYABLES

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 |
|---|---|---|---|
| Advances from the State Government | (a) | **33,180** | 33,180 |
| Land and development costs payable | (b) | **207,936** | 127,308 |
| Less: Payable within 12 months (Note 41) | | **(22,039)** | (20,697) |
| Payable after 12 months | | **185,897** | 106,611 |
| Deposits I | (c) | **8,225** | 8,225 |
| Deposits II | (c) | **6,474** | 6,195 |
| Refundable membership securities | (d) | **5,700** | 5,530 |
| Lease payable to Kuantan Port Authority | (e) | **142,247** | 140,472 |
| Less: Payable within 12 months (Note 41) | | **(6,738)** | (6,710) |
| Payable after 12 months | | **135,509** | 133,762 |
| | | **374,985** | 293,503 |

| | Note | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|
| Amount owing to a subsidiary | (f) | **3,878** | 38,965 |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 22 TRADE AND OTHER PAYABLES (cont'd)

(a) On 17 January 2003, Jelutong Development Sdn Bhd ("JDSB"), an indirect subsidiary of the Company, entered into a Reimbursement Land Cost Agreement (hereinafter referred to as "the RLC Agreement") with the Penang State Government in connection with the completion of the Jelutong Expressway Project.

Under the RLC Agreement, the advances received from the State Government for the reimbursement of land cost totalling RM33,180,000 are repayable to the State Government as follows:

| | Percentage of advances to be repaid to the Penang State Government % |
|---|---|
| 36 months from the commencement of Stage 3 of the Construction Works of Jelutong Expressway or from the completion of alienation of Parcels A2 and B1, whichever is the later (1st Payment) | 30 |
| 12 months from the date of the Certificate of Completion of the entire Jelutong Expressway or from the date of the 1st Payment, whichever is the later (2nd Payment) | 30 |
| 12 months from the date of the 2nd Payment | 40 |
| | 100 |

JDSB had completed Stage 3 of the Construction Works in March 2015 and the alienation of Parcels A2 and B1 has yet to commence as at the reporting date.

The advances on reimbursable land cost are interest free. However, if JDSB fails to pay the Penang State Government any of the instalment payments above by their respective due dates, JDSB shall be liable to pay to the Penang State Government interest at a fixed rate of 8% per annum on any such outstanding instalment payments.

(b) This represents the present value of the deferred land cost of RM207,936,000 (2023: RM127,308,000) in connection with a mixed development in Kuala Lumpur, which will become payable as the development progresses in accordance with the contractual terms.

(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 performance deposits are placed in a designated fixed 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 expire between 3 and 15 years and will be repayable to the tenants upon the expiry of the lease terms.

(d) Refundable membership securities 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.

## 22 TRADE AND OTHER PAYABLES (cont'd)

(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 and a new deep water terminal adjacent to the existing Kuantan Port.

The lease payables represent the annual lease rental payable to Kuantan Port Authority over the concession periods to manage and operate the port in relation to the concession asset recognised in Note 28 to the financial statements.

(f) As at the reporting date, the amount owing to a subsidiary is unsecured and payable after twelve months.

## 23 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 financial 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 2022.

The amounts of unfunded defined benefit recognised in the statement of financial position may be analysed as follows:

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Present values of unfunded defined benefit obligations, recognised as liability in the statement of financial position | **2,076** | 1,910 |
| Analysed as: | | |
| Current (included in other payables – Note 41) | **731** | 33 |
| Non-current | **1,345** | 1,877 |
| | **2,076** | 1,910 |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 23 RETIREMENT BENEFITS (cont'd)

(b) Unfunded defined benefit plan (cont'd)

The movements during the financial year on the amounts recognised in the consolidated statement of financial position are as follows:

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| At 1 April 2023/2022 | **1,910** | 2,163 |
| Charged to profit or loss (Note 6) | **166** | 176 |
| Contributions paid during the financial year | **-** | (429) |
| **At 31 March** | **2,076** | 1,910 |

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| The following amounts have been recognised in the profit or loss: | | |
| Current service cost | **78** | 85 |
| Interest cost | **88** | 91 |
| | **166** | 176 |

The charges to the profit or loss were included in the following line items in the statement of comprehensive income:

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Cost of sales | **55** | 132 |
| Administrative expenses | **111** | 44 |
| | **166** | 176 |

| | The Group | |
|---|---|---|
| | 2024 % | 2023 % |
| Defined benefit plan operated by a local subsidiary: | | |
| Discount rate | **4.7** | 4.7 |
| Expected rate of salary increases | **4.0** | 4.0 |

Any reasonable change in the principal actuarial assumptions will not result in any significant change to the financial performance of the Group.

## 24 DEFERRED INCOME

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 |
|---|---|---|---|
| Government grants | (a) | **193,938** | 190,074 |
| Deferred gain | (b) | **63,547** | 68,704 |
| | | **257,485** | 258,778 |

(a) Government grants:

| | Note | 2024 RM'000 | 2023 RM'000 |
|---|---|---|---|
| Cost | | | |
| At 1 April 2023/2022 | | **197,446** | 203,685 |
| Exchange translation differences | | **11,010** | (6,239) |
| At 31 March | | **208,456** | 197,446 |
| Accumulated amortisation | | | |
| At 1 April 2023/2022 | | **(7,372)** | (1,483) |
| Current amortisation | 5(b) | **(6,664)** | (6,100) |
| Exchange translation differences | | **(482)** | 211 |
| At 31 March | | **(14,518)** | (7,372) |
| | | **193,938** | 190,074 |

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.

## 25 PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

| | Freehold land RM'000 | Buildings RM'000 | Hotel properties RM'000 | Plant, machinery, equipment and vehicles RM'000 | Office equipment, furniture, fittings and renovations RM'000 | Capital work-in-progress RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|
| The Group | | | | | | | |
| 2024 | | | | | | | |
| Net book value | | | | | | | |
| At 1 April 2023 | 102,336 | 112,523 | 102,600 | 601,658 | 40,786 | 19,286 | 979,189 |
| Additions | 87,424 | 635 | 4,526 | 25,783 | 43,735 | 46,322 | 208,425 |
| Disposals | (237) | (664) | - | (976) | (139) | - | (2,016) |
| Written off (Note 5(a)) | - | - | (1,752) | (648) | (107) | (311) | (2,818) |
| Depreciation charges for the year | - | (5,610) | (4,317) | (58,236) | (9,872) | - | (78,035) |
| Impairment (Note 5(a)) | - | - | - | (9,037) | (271) | - | (9,308) |
| Exchange differences arising from translation of assets of foreign operations | 180 | 241 | - | 796 | 256 | 194 | 1,667 |
| Reclassifications | - | 6,241 | - | 17,368 | 1,050 | (24,659) | - |
| Transferred (to)/from assets held for sale (Note 40(a),(b)) | (286) | 682 | - | - | - | - | 396 |
| **At 31 March 2024** | 189,417 | 114,048 | 101,057 | 576,708 | 75,438 | 40,832 | 1,097,500 |

## 25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

| | Freehold land RM'000 | Buildings RM'000 | Hotel properties RM'000 | Plant, machinery, equipment and vehicles RM'000 | Office equipment, furniture, fittings and renovations RM'000 | Capital work-in-progress RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|
| The Group | | | | | | | |
| 2023 | | | | | | | |
| Net book value | | | | | | | |
| At 1 April 2022 | 100,409 | 88,016 | 107,422 | 597,115 | 43,438 | 108,604 | 1,045,004 |
| Acquisition of a subsidiary (Note 46(a)(i)) | 932 | 1,577 | - | 1,263 | 318 | - | 4,090 |
| Additions | - | 1,000 | 163 | 21,759 | 7,449 | 20,836 | 51,207 |
| Disposals | (84) | (1,844) | - | (30,689) | (95) | - | (32,712) |
| Written off (Note 5(a)) | - | (1,168) | (69) | (121) | (3,177) | (311) | (4,846) |
| Depreciation charges for the year | - | (5,439) | (4,407) | (60,590) | (9,690) | - | (80,126) |
| Impairment (Note 5(a)) | - | - | - | (1,770) | (282) | 91 | (1,961) |
| Exchange differences arising from translation of assets of foreign operations | (104) | (167) | 1 | (457) | (139) | (105) | (971) |
| Reclassifications | 1,183 | 30,548 | (510) | 75,148 | 3,361 | (109,730) | - |
| Transferred to investment properties (Note 27) | - | - | - | - | - | (99) | (99) |
| Transferred to property development costs (Note 35(b)) | - | - | - | - | (397) | - | (397) |
| **At 31 March 2023** | 102,336 | 112,523 | 102,600 | 601,658 | 40,786 | 19,286 | 979,189 |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

| | Freehold land RM'000 | Buildings RM'000 | Hotel properties RM'000 | Plant, machinery, equipment and vehicles RM'000 | Office equipment, furniture, fittings and renovations RM'000 | Capital work-in-progress RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|
| The Group (cont'd) | | | | | | | |
| At 31 March 2024 | | | | | | | |
| Cost | **189,417** | **191,257** | **147,281** | **1,309,881** | **160,865** | **40,873** | **2,039,574** |
| Accumulated depreciation | **-** | **(77,171)** | **(41,275)** | **(727,051)** | **(85,266)** | **-** | **(930,763)** |
| Accumulated impairment | **-** | **(38)** | **(4,949)** | **(6,122)** | **(161)** | **(41)** | **(11,311)** |
| Net book value | **189,417** | **114,048** | **101,057** | **576,708** | **75,438** | **40,832** | **1,097,500** |
| At 31 March 2023 | | | | | | | |
| Cost | 102,336 | 185,659 | 144,804 | 1,261,539 | 120,924 | 19,327 | 1,834,589 |
| Accumulated depreciation | - | (73,098) | (37,255) | (652,041) | (79,782) | - | (842,176) |
| Accumulated impairment | - | (38) | (4,949) | (7,840) | (356) | (41) | (13,224) |
| Net book value | 102,336 | 112,523 | 102,600 | 601,658 | 40,786 | 19,286 | 979,189 |

## 25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

| | Plant, machinery, equipment and vehicles RM'000 | Office equipment, furniture, fittings and renovations RM'000 | Total RM'000 |
|---|---|---|---|
| The Company | | | |
| 2024 | | | |
| Net book value | | | |
| At 1 April 2023 | **1,145** | **1,547** | **2,692** |
| Additions | **-** | **8,725** | **8,725** |
| Depreciation charges for the year (Note 5(a)) | **(261)** | **(383)** | **(644)** |
| **At 31 March 2024** | **884** | **9,889** | **10,773** |
| 2023 | | | |
| Net book value | | | |
| At 1 April 2022 | 1,489 | 1,666 | 3,155 |
| Additions | - | 170 | 170 |
| Disposals | (39) | - | (39) |
| Depreciation charges for the year (Note 5(a)) | (305) | (289) | (594) |
| **At 31 March 2023** | 1,145 | 1,547 | 2,692 |
| At 31 March 2024 | | | |
| Cost | **2,493** | **15,160** | **17,653** |
| Accumulated depreciation | **(1,609)** | **(5,271)** | **(6,880)** |
| Net book value | **884** | **9,889** | **10,773** |
| At 31 March 2023 | | | |
| Cost | 2,493 | 6,435 | 8,928 |
| Accumulated depreciation | (1,348) | (4,888) | (6,236) |
| Net book value | 1,145 | 1,547 | 2,692 |

(a) The following depreciation charge of the Group has been included in the aggregate costs incurred to-date within construction contract costs as set out below:

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Included in the aggregate costs incurred to-date within construction contract costs | **588** | 1,217 |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 26 RIGHT-OF-USE ASSETS

The details of right-of-use assets are as follows:

| | Note | Leasehold land RM'000 | Building and office space RM'000 | Plant and equipment RM'000 | Total RM'000 |
|---|---|---|---|---|---|
| The Group | | | | | |
| 2024 | | | | | |
| Net book value | | | | | |
| At 1 April 2023 | | **165,558** | **18,340** | **49,472** | **233,370** |
| Additions | | **19,882** | **13,121** | **15,973** | **48,976** |
| Depreciation charges for the year | 5(a) | **(2,914)** | **(6,579)** | **(13,692)** | **(23,185)** |
| Exchange differences arising from translation of assets of foreign operations | | **13** | **393** | **-** | **406** |
| Transferred from assets held for sale | 40(c) | **589** | **-** | **-** | **589** |
| Termination of leases | | **-** | **(637)** | **-** | **(637)** |
| Reclassification | | **-** | **808** | **(808)** | **-** |
| **At 31 March 2024** | | **183,128** | **25,446** | **50,945** | **259,519** |
| 2023 | | | | | |
| Net book value | | | | | |
| At 1 April 2022 | | 168,219 | 19,398 | 7,839 | 195,456 |
| Additions | | 46 | 5,391 | 47,278 | 52,715 |
| Acquisition of a subsidiary | 46(a)(i) | - | - | 794 | 794 |
| Depreciation charges for the year | 5(a) | (2,700) | (6,053) | (6,439) | (15,192) |
| Exchange differences arising from translation of assets of foreign operations | | (7) | (243) | - | (250) |
| Termination of leases | | - | (153) | - | (153) |
| **At 31 March 2023** | | 165,558 | 18,340 | 49,472 | 233,370 |

## 26 RIGHT-OF-USE ASSETS (cont'd)

The details of right-of-use assets are as follows: (cont'd)

As at 31 March 2024, a parcel of leasehold land at the net book value of RM99,143,000 (2023: RM100,694,000) was pledged as security for the Term loan 3 of an indirect subsidiary (Note 17).

| | Note | Office space RM'000 | Plant and equipment RM'000 | Total RM'000 |
|---|---|---|---|---|
| The Company | | | | |
| 2024 | | | | |
| Net book value | | | | |
| At 1 April 2023 | | **9,209** | **1** | **9,210** |
| Additions | | **8,752** | **93** | **8,845** |
| Depreciation charges for the year | 5(a) | **(1,772)** | **(19)** | **(1,791)** |
| **At 31 March 2024** | | **16,189** | **75** | **16,264** |
| 2023 | | | | |
| Net book value | | | | |
| At 1 April 2022 | | 5,657 | 22 | 5,679 |
| Additions | | 5,334 | - | 5,334 |
| Depreciation charges for the year | 5(a) | (1,782) | (21) | (1,803) |
| **At 31 March 2023** | | 9,209 | 1 | 9,210 |

## 27 INVESTMENT PROPERTIES

| | 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 |
|---|---|---|---|---|---|---|---|
| The Group | | | | | | | |
| 2024 | | | | | | | |
| Net book value | | | | | | | |
| At 1 April 2023 | | **157,335** | **60,174** | **301,874** | **91,622** | **1,241** | **612,246** |
| Additions | | **-** | **-** | **88** | **3** | **15,279** | **15,370** |
| Depreciation charges for the year | 5(a) | **-** | **(608)** | **(6,613)** | **(1,851)** | **-** | **(9,072)** |
| Reversal of impairment during the year | 5(b) | **-** | **-** | **2,244** | **1,384** | **-** | **3,628** |
| **At 31 March 2024** | | **157,335** | **59,566** | **297,593** | **91,158** | **16,520** | **622,172** |
| 2023 | | | | | | | |
| Net book value | | | | | | | |
| At 1 April 2022 | | 156,080 | 60,782 | 308,800 | 92,444 | - | 618,106 |
| Additions | | - | - | 870 | 1,407 | 25 | 2,302 |
| Acquisition of a subsidiary | 46(a)(i) | 1,255 | - | 2,260 | - | - | 3,515 |
| Adjustments | | - | - | (1,454) | - | - | (1,454) |
| Depreciation charges for the year | 5(a) | - | (608) | (6,530) | (1,865) | - | (9,003) |
| Disposals | | - | - | (1,099) | - | - | (1,099) |
| Impairment during the year | 5(a) | - | - | (489) | (364) | - | (853) |
| Transferred from property, plant and equipment | 25 | - | - | 99 | - | - | 99 |
| Transferred from property development costs | 35(b) | - | - | - | - | 1,216 | 1,216 |
| Transferred to assets held for sale | 40(d) | - | - | (583) | - | - | (583) |
| **At 31 March 2023** | | 157,335 | 60,174 | 301,874 | 91,622 | 1,241 | 612,246 |

## 27 INVESTMENT PROPERTIES (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 |
|---|---|---|---|---|---|---|
| The Group (cont'd) | | | | | | |
| At 31 March 2024 | | | | | | |
| Cost | **157,335** | **64,781** | **332,754** | **115,195** | **16,520** | **686,585** |
| Accumulated depreciation | **-** | **(5,215)** | **(34,846)** | **(14,786)** | **-** | **(54,847)** |
| Accumulated impairment | **-** | **-** | **(315)** | **(9,251)** | **-** | **(9,566)** |
| Net book value | **157,335** | **59,566** | **297,593** | **91,158** | **16,520** | **622,172** |
| At 31 March 2023 | | | | | | |
| Cost | 157,335 | 64,781 | 332,666 | 115,192 | 1,241 | 671,215 |
| Accumulated depreciation | - | (4,607) | (28,233) | (12,935) | - | (45,775) |
| Accumulated impairment | - | - | (2,559) | (10,635) | - | (13,194) |
| Net book value | 157,335 | 60,174 | 301,874 | 91,622 | 1,241 | 612,246 |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 27 INVESTMENT PROPERTIES (cont'd)

| | Note | Leasehold buildings RM'000 | Freehold buildings RM'000 | Total RM'000 |
|---|---|---|---|---|
| The Company | | | | |
| 2024 | | | | |
| Net book value | | | | |
| At 1 April 2023 | | **2,761** | **3,835** | **6,596** |
| Depreciation charges for the year | 5(a) | **(32)** | **(142)** | **(174)** |
| **At 31 March 2024** | | **2,729** | **3,693** | **6,422** |
| 2023 | | | | |
| Net book value | | | | |
| At 1 April 2022 | | 2,793 | 3,977 | 6,770 |
| Depreciation charges for the year | 5(a) | (32) | (142) | (174) |
| **At 31 March 2023** | | 2,761 | 3,835 | 6,596 |
| At 31 March 2024 | | | | |
| Cost | | **3,053** | **6,912** | **9,965** |
| Accumulated depreciation | | **(324)** | **(3,219)** | **(3,543)** |
| Net book value | | **2,729** | **3,693** | **6,422** |
| At 31 March 2023 | | | | |
| Cost | | 3,053 | 6,912 | 9,965 |
| Accumulated depreciation | | (292) | (3,077) | (3,369) |
| Net book value | | 2,761 | 3,835 | 6,596 |

## 27 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 | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Rental income | **38,619** | 38,685 | **289** | 289 |
| Direct operating expenses that generated rental income | **(7,858)** | (7,902) | **(139)** | (145) |
| Direct operating expenses that did not generate rental income | **(488)** | (386) | **(75)** | (91) |

As at 31 March 2024, investment property at the net book value of RM43,634,000 (2023: RM44,294,000) was pledged as security for the term loan of an indirect subsidiary (Note 17).

As at 31 March 2024, investment property at the net book value of RM452,577,000 (2023: RM459,152,000) was pledged as security for the bond of an indirect subsidiary (Note 16).

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 2024, the fair values of the properties of the Group and the Company were estimated at RM771,567,000 (2023: RM777,421,000) and RM8,986,000 (2023: RM9,294,000) 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.

In the preceding financial year, the Group had impaired certain investment properties within the Group by RM853,000 (Note 5(a)) on the basis that the recoverable amounts were below the carrying amounts as at 31 March 2023.

## 28 CONCESSION ASSETS

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Expressway development expenditure | **2,560,692** | 2,643,953 |
| Port infrastructure | **1,321,804** | 1,350,611 |
| | **3,882,496** | 3,994,564 |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 28 CONCESSION ASSETS (cont'd)

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 |
|---|---|---|---|
| Expressway development expenditure: | | | |
| Cost | | | |
| At 1 April 2023/2022 | | **4,493,596** | 4,466,474 |
| Additions | | **1,177** | 81,334 |
| Exchange translation differences | | **96,162** | (54,212) |
| At 31 March | | **4,590,935** | 4,493,596 |
| Accumulated amortisation | | | |
| At 1 April 2023/2022 | | **(1,593,274)** | (1,400,845) |
| Current amortisation | 5(a) | **(173,866)** | (204,646) |
| Exchange translation differences | | **(22,994)** | 12,217 |
| At 31 March | | **(1,790,134)** | (1,593,274) |
| Accumulated impairment | | | |
| At 1 April 2023/2022 | | **(60,059)** | (61,957) |
| Exchange translation differences | | **(3,349)** | 1,898 |
| At 31 March | | **(63,408)** | (60,059) |
| | | **2,737,393** | 2,840,263 |
| Less: Deferred income | | | |
| Cost | | | |
| At 1 April 2023/2022 and at 31 March | | **(400,456)** | (400,456) |
| Accumulated amortisation | | | |
| At 1 April 2023/2022 | | **204,146** | 185,521 |
| Current amortisation | 5(b) | **19,609** | 18,625 |
| At 31 March | | **223,755** | 204,146 |
| | | **(176,701)** | (196,310) |
| | | **2,560,692** | 2,643,953 |

## 28 CONCESSION ASSETS (cont'd)

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 |
|---|---|---|---|
| Port infrastructure: | | | |
| <u>Cost</u> | | | |
| At 1 April 2023/2022 | | **1,730,278** | 1,693,969 |
| Additions | | **10,348** | 36,309 |
| At 31 March | | **1,740,626** | 1,730,278 |
| <u>Accumulated amortisation</u> | | | |
| At 1 April 2023/2022 | | **(379,667)** | (340,399) |
| Current amortisation | 5(a) | **(39,155)** | (39,268) |
| At 31 March | | **(418,822)** | (379,667) |
| | | **1,321,804** | 1,350,611 |

The concession assets with net carrying values of RM2,263,958,000 (2023: RM2,326,288,000) are pledged as security for the bonds (Note 16).

Deferred income comprises:

(a) compensation received by New Pantai Expressway Sdn Bhd ("NPE"), an indirect subsidiary of the Company, from the Malaysian Government as a result of the cessation of toll collections with effect from 14 February 2009 at the PJS2 Toll Plaza for Kuala Lumpur bound road users on the NPE; and

(b) compensation received by Besraya Sdn Bhd, an indirect subsidiary of the Company, from the Malaysian Government as a result of the cessation of toll collections with effect from 24 February 2009 at the Salak Jaya Toll Plaza.

Expressway development expenditure comprises toll road concessions in Malaysia and India, with concession periods ranging from 17 to 44 years and ending between 2024 and 2046. On 30 December 2022, Besraya (M) Sdn Bhd, an indirect subsidiary of the Company, entered into a Fifth Supplemental Agreement in relation to the Sungei Besi Highway with The Government of Malaysia to have the concession period extended to 2046 with effect from 1 April 2023. 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 losses recognised during the financial year on construction services for tollway concessions amounted to RM8,497,000 and RM9,256,000 (2023: construction revenue and losses of RM20,576,000 and RM15,939,000) respectively.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 28 CONCESSION ASSETS (cont'd)

Port infrastructure comprises a port concession in Malaysia, with a concession period of 30 years ending in 2045.

On 22 November 1997, Kuantan Port Consortium Sdn Bhd ("KPC"), an indirect subsidiary of the Company, entered into a Privatisation Agreement ("Agreement") with the Government of Malaysia ("Government") and Kuantan Port Authority ("KPA"), a concession to manage, operate and develop Kuantan Port ("Port") for a period of 30 years commencing from 1 January 1998.

On 16 June 2015, the said Agreement was superseded and replaced with a new Privatisation Agreement ("PA"), whereby the Government and KPA had requested KPC to develop a New Deep Water Terminal ("NDWT") adjacent to the existing port. The concession commenced on 1 June 2015 for a period of 30 years and is subject to an extension of 30 years (i.e. 60 years from 2015) provided that the obligations under the PA are fulfilled by KPC within the prescribed period. In determining the concession period of 60 years, the Group considered all facts and circumstances that create an economic incentive to support the extension of 30 years. The extension of 30 years is also included as part of the concession period as the Group is reasonably certain to fulfil the obligations under the PA.

Upon 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 losses recognised during the financial year on exchanging construction services for port concession amounted to RM562,000 and RM174,800 (2023: construction revenue and losses of RM119,000 and RM1,206,000) respectively.

## 29 SUBSIDIARIES

| | Note | The Company<br>2024<br>RM'000 | <br>2023<br>RM'000 |
|---|---|---|---|
| At cost: | | | |
| Unquoted shares: | | | |
| - in Malaysia | (a) | **6,257,513** | 6,009,193 |
| - outside Malaysia | (b) | **1,570,149** | 1,455,471 |
| | | **7,827,662** | 7,464,664 |
| Less: Accumulated impairment | | | |
| Unquoted shares | | | |
| - in Malaysia | | **(56,906)** | (6,906) |
| - outside Malaysia | | **(197,555)** | (84,056) |
| | | **(254,461)** | (90,962) |
| | | **7,573,201** | 7,373,702 |
| Amounts owing by subsidiaries | | **500,558** | 871,197 |
| | | **8,073,759** | 8,244,899 |

## 29 SUBSIDIARIES (cont'd)

During the financial year, the following changes in the investments in subsidiaries were effected:

(a) (i) Emcee Corporation Sdn Bhd, a wholly-owned subsidiary of the Company issued a total of 2,200 redeemable preference shares ("RPS") for a total cash consideration of RM220,000.

(ii) Kamad Quarry Sdn Bhd, a wholly-owned subsidiary of the Company with the cost of investment of RM50,000 was dissolved.

(iii) IJM RE Sdn Bhd, a wholly-owned subsidiary of the Company issued a total of 193,250 RPS for a total cash consideration of RM193,250,000.

(iv) IJM Treasury Management Sdn Bhd, a wholly-owned subsidiary of the Company issued a total of 900,000 ordinary shares for a total cash consideration of RM900,000.

(v) Suria Bistari Development Sdn Bhd, an indirect wholly-owned subsidiary of the Company issued a total of 54,000 RPS for a total consideration of RM54,000,000. The total consideration was settled through contra against an amount due from the subsidiary.

(b) (i) IJM Investments (L) Limited, a wholly-owned subsidiary of the Company issued a total of 23,999 RPS for a total cash consideration of RM113,499,271.

(ii) IJM Investments (M) Limited, a wholly-owned subsidiary of the Company issued a total of 324,121 RPS for a total cash consideration of RM1,178,975.

(c) Preferential dividends of the RPS are non-cumulative and its payment shall be at the discretion of the directors of issuers (i.e subsidiaries) at a rate to be determined from time to time. In addition, the RPS shall be redeemed at the option of the issuers and at a redemption price to be determined by the Directors at any time by notice in writing to the holder (i.e the Company).

The Group's effective equity interest in the subsidiaries and their respective principal activities and countries of incorporation are set out in Note 52 to the financial statements.

The amounts owing by subsidiaries are unsecured, bear interest at rates ranging from 5.0% to 5.5% (2023: 4.5% to 5.0%) 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.

As at the reporting date, the Company performed an impairment test on its investments in subsidiaries with history of losses and changes in asset monetisation plan, where the Company subscribed to the preference shares issued by the subsidiaries in the current year. Accordingly, during the financial year, the Company has recognised an impairment of its investments in subsidiaries in Malaysia and outside Malaysia of RM50,000,000 and RM113,499,000 respectively. The impairment was recognised under other operating expenses in the statement of comprehensive income.

The impairment of investment in a subsidiary in Malaysia was determined based on its recoverable amount, calculated using the subsidiary's net liquid assets available to support the recoverability of its investment.

The recoverable amounts of the cash-generating units ("CGUs") of its investments in subsidiaries outside Malaysia were determined based on the expected dividends to be received from their respective business operations which are outside Malaysia using value in use method.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 29 SUBSIDIARIES (cont'd)

The following tables set out the key assumptions for those CGUs:

**Tollway Concessions**

| Basis of recoverable amount determination | Significant assumptions | 2024 |
|---|---|---|
| The recoverable amount is based on net cash flow from tollway operations, estimated traffic volume growth rates and approved toll rates as per concession agreement. | Traffic volume growth rate is based on the most recent traffic survey conducted by an independent traffic consultant, further adjusted based on actual historical traffic volumes | 9% and 10% per annum |
| | Cash flow forecast periods | Concession period of 18 and 19 years, which is up to financial year 2043 and 2044. |
| | Discount rate | Cost of equity - 12.5% |

**Property Development**

| Basis of recoverable amount determination | Significant assumptions | 2024 |
|---|---|---|
| The recoverable amount is based on the cash flows after financing activities from disposal of the subsidiaries' unsold completed properties, property development costs and land held for property development. | The market value of the completed building stocks is based on the recent transacted prices by the entities. | Price per square foot for the completed building stocks |
| | The market value of the lands held for property development is determined based on independent valuation using the comparison method by reference to the recent land sale transaction in the vicinity. | Price per acre, which varies significantly depending on the location of the undeveloped lands. |

A reasonable change in the key assumptions would impact the recoverable amount as of the reporting date as follows:

| Cash-generating units | Scenarios | Impact to changes in recoverable amount (RM'million) |
|---|---|---|
| Tollway operation | Decrease in traffic volume by 2% and 7% for two tollways respectively | Net decrease of RM241.6 million |
| | 1% increase in discount rate | Net decrease of RM55.2 million |
| Property development | 10% change in price per acre of undeveloped lands | Net increase/decrease of RM75.1 million |

## 29 SUBSIDIARIES (cont'd)

As at 31 March 2024, the total non-controlling interests are RM254,567,000 (2023: RM269,489,000), of which RM323,697,000 (2023: RM294,690,000) is attributable to Kuantan Port Consortium Sdn Bhd. The other non-controlling interests are individually not significant.

Set out below are the summarised financial information for the subsidiaries which have non-controlling interests that are material to the Group. The financial information below is based on amounts before inter-company eliminations.

| | Kuantan Port Consortium Sdn Bhd | |
|---|---|---|
| | 2024<br>RM'000 | 2023<br>RM'000 |
| Proportion of ordinary shares held by non-controlling interests | **40%** | 40% |
| Summarised statements of comprehensive income: | | |
| Revenue | **467,014** | 331,791 |
| Net profit for the financial year | **122,517** | 17,775 |
| Total comprehensive income for the financial year | **122,517** | 17,775 |
| Net profit attributable to non-controlling interests | **49,007** | 6,875 |
| Dividends paid to non-controlling interests | **20,000** | 36,000 |
| Summarised statements of financial position: | | |
| Current assets | **441,094** | 411,850 |
| Current liabilities | **(243,058)** | (231,767) |
| Non-current assets | **1,615,521** | 1,653,467 |
| Non-current liabilities | **(1,004,066)** | (1,096,576) |
| Net assets | **809,491** | 736,974 |
| Summarised cash flows: | | |
| Cash flows from operating activities | **244,859** | 137,459 |
| Cash flows used in investing activities | **(12,206)** | (29,693) |
| Cash flows used in financing activities | **(208,514)** | (201,847) |
| Net increase/(decrease) in cash and cash equivalents during the financial year | **24,139** | (94,081) |
| Cash and cash equivalents at beginning of the financial year | **338,007** | 432,088 |
| Cash and cash equivalents at end of the financial year | **362,146** | 338,007 |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 30 ASSOCIATES

| | Note | The Group 2024 RM'000 | 2023 RM'000 |
|---|---|---|---|
| Share of net assets of associates | (a) | **738,354** | 676,253 |
| Redeemable Unsecured Murabahah Stocks ("RUMS") | (b) | **428,948** | 376,399 |
| Amount owing by an associate * | | **1,490** | 22,029 |
| Redeemable Preference Shares | (c) | **226,719** | - |
| | | **1,395,511** | 1,074,681 |
| Less: Allowance for impairment of RUMS ** | | **(133,500)** | (133,500) |
| | | **1,262,011** | 941,181 |

* Amount owing by an associate represents unsecured advances which bear interest at the rates ranging from 7.40% to 7.65% (2023: 6.4% to 7.4%) per annum.

** The allowance for impairment of RUMS was in respect of the recognition of expected credit losses after taking into account the time value of money arising from changes in the expected timing of repayment of RUMS.

The Group assesses the expected credit losses for RUMS using a probability-weighted estimate of the expected cash flow scenarios to be generated from the associate's toll operations over the concession period.

The significant assumptions used in the impairment assessments are as follows:

| Assumptions | 2024 (range of assumptions considered in the scenarios) |
|---|---|
| Annual growth rate in traffic volume | Progressive build up in average daily traffic to reach the peak by 2027 or 2031, with an average traffic volume growth of 3% thereafter |
| Timing of periodic profit payments | Periodic profit payments commencing from 2033 up to maturity date of 2056 or 2058 |
| Discount rate | 5.0% to 6.7% |

The expected cash flows for RUMS was estimated using annual traffic growth scenarios and their weightings. The Group makes an estimate on the projected traffic volume based on the latest independent traffic survey, adjusted for historical traffic volumes, which are subject to estimation uncertainties. External factors such as population growth, employment rates, and urbanisation trends may significantly influence the actual traffic volume growth rate, which may materially affect the results of the impairment assessments. In addition, the Group exercised significant judgement in selecting and weighting the traffic scenarios to derive the probability-weighted estimated cash flows amount.

As of the reporting date, a 10% change in the projected traffic volume could change the probability-weighted estimated cash flows of RUMS by RM35.8 million.

## 30 ASSOCIATES (cont'd)

(a) Share of net assets of associates

| | The Group 2024 RM'000 | The Group 2023 RM'000 |
|---|---|---|
| Quoted shares, at cost: | | |
| - in Malaysia | **344,719** | 344,719 |
| - outside Malaysia | **38,080** | 38,080 |
| Unquoted shares, at cost: | | |
| - in Malaysia | **137,160** | 73,157 |
| - outside Malaysia | **160,463** | 160,463 |
| | **680,422** | 616,419 |
| Share of post-acquisition retained profits * | **72,817** | 110,755 |
| Share of post-acquisition reserves | **6,815** | 6,881 |
| Currency translation differences | **71,162** | 35,797 |
| Unrealised profit on transactions with associate | **(1,095)** | (1,832) |
| | **830,121** | 768,020 |
| Less: Accumulated impairment | **(91,767)** | (91,767) |
| | **738,354** | 676,253 |

| | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|
| Quoted shares, at cost: | | |
| - in Malaysia | **344,719** | 344,719 |
| - outside Malaysia | **38,080** | 38,080 |
| Unquoted shares, at cost: | | |
| - in Malaysia | **18,019** | 28,043 |
| - outside Malaysia | **51,214** | 51,214 |
| | **452,032** | 462,056 |
| Less: Accumulated impairment | **(67,245)** | (91,117) |
| | **384,787** | 370,939 |
| Market value ** | | |
| Quoted shares: | | |
| - in Malaysia | **792,125** | 328,394 |
| - outside Malaysia | **189,350** | 77,018 |
| | **981,475** | 405,412 |

* Including capital contribution provided by the Group to WCE Holdings Berhad of RM131,651,000, following the acquisition of additional interest in Radiant Pillar Sdn Bhd ("RPSB") in the preceding financial year.

** The market values of quoted shares are traded in an active market and are within Level 1 of the fair value hierarchy.

The Group's effective equity interest in the associates and their respective principal activities and countries of incorporation are set out in Note 52 to the financial statements.

## 30 ASSOCIATES (cont'd)

(b) During the financial year, Road Builder (M) Holdings Bhd ("RBH"), a wholly-owned subsidiary of the Company had subscribed for RM35,080,000 (2023: RM18,760,000) nominal value of Redeemable Unsecured Murabahah Stocks ("RUMS"), maturing on 12 July 2056, as issued by West Coast Expressway Sdn Bhd ("WCE"), an associate of RBH. The consideration for the subscription of RUMS is satisfied by way of cash of RM35,080,000 (2023: RM18,760,000).

The terms of the RUMS are as follows:

(i) The RUMS bear a cumulative and non-compounding profit rate that is determined prior to each issuance of RUMS. As at 31 March 2024, the effective profit rate of RUMS is 6.7% per annum (2023: 6.7%) 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) During the financial year, the following subscription of Redeemable Preference Shares ("RPS") was effected:

(i) IJM RE Sdn Bhd ("IJM RE"), a wholly-owned subsidiary of the Company had acquired 1,873,750 Redeemable Preference Shares ("RPS") in Global Vision Logistics Sdn Bhd ("GVL") for purchase consideration of RM18,737,500; and

(ii) Asas Panorama Sdn Bhd ("Asas"), a subsidiary of IJM Land Berhad, which in turn is a wholly-owned subsidiary of the Company, had subscribed for 207,980,721 RPS in MCKILP Development Sdn Bhd ("MCKILP") for RM207,980,721. The subscription was contra against the land sales amounting to RM370.0 million by Asas to MCKILP.

The terms of the RPS are as follows:

RPS in GVL

- The RPS was issued at RM10 each and is not convertible into or exchangeable for shares of another class of GVL shares;
- The tenure of the RPS is ten years from the date of issue of the RPS;
- Provided that all required consent or approval have been obtained, the RPS may be redeemed at any time at the option of GVL;
- The redemption price will be determined and to be mutually agreed upon by all the shareholders of GVL;
- The RPS carries a right to receive cumulative preferential dividend out of the distributable profit of GVL, at a dividend rate of 80% per annum per RPS, and shall at all time comply with the provision of the Companies Act 2016 in relation to distribution of dividend. No dividend shall be paid on the ordinary shares of GVL unless the dividend on the RPS has first been paid; and
- The RPS holder does not carry any right to vote at any general meeting of GVL except on resolutions for the winding-up or reconstruction of GVL, reduction of capital, any resolution varying, abrogating any of the RPS holders' right or privileges.

## 30 ASSOCIATES (cont'd)

(c) During the financial year, the following subscription of Redeemable Preference Shares ("RPS") was effected: (cont'd)

RPS in MCKILP

- The RPS was issued at RM1 per share;
- The RPS shall be entitled to a non-cumulative preferential dividend at such rate as may be determined from time to time by the Directors;
- In the event of the Company being wound up, the RPS shall be repaid in the amount of capital paid by the holders in priority to the holders of any other shares, but not to any further participation in profits or assets;
- No further RPS which rank in priority to or pari passu with the existing RPS may be created or issued. The rights conferred upon the holders of the RPS shall not be varied, modified or deleted; and
- The RPS shall be redeemed in full upon termination of the sale and purchase of Lands pursuant to the shareholders' agreement or at any time to be mutually agreed upon by all the holders of the RPS with notice in writing.

(d) Certain losses of associates of the Group are not recognised when they exceed the Group's cost of investment and advances as the Group has no further obligations beyond these amounts. The Group's share of such losses is as follows:

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Current year share of losses | **(27,225)** | (64,818) |
| Cumulative share of losses | **(331,628)** | (304,403) |

(e) Set out below are the associates of the Group as at the reporting dates, which, in the opinion of the management, are material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held either directly or indirectly by the Group.

| Name of entity | Place of business/ country of incorporation | % of ownership | | Nature of relationship | Measurement method |
|---|---|---|---|---|---|
| | | 2024 | 2023 | | |
| MCKILP Development Sdn Bhd | Malaysia | **29.4** | 29.4 | Associate | Equity |
| Hexacon Construction Pte Limited | Singapore | **45.5** | 45.5 | Associate | Equity |
| WCE Holdings Berhad | Malaysia | **26.7** | 26.7 | Associate | Equity |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 30 ASSOCIATES (cont'd)

(f) Set out below are the summarised financial information for material associates which are accounted for using the equity method:

Summarised statements of financial position:

| | MCKILP Development Sdn Bhd | | Hexacon Construction Pte Limited | | WCE Holdings Berhad | |
|---|---|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Current assets | **429,811** | 8,832 | **915,813** | 834,747 | **500,681** | 971,332 |
| Non-current assets | **1,825** | 1,815 | **117,359** | 153,592 | **6,965,039** | 6,269,417 |
| Current liabilities | **(2,977)** | (10,287) | **(335,097)** | (331,612) | **(438,966)** | (401,846) |
| Non-current liabilities | **(435,923)** | - | **-** | - | **(6,127,713)** | (5,779,624) |
| Non-controlling interests | **-** | - | **-** | - | **82,505** | 58,318 |
| Net assets (excluding non-controlling interests) | **(7,264)** | 360 | **698,075** | 656,727 | **981,546** | 1,117,597 |
| Market value (Group's share) | **-*** | -* | **-*** | -* | **792,125** | 328,394 |

* MCKILP Development Sdn Bhd and Hexacon Construction Pte Limited are private companies and there are no quoted market prices available for their shares.

Summarised statements of comprehensive income:

| | MCKILP Development Sdn Bhd | | Hexacon Construction Pte Limited | | WCE Holdings Berhad | |
|---|---|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Revenue | **-** | - | **849,370** | 545,739 | **620,483** | 517,809 |
| Net (loss)/profit for the year | **(7,624)** | (640) | **5,662** | 22,240 | **(160,238)** | 83,568 |
| Other comprehensive (loss)/income | **-** | - | **(7)** | 1,207 | **-** | - |
| Profit attributable to non-controlling interests | **-** | - | **-** | - | **24,187** | 24,760 |
| Total comprehensive (loss)/income | **(7,624)** | (640) | **5,655** | 23,447 | **(136,051)** | 108,328 |
| Dividends received from associates | **-** | - | **649** | 1,408 | **-** | - |

Note: The summarised financial information above reflects the amounts presented in the financial statements of the associates.

## 30 ASSOCIATES (cont'd)

(f) Set out below are the summarised financial information for material associates which are accounted for using the equity method: (cont'd)

Reconciliation of the summarised financial information presented to the carrying amount of its interests in associates is set out below:

| | MCKILP Development Sdn Bhd | | Hexacon Construction Pte Limited | | WCE Holdings Berhad | |
|---|---|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Net assets at 1 April 2023/2022 | **360** | - | **656,727** | 594,162 | **1,117,597** | 1,009,269 |
| Less: Gross dividends distributed during the year | **-** | - | **(1,426)** | (3,095) | **-** | - |
| Issuance of ordinary shares | **-** | 1,000 | **-** | - | **-** | - |
| Net (loss)/profit for the financial year | **(7,624)** | (640) | **5,662** | 22,240 | **(160,238)** | 83,568* |
| Other comprehensive (loss)/income | **-** | - | **(7)** | 1,207 | **-** | - |
| Profit attributable to non-controlling interests | **-** | - | **-** | - | **24,187** | 24,760 |
| Foreign exchange differences | **-** | - | **37,119** | 42,213 | **-** | - |
| Net (liabilities)/assets at 31 March | **(7,264)** | 360 | **698,075** | 656,727 | **981,546** | 1,117,597 |
| Share of net (liabilities)/ assets at 31 March | **(3,559)** | 176 | **317,623** | 298,810 | **261,582** | 297,840 |
| RPS | **207,981** | - | **-** | - | **-** | - |
| Carrying value | **204,422** | 176 | **317,623** | 298,810 | **261,582** | 297,840 |

* Included gain on disposal of Radiant Pillar Sdn Bhd ("RPSB") of RM208.0 million which the Group had not equity accounted as the 40% equity interest in RPSB held by WCE Holdings Bhd had been considered in the Group's effective interest in its investment in RPSB of 71% (Note 52).

(g) Set out below are the financial information of all individually immaterial associates on an aggregate basis.

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Carrying amounts of interest in associates | **162,708** | 79,427 |
| Share of associates' profits | **6,201** | 10,847 |
| Share of associates' other comprehensive income | **(63)** | (1,316) |
| Share of associates' total comprehensive income | **6,138** | 9,531 |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 31 JOINT VENTURES

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 |
|---|---|---|---|
| At cost: | | | |
| - In Malaysia | | **104,865** | 102,365 |
| - Outside Malaysia | | **2,582** | - |
| Share of post-acquisition reserves | | **(10,200)** | (32,606) |
| Currency translation differences | | **(247)** | (264) |
| | | **97,000** | 69,495 |
| Redeemable Convertible Unsecured Loan Stocks ("RCULS") | (A) | **476,979** | 455,375 |
| Less: Allowance for impairment of RCULS | | **(340,765)** | (397,761) |
| | | **136,214** | 57,614 |
| Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS") | (B) | **-** | 157,540 |
| RCSIDS Deferred Payment | (C) | **13,567** | - |
| Amounts owing by joint ventures | | **402,960** | 320,716 |
| Less: Allowance for impairment of amounts owing by joint ventures | | **(42,461)** | (54,983) |
| | | **360,499** | 265,733 |
| | | **607,280** | 550,382 |

(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. Pursuant to a special resolution of LEKAS dated 15 September 2023, the Company had provided its consent as the holder of the RCULS on the extension of the maturity date of RCULS to 8 February 2046, in connection with the proposed debt restructuring for LEKAS.

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.

## 31 JOINT VENTURES (cont'd)

(B) RCSIDS

In 2013, the Company acquired RM90,109,292 nominal value of Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS"), as issued by LEKAS, a joint venture of the Company, matured on 10 April 2023. Subsequently, the maturity date was modified up to 29 September 2023 with the third indulgence letter dated 27 July 2023 issued by Malaysian Trustees Berhad (trustee for the RCSIDS) in respect of the holders' consent for the modification of maturity date.

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.

Pursuant to a letter of offer dated 13 June 2023, LEKAS obtained the Tawarruq Asset Financing facilities of up to RM1,051.5 million. On 29 September 2023 (redemption date), RCSIDS was redeemed and it entails the redemption of all the outstanding principal amount of the RCSIDS that have not been converted, at the nominal value, and all cumulative profit of the RCSIDS, except for 26.84% of the cumulative profit ("RCSIDS Deferred Payment"). RCSIDS was cancelled upon the redemption.

(C) RCSIDS Deferred Payment

RCSIDS Deferred Payment is non-convertible, bears a fixed, cumulative and non-compounding profit rate of 7.9% per annum and shall be for a tenure of up to 267 months from the date of RCSIDS redemption.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 31 JOINT VENTURES (cont'd)

| | The Company | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Unquoted shares, at cost | **50,000** | 50,000 |
| Less: Allowance for impairment of investments | **(50,000)** | (50,000) |
| | **-** | - |
| RCULS | **476,979** | 455,375 |
| Less: Allowance for impairment of RCULS | **(340,765)** | (397,761) |
| | **136,214** | 57,614 |
| RCSIDS | **-** | 157,540 |
| RCSIDS Deferred Payment | **13,567** | - |
| Amounts owing by joint ventures | **26,620** | 26,620 |
| Less: Allowance for impairment of amounts owing by joint ventures | **(26,478)** | (26,478) |
| | **142** | 142 |
| | **149,923** | 215,296 |

The amounts owing by joint ventures of the Group and the Company are mainly unsecured advances for the joint ventures' working capital requirements which bear interest at rates ranging from 5.0% to 7.9% (2023: 4.5% to 7.9%) per annum and at 7.9% (2023: 7.9%) per annum respectively.

Movements on the Group's and the Company's allowance for impairment of RCULS are as follows:

| | Note | The Group and the Company | |
|---|---|---|---|
| | | 2024 RM'000 | 2023 RM'000 |
| At 1 April 2023/2022 | | **397,761** | 377,374 |
| Allowance for impairment during the year | 5(a) | **-** | 20,387 |
| Reversal of impairment during the year | 5(b) | **(56,996)** | - |
| **At 31 March** | | **340,765** | 397,761 |

During the financial year, the Group and the Company recognised a reversal of impairment amounting to RM57.0 million. This reversal occurred following the completion of the restructuring exercise on 30 June 2023, after fulfilling the conditions precedents stipulated under the Third Supplemental Agreement dated 30 December 2022. As part of the restructuring, the toll concession period for LEKAS was extended from 8 May 2039 to 8 May 2064 at reduced toll rates.

In assessing the expected credit losses for RCULS, the Group and the Company used a probability-weighted estimate of the expected cash flow scenarios to be generated from LEKAS's toll operations over the extended concession period of 40 years, up to the year 2064.

## 31 JOINT VENTURES (cont'd)

The significant assumptions used in the impairment assessments are as follows:

| Assumptions | 2024 (range of assumptions considered in the scenarios) |
|---|---|
| Traffic volume growth rate | 3.0% to 4.0% per annum |
| Projected period | Concession period of 40 years, up to the year 2064 |
| Discount rate | 7.9% |

The expected cash flows for RCULS was estimated using annual traffic growth scenarios and their weightings. The Group and the Company make an estimate on the projected traffic volume based on the latest independent traffic survey, adjusted for historical traffic volumes, which are subject to estimation uncertainties. External factors such as population growth, employment rates, and urbanisation trends may significantly influence the actual traffic growth rate, which may materially affect the results of the impairment assessment. In addition, the Group and the Company exercised significant judgement in selecting and weighting the traffic scenarios to derive the probability-weighted cash flows amount.

As of the reporting date, a 5% change in the projected traffic volume could change the probability-weighted cash flows of RCULS by RM36.8 million.

Movements on the Group's and the Company's allowance for impairment of amounts owing by joint ventures are as follows:

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| At 1 April 2023/2022 | | **54,983** | 54,923 | **26,478** | 26,478 |
| Allowance for impairment during the year | 5(a) | **6** | 237 | **-** | - |
| Reversal of impairment during the year | 5(b) | **-** | (177) | **-** | - |
| Bad debts written off | | **(12,528)** | - | **-** | - |
| **At 31 March** | | **42,461** | 54,983 | **26,478** | 26,478 |

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.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 31 JOINT VENTURES (cont'd)

(a) Details of the joint ventures are as follows:

| | Group's effective interest in joint ventures 2024 % | 2023 % | Principal activities |
|---|---|---|---|
| Elegan Pesona Sdn Bhd | **50** | 50 | Property development |
| IJM Properties-JA Manan Development Joint Venture | **50** | 50 | Dormant |
| IJM Properties-Danau Lumayan Joint Venture | **60** | 60 | Dormant |
| IJM Management Services-Giat Bernas Joint Venture | **70** | 70 | Dormant |
| Nasa Land Sdn Bhd | **50** | 50 | Property development |
| 368 Segambut Sdn Bhd | **50** | 50 | Property development |
| Exio Logistics Sdn Bhd * | **50** | 100 | Provision of warehouse related services |
| Innova Investment Partnership GP Limited ** | **25.5** | - | Construction of railway and underground railways, and construction of other civil engineering projects |
| Innova Investment Limited Partnership ** | **25.5** | - | 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 | Dormant |
| ISZL Consortium | **25** | 25 | Dormant |
| BSC-RBM-PATI JV | **25** | 25 | Dormant |
| IJMC-Gayatri Joint Venture | **60** | 60 | Dormant |
| IJM-LFE Joint Venture | **70** | 70 | Dormant |
| Kiara Teratai-IJM Joint Venture | **40** | 40 | Dormant |
| CHEC-IJMC Joint Venture | **49** | - | Construction of logistic park |
| IJM Sunway Sdn Bhd | **-** | 50 | Strike off |
| IJM LFE Sdn Bhd | **-** | 70 | Strike off |
| IJM-CHEC Joint Venture | **-** | 60 | Dissolved |

* In the preceding financial year, IJM RE Sdn Bhd ("IJM RE"), a wholly-owned subsidiary of the Company had incorporated a wholly-owned subsidiary, known as Exio Logistics Sdn. Bhd. ("EXIO").

On 3 July 2023, IJM RE entered into a shareholders' agreement with FMM Elmina Sdn. Bhd. ("FESB"). Following the completion of the share subscription in EXIO on 3 July 2023, IJM RE and FESB each hold 50% shareholdings in EXIO and it has become a jointly controlled entity of the Group.

** On 15 May 2023, RMS (England) 2 Limited ("RMS 2") entered into an agreement with Innova Investment Management Limited ("IIM") and Innova Investment Holdings Limited ("IIH") to:

(a) Acquire one ordinary share of Innova Investment Partnership GP Limited ("Innova GP") from IIM, representing 50% equity interest in Innova GP for a cash consideration of GBP1 and;

(b) Acquire 50% of the total aggregate partnership interest in Innova Investment Limited Partnership ("Innova LP") from IIH for a cash consideration of GBP182,144.

Subsequent to the acquisition, RMS 2 owns 50% shareholdings in Innova GP and Innova LP.

## 31 JOINT VENTURES (cont'd)

(b) As at 31 March 2024 and 31 March 2023, there are no contingent liabilities and capital commitments relating to the Group's interest in the joint ventures except below:

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Share of capital commitments of a joint venture | **47,978** | - |

(c) Certain losses of a joint venture of the Group are not recognised when they exceed the Group's cost of investment as the Group has no further obligations beyond these amounts. The Group's share of such losses is as follows:

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Current year share of losses | **(19,635)** | (22,870) |
| Cumulative share of losses | **(172,657)** | (153,022) |

(d) Set out below are the joint ventures of the Group as at 31 March 2024 and 31 March 2023, 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 2024 | % of ownership 2023 | Nature of relationship | Measurement method |
|---|---|---|---|---|---|
| IJM Perennial Development Sdn Bhd | Malaysia | **50** | 50 | Joint venture | Equity |
| 368 Segambut Sdn Bhd | Malaysia | **50** | 50 | Joint venture | Equity |
| Nasa Land Sdn Bhd | Malaysia | **50** | 50 | Joint venture | Equity |

IJM Perennial Development Sdn Bhd, 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 2024

## 31 JOINT VENTURES (cont'd)

(e) 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 Perennial Development Sdn Bhd | | 368 Segambut Sdn Bhd | | Nasa Land Sdn Bhd | |
|---|---|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Current | | | | | | |
| Cash and cash equivalents | **62,152** | 29,355 | **54,606** | 31,169 | **46,266** | 12,031 |
| Other current assets (excluding cash) | **228,217** | 200,932 | **229,946** | 264,025 | **271,503** | 206,908 |
| Total current assets | **290,369** | 230,287 | **284,552** | 295,194 | **317,769** | 218,939 |
| Financial liabilities (excluding trade and other payables) | **(18,040)** | (18,040) | **-** | - | **-** | - |
| Other current liabilities (including trade and other payables) | **(623,667)** | (438,075) | **(37,394)** | (56,626) | **(148,603)** | (129,319) |
| Total current liabilities | **(641,707)** | (456,115) | **(37,394)** | (56,626) | **(148,603)** | (129,319) |
| Non-current | | | | | | |
| Assets | **1,204,699** | 822,919 | **9,294** | 7,455 | **3,936** | 69,190 |
| Financial liabilities (excluding trade and other payables) | **(866,086)** | (624,226) | **(96,858)** | (123,456) | **(105,028)** | (104,130) |
| Other current liabilities (including trade and other payables) | **(24,000)** | (24,068) | **-** | - | **-** | - |
| Total non-current liabilities | **(890,086)** | (648,294) | **(96,858)** | (123,456) | **(105,028)** | (104,130) |
| Net (liabilities)/assets | **(36,725)** | (51,203) | **159,594** | 122,567 | **68,074** | 54,680 |

## 31 JOINT VENTURES (cont'd)

(e) Set out below are the summarised financial information for material joint ventures which are accounted for using the equity method: (cont'd)

(ii) Summarised statements of comprehensive income:

| | IJM Perennial Development Sdn Bhd | | 368 Segambut Sdn Bhd | | Nasa Land Sdn Bhd | |
|---|---|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Revenue | **130,717** | 33,121 | **159,962** | 153,721 | **58,211** | 63,500 |
| Interest income | **5,009** | 102 | **1,119** | 586 | **398** | 213 |
| Finance cost | **(4,996)** | (5,986) | **(1,973)** | (5,039) | **(7,138)** | (5,732) |
| Profit/(loss) before taxation | **22,736** | (2,912) | **47,756** | 48,866 | **11,014** | 1,825 |
| Income tax (expense)/ credit | **(8,258)** | (5,873) | **(10,729)** | (11,728) | **2,380** | (5,357) |
| Net profit/(loss) for the year/Total comprehensive income/(loss) | **14,478** | (8,785) | **37,027** | 37,138 | **13,394** | (3,532) |

(iii) Reconciliation of the summarised financial information presented to the carrying amounts of its interests in joint ventures is set out below:

| | IJM Perennial Development Sdn Bhd | | 368 Segambut Sdn Bhd | | Nasa Land Sdn Bhd | |
|---|---|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Net (liabilities)/assets at 1 April 2023/2022 | **(51,203)** | (42,393) | **122,567** | 85,429 | **54,680** | 58,212 |
| Net profit/(loss) for the financial year | **14,478** | (8,785) | **37,027** | 37,138 | **13,394** | (3,532) |
| Others | **-** | (25) | **-** | - | **-** | - |
| Net (liabilities)/assets at 31 March | **(36,725)** | (51,203) | **159,594** | 122,567 | **68,074** | 54,680 |
| Interests in joint ventures | **(18,363)** | (25,602) | **79,797** | 61,284 | **34,037** | 27,340 |
| Goodwill | **-** | - | **-** | - | **11,597** | 11,597 |
| Unrealised profits | **(13,133)** | (6,225) | **-** | - | **-** | - |
| | **(31,496)** | (31,827) | **79,797** | 61,284 | **45,634** | 38,937 |
| Amounts owing by joint ventures | **237,491** | 163,710 | **49,469** | 47,326 | **107,096** | 101,393 |
| | **205,995** | 131,883 | **129,266** | 108,610 | **152,730** | 140,330 |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 31 JOINT VENTURES (cont'd)

(f) Set out below are the financial information of all individually immaterial joint ventures on an aggregate basis.

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Carrying amounts of interest in joint ventures | **3,065** | 1,101 |
| Share of joint ventures' (losses)/profits/share of joint ventures' total comprehensive (loss)/income | **(2,707)** | 1,948 |

## 32 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 | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Non-current assets | | | | |
| Unquoted shares in Malaysia | **2,050** | 3,560 | **2,050** | 2,050 |
| Others | **105** | 105 | **-** | - |
| | **2,155** | 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.

## 33 LONG TERM RECEIVABLES

| | Note | The Group | |
|---|---|---|---|
| | | 2024 RM'000 | 2023 RM'000 |
| Finance lease receivables | (a) | **3,596** | 797 |
| Less: Amount receivable within 12 months (included in trade and other receivables – Note 36) | | **(410)** | (91) |
| | | **3,186** | 706 |
| Amounts due from related companies | (b) | **-** | 45,500 |
| Trade receivables | (c) | **18,894** | 91,535 |
| Other receivables | (d) | **157,248** | 137,247 |
| Less: Allowance for impairment of other receivables | | **(63,704)** | (63,704) |
| | | **93,544** | 73,543 |
| Other receivables I | (e) | **17,016** | 21,915 |
| Prepayment I | (f) | **75,674** | - |
| Prepayment II | (g) | **35,637** | 2,022 |
| | | **243,951** | **235,221** |

## 33 LONG TERM RECEIVABLES (cont'd)

(a) Finance lease receivables

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Finance lease receivables: | | |
| - Receivable within 1 year | **512** | 135 |
| - Receivable between 1 and 5 years | **2,167** | 660 |
| - Receivable after 5 years | **1,733** | 618 |
| | **4,412** | 1,413 |
| Less: Unearned interest income | **(816)** | (616) |
| | **3,596** | 797 |
| Finance lease receivables (net of unearned interest income): | | |
| - Receivable within 1 year | **410** | 91 |
| - Receivable between 1 and 5 years | **1,719** | 394 |
| - Receivable after 5 years | **1,467** | 312 |
| | **3,596** | 797 |

The finance lease receivables as at the reporting date arise from the lease agreements entered into between indirect subsidiaries of the Company and lessors to lease buildings to third parties for the lease terms ranging between 10 and 15 years. The Group does not have any significant exposure to credit risk from the lease receivables as the ownership and rights to the buildings revert to the Group in the event of default.

(b) As at the end of the preceding financial year, the balances represented amounts owing by a subsidiary of a joint operation partner. The amounts were unsecured advances which bore interest at a rate of 5.0% per annum. During the financial year, the outstanding balances were fully repaid.

(c) The trade receivables are unsecured and arising from deferred payment construction projects. During the financial year, the outstanding balances of RM91,535,000 which bore interest at 5% per annum were reclassified to current assets as the balances were due for repayment within a year as of the reporting date.

The trade receivables balance as at 31 March 2024 is interest free and management has incorporated the time value of money for the measurement of the receivables as at the reporting date.

(d) The other receivables are secured advances which bear interest at a rate of 6.5% (2023: 6.5%) per annum. As at 31 March 2024, the Group has not recognised loss allowance for the net balances of RM93,544,000 (2023: RM73,543,000) which were past due as the receivables are secured by collaterals. Several land titles were deposited with or charged by the Group as collaterals.

(e) The balances represent outstanding disposal proceed in relation to the disposal of 2 tug boats in the preceding financial year, which are secured by collaterals and bear interest at a rate of 4.9% (2023: 4.9%) per annum.

(f) The balances represent prepayment paid to an external party for its future services to be rendered in relation to matters related to the development activities to be carried out by the Innova Partnership in the United Kingdom.

(g) The balances represent downpayment paid by the Group to suppliers for the purchase of plant and equipment for the manufacturing and quarrying division.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 34 INTANGIBLE ASSETS

| | Customer relationship and contracts RM'000 | Goodwill on consolidation RM'000 | Quarry development expenditure RM'000 | Total RM'000 |
|---|---|---|---|---|
| **The Group** | | | | |
| **2024** | | | | |
| Cost | | | | |
| At 1 April 2023 | **3,958** | **1,112,676** | **67,473** | **1,184,107** |
| Additions | **-** | **-** | **2,707** | **2,707** |
| At 31 March 2024 | **3,958** | **1,112,676** | **70,180** | **1,186,814** |
| Accumulated amortisation | | | | |
| At 1 April 2023 | **-** | **-** | **(48,617)** | **(48,617)** |
| Amortisation for the financial year (Note 5(a)) | **(1,490)** | **-** | **(3,033)** | **(4,523)** |
| At 31 March 2024 | **(1,490)** | **-** | **(51,650)** | **(53,140)** |
| Accumulated impairment | | | | |
| At 1 April 2023 | **-** | **(1,004,439)** | **(5,637)** | **(1,010,076)** |
| Impairment for the financial year (Note 5(a)) | **-** | **-** | **(11,842)** | **(11,842)** |
| **At 31 March 2024** | **-** | **(1,004,439)** | **(17,479)** | **(1,021,918)** |
| **At 31 March 2024** | **2,468** | **108,237** | **1,051** | **111,756** |
| **2023** | | | | |
| Cost | | | | |
| At 1 April 2022 | - | 1,084,175 | 64,984 | 1,149,159 |
| Acquisition of a subsidiary (Note 46(a)(i)) | 3,958 | 28,501 | - | 32,459 |
| Additions | - | - | 2,489 | 2,489 |
| At 31 March 2023 | 3,958 | 1,112,676 | 67,473 | 1,184,107 |
| Accumulated amortisation | | | | |
| At 1 April 2022 | - | - | (45,518) | (45,518) |
| Amortisation for the financial year (Note 5(a)) | - | - | (3,099) | (3,099) |
| At 31 March 2023 | - | - | (48,617) | (48,617) |
| Accumulated impairment | | | | |
| At 1 April 2022/At 31 March 2023 | - | (1,004,439) | (5,637) | (1,010,076) |
| **At 31 March 2023** | 3,958 | 108,237 | 13,219 | 125,414 |

As at 31 March 2024, the quarry development expenditure has an estimated useful life of 1 to 2 years (2023: 2 to 9 years) based on the estimated unutilised reserve available from the quarry face developed.

During the financial year, amortisation of quarry development expenditure of RM3,033,000 (2023: RM3,099,000) and amortisation of customer relationship and contracts of RM1,490,000 (2023: Nil) were included in cost of sales and other operating expenses respectively.

## 35 INVENTORIES

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 |
|---|---|---|---|
| Non-current | | | |
| Land held for property development | (a) | **550,936** | 537,397 |
| Current | | | |
| At cost: | | | |
| Raw materials: | | | |
| - Construction materials | | **3,604** | 2,230 |
| - Other raw materials | | **116,814** | 99,370 |
| Finished goods: | | | |
| - Completed buildings | | **708,065** | 447,498 |
| - Quarry and manufactured products | | **143,544** | 143,536 |
| Consumables: | | | |
| - Stores and spares | | **3,838** | 5,035 |
| | | **975,865** | 697,669 |
| At net realisable value: | | | |
| Finished goods: | | | |
| - Completed buildings | | **200,650** | 290,653 |
| - Consumables | | **5,072** | 5,409 |
| - Quarry and manufactured products | | **-** | 4,155 |
| | | **205,722** | 300,217 |
| | | **1,181,587** | 997,886 |
| Property development costs | (b) | **5,115,574** | 5,674,713 |
| Total current | | **6,297,161** | 6,672,599 |
| Total inventories | | **6,848,097** | 7,209,996 |

Inventories recognised as an expense during the financial year amounted to RM2,148,483,000 (2023: RM1,661,259,000).

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 35 INVENTORIES (cont'd)

(a) Land held for property development

| | The Group 2024 RM'000 | The Group 2023 RM'000 |
|---|---|---|
| Cost: | | |
| Freehold land | **299,534** | 287,148 |
| Leasehold land | **131,645** | 130,724 |
| Development costs | **43,849** | 43,617 |
| | **475,028** | 461,489 |
| Net realisable value: | | |
| Freehold land | **72,236** | 72,236 |
| Leasehold land | **3,672** | 3,672 |
| | **75,908** | 75,908 |
| | **550,936** | 537,397 |
| At 1 April 2023/2022 | **537,397** | 515,781 |
| Additions during the financial year | **30,106** | 22,241 |
| Disposal during the financial year | **(9,859)** | - |
| Costs charged to profit or loss | **(7,958)** | - |
| Transferred from/(to) property development costs (Note 35(b)) | **1,250** | (625) |
| **At 31 March** | **550,936** | 537,397 |

The carrying values of freehold land and leasehold land amounting to RM446,000 and RM2,771,000 (2023: RM446,000 and RM2,771,000) respectively are pledged as security for the term loans of the subsidiaries (Note 17).

## 35 INVENTORIES (cont'd)

(b) Property development costs

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 |
|---|---|---|---|
| At 1 April 2023/2022 | | **5,674,713** | 5,963,895 |
| Less: Completed development properties: | | | |
| Freehold land – at cost | | **(19,128)** | (1,636) |
| Leasehold land – at cost | | **(32,337)** | (2,320) |
| Development costs | | **(338,869)** | (110,220) |
| Accumulated costs charged to profit or loss | | **352,188** | 93,730 |
| Completed units transferred to inventories | | **38,146** | 20,446 |
| | | **-** | - |
| | | **5,674,713** | 5,963,895 |
| Completed units transferred to inventories | | **(353,379)** | (220,923) |
| Costs charged to profit or loss | | **(987,344)** | (795,018) |
| Costs incurred during the financial year: | | | |
| - Purchase of land | | **195,463** | 17,642 |
| - Development costs | | **1,102,653** | 735,595 |
| | | **1,298,116** | 753,237 |
| Disposal during the financial year * | | **(479,476)** | (2,316) |
| Write down during the year (net) | 5(a) | **(83,714)** | (2,812) |
| Transferred from property, plant and equipment | 25 | **-** | 397 |
| Transferred to investment properties | 27 | **-** | (1,216) |
| Transferred (to)/from land held for property development | 35(a) | **(1,250)** | 625 |
| Exchange differences | | **47,908** | (21,156) |
| **At 31 March** | | **5,115,574** | 5,674,713 |

* Including the sale of land by the Group to an associate of RM370.0 million, of which cost of sale of RM181.3 million has been eliminated in respect of the Group's share in the associate.

| | The Group 2024 RM'000 | The Group 2023 RM'000 |
|---|---|---|
| At 31 March: | | |
| Freehold land – at cost | **572,751** | 617,995 |
| Leasehold land – at cost | **2,560,928** | 2,644,977 |
| Development costs | **7,086,074** | 6,741,297 |
| Accumulated costs charged to profit or loss | **(4,025,137)** | (3,438,869) |
| Completed units transferred to inventories | **(909,522)** | (685,858) |
| Allowance for write down | **(169,520)** | (204,829) |
| | **5,115,574** | 5,674,713 |

During the financial year, the Group has recorded a net write down of its inventories for property development costs of RM83,714,000. The write down of the inventories was due to a recent feasibility study conducted by the Group which has indicated that there were geographical constraints at the construction site and increase in the prices of the construction materials. This caused limitations to the product mix that can be developed and the viability of the Group's initial development plan was affected. Accordingly, property development costs were written down based on the valuation reports obtained by the Group from professional valuers during the financial year.

During the financial year, finance cost of RM35,768,000 (2023: RM32,361,000) (Note 9) has been capitalised in property development costs.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 35 INVENTORIES (cont'd)

(b) Property development costs (cont'd)

The carrying values of freehold land and leasehold land amounting to RM163,429,000 (2023: RM167,524,000) and RM876,246,000 (2023: RM1,430,085,000) respectively are pledged as security for certain revolving credits (Note 44) and term loans of the subsidiaries (Note 17).

As at 31 March 2024, land titles to leasehold land with a carrying value of RM445,000 (2023: RM417,000) are in the process of being transferred.

## 36 TRADE AND OTHER RECEIVABLES

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024<br>RM'000 | 2023<br>RM'000 | 2024<br>RM'000 | 2023<br>RM'000 |
| Trade receivables | **1,177,556** | 853,589 | **56,318** | 54,342 |
| Trade advances | **51,465** | 65,265 | **2,114** | 2,403 |
| Other receivables | **168,898** | 161,826 | **1,348** | 8,562 |
| Compensation receivable * | **79,387** | 51,849 | **-** | - |
| Amounts owing by subsidiaries | **-** | - | **647,440** | 435,158 |
| Amounts owing by associates | **118,383** | 78,809 | **1,354** | 1,340 |
| Amount owing by a jointly controlled entity | **136,712** | 78,977 | **-** | - |
| Amount owing by a joint operation partner ** | **73,043** | 48,634 | **-** | - |
| Deposits | **38,941** | 46,124 | **482** | 7,716 |
| | **1,844,385** | 1,385,073 | **709,056** | 509,521 |
| Less: | | | | |
| Allowance for impairment of trade receivables, other receivables and amounts owing by subsidiaries | **(144,764)** | (171,265) | **(217,396)** | (113,914) |
| | **1,699,621** | 1,213,808 | **491,660** | 395,607 |
| Prepayments | **28,783** | 25,071 | **235** | 266 |
| Costs to secure contracts *** | **19,962** | 17,071 | **-** | - |
| GST receivables | **3,906** | 5,850 | **-** | - |
| | **1,752,272** | 1,261,800 | **491,895** | 395,873 |

Other receivables include the current portion of the following items:

| | The Group | |
|---|---|---|
| | 2024<br>RM'000 | 2023<br>RM'000 |
| Finance lease receivables (Note 33) | **410** | 91 |

* The compensation receivable of the Group is in relation to the amount receivable from the Government of Malaysia in respect of tollway arrangements.

** The balance represents an amount owing by a joint operation partner, WCE Holdings Berhad (a 26% associate of the Company). 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 RM28,125,000 (2023: RM26,313,000).

## 36 TRADE AND OTHER RECEIVABLES (cont'd)

The currency exposure profile of trade and other receivables is as follows:

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024<br>RM'000 | 2023<br>RM'000 | 2024<br>RM'000 | 2023<br>RM'000 |
| United States Dollar | **23,028** | 7,576 | **1,347** | - |
| Singapore Dollar | **3,566** | 5,869 | **-** | - |
| | **26,594** | 13,445 | **1,347** | - |

Trade and other receivables that are neither past due nor impaired:

Credit terms of trade receivables range from payment in advance to 150 days (2023: 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.

Trade receivables, other receivables and amounts owing by subsidiaries 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 2024, trade and other receivables of the Group and the Company of RM144,764,000 (2023: RM171,265,000) and RM214,396,000 (2023: RM113,914,000) respectively were impaired and provided for.

Movements on the Group's and the Company's allowance for impairment of trade receivables, other receivables and amounts owing by subsidiaries are as follows:

| | Note | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2024<br>RM'000 | 2023<br>RM'000 | 2024<br>RM'000 | 2023<br>RM'000 |
| At 1 April 2023/2022 | | **171,265** | 187,825 | **113,914** | 89,553 |
| Allowance for impairment of receivables during the year | 5(a) | **4,530** | 2,823 | **103,482** | 24,361 |
| Write back of allowance for impairment of receivables | 5(b) | **(23,387)** | (6,591) | **-** | - |
| Bad debts written off | | **(7,674)** | (7,541) | **-** | - |
| Foreign currency exchange differences | | **30** | (5,251) | **-** | - |
| **At 31 March** | | **144,764** | 171,265 | **217,396** | 113,914 |

Of the above Group impairment, RM118,766,000 (2023: RM135,936,000) related to trade receivables. Of the above Company's impairment, RM32,122,000 (2023: RM32,122,000) related to trade receivables.

The allowance for impairment of receivables during the year at the Company level was mainly in relation to amounts owing by certain subsidiaries, where the balances were fully impaired due to the ECL assessment carried out by the Company on the probability-weighted estimated cash inflows expected from the receivables.

## 36 TRADE AND OTHER RECEIVABLES (cont'd)

Concentrations of credit risk with respect to trade and other receivables are limited due to the Group's large number of customers, who are dispersed over a broad spectrum of industries and businesses. The Group has carried out an assessment on the recoverability of these balances and management believes that the current impairment recognised is adequate.

The amounts owing by subsidiaries and associates are unsecured and repayable on demand. Certain amounts owing by subsidiaries and associates bear interest at rates ranging from 5.0% to 7.7% (2023: 4.5% 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 mainly comprises receivables arising from the rendering of construction services to the joint operations. The credit terms of these trade related balances are 30 days (2023: 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.

## 37 CONTRACT ASSETS AND CONTRACT LIABILITIES

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024<br>RM'000 | 2023<br>RM'000 | 2024<br>RM'000 | 2023<br>RM'000 |
| Contract Assets: | | | | |
| Contract assets from construction (Note (a)) | **53,018** | 33,012 | **-** | - |
| Contract assets from property development (Note (b)) | **387,899** | 399,004 | **-** | - |
| Total | **440,917** | 432,016 | **-** | - |
| Analysed as: | | | | |
| Current | **440,917** | 432,016 | **-** | - |
| Contract Liabilities: | | | | |
| Contract liabilities from construction (Note (a)) | **240,914** | 96,108 | **87** | 541 |
| Contract liabilities from property development Note (b)) | **187,983** | 212,981 | **-** | - |
| Total | **428,897** | 309,089 | **87** | 541 |
| Analysed as: | | | | |
| Current | **428,897** | 309,089 | **87** | 541 |

## 37 CONTRACT ASSETS AND CONTRACT LIABILITIES (cont'd)

(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 | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Contract assets | **53,018** | 33,012 | **-** | - |
| Contract liabilities | **(240,914)** | (96,108) | **(87)** | (541) |
| | **(187,896)** | (63,096) | **(87)** | (541) |
| At 1 April 2023/2022 | **(63,096)** | (26,985) | **(541)** | (786) |
| Acquisition of a subsidiary (Note 46(a)(i)) | **-** | 1,122 | **-** | - |
| Revenue recognised during the year | **1,656,164** | 1,043,573 | **-** | - |
| Progress billings issued during the year | **(1,663,210)** | (1,076,631) | **-** | - |
| Advances received on contracts | **(117,785)** | (5,780) | **-** | - |
| Exchange translation differences | **(455)** | 1,384 | **(30)** | 24 |
| Others | **486** | 221 | **484** | 221 |
| **At 31 March** | **(187,896)** | (63,096) | **(87)** | (541) |

The unsatisfied performance obligations at the end of the reporting period are expected to be recognised in the following periods:

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Within 1 year | **2,619,705** | 1,346,501 | **-** | - |
| Between 1 and 4 years | **2,433,830** | 771,763 | **-** | - |
| | **5,053,535** | 2,118,264 | **-** | - |

The construction revenue recognised by the Group during the financial year arising from the performance obligations satisfied in the previous financial years are as follows:

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Construction contracts – changes in contract sums with project employers during the financial year | **35,172** | 49,952 |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 37 CONTRACT ASSETS AND CONTRACT LIABILITIES (cont'd)

(b) Contract assets and contract liabilities from property development

The Group issues progress billings to purchasers when the billing milestones are attained. The Group recognises revenue when the performance obligation is satisfied.

The Group's contract assets and contract liabilities relating to the sale of properties as of each reporting period can be summarised as follows:

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Contract assets | **387,899** | 399,004 |
| Contract liabilities | **(187,983)** | (212,981) |
| | **199,916** | 186,023 |
| At 1 April 2023/2022 | **186,023** | 190,839 |
| Revenue recognised during the year | **1,585,767** | 1,335,370 |
| Progress billings issued during the year | **(1,570,709)** | (1,340,724) |
| Exchange translation differences | **(1,165)** | 538 |
| **At 31 March** | **199,916** | 186,023 |

The unsatisfied performance obligations at the end of the reporting period are expected to be recognised in the following periods:

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Within 1 year | **688,988** | 1,039,902 |
| Between 1 and 4 years | **289,391** | 366,023 |
| | **978,379** | 1,405,925 |

## 38 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Quoted securities in Malaysia | | | | |
| - held for trading: | | | | |
| Non-current: | | | | |
| Warrants | **67,006** | - | **67,006** | - |
| Current: | | | | |
| Quoted unit trusts | **655,496** | 539,429 | **386,527** | 278,373 |
| Quoted shares | **937** | 1,001 | **-** | - |
| Quoted real estate investment trusts | **1,504** | 1,504 | **1,504** | 1,504 |
| | **657,937** | 541,934 | **388,031** | 279,877 |
| | **724,943** | 541,934 | **455,037** | 279,877 |

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.

## 39 DEPOSITS, CASH AND BANK BALANCES

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| Deposits with licensed banks | 47 | **407,750** | 487,288 | **13,424** | 41,470 |
| Cash and bank balances | | **1,877,037** | 1,802,399 | **507,084** | 615,387 |
| Housing Development Accounts (a) | | **585,602** | 535,476 | **-** | - |
| | 47 | **2,462,639** | 2,337,875 | **507,084** | 615,387 |
| | | **2,870,389** | 2,825,163 | **520,508** | 656,857 |

(a) Cash and bank balances include balances amounting to RM585,602,000 (2023: RM535,476,000) 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 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|
| United States Dollar | **11,974** | 18,379 | **5,434** | 4,808 |
| Singapore Dollar | **10,774** | 9,856 | **-** | - |
| | **22,748** | 28,235 | **5,434** | 4,808 |

The currency exposure profile of cash and bank balances is as follows:

| | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|
| United States Dollar | **65,551** | 10,381 | **40,656** | 1,101 |
| Singapore Dollar | **1,258** | 1,168 | **-** | - |
| Argentine Peso | **-** | 2 | **-** | 2 |
| Pakistan Rupee | **54** | 25 | **54** | 25 |
| Chinese Renminbi | **225** | - | **-** | - |
| | **67,088** | 11,576 | **40,710** | 1,128 |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 39 DEPOSITS, CASH AND BANK BALANCES (cont'd)

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 | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | % | % | % | % |
| Deposits with licensed banks: | | | | |
| Ringgit Malaysia | **2.63** | 3.00 | **2.70** | 3.57 |
| US Dollar | **5.05** | 4.51 | **5.12** | 4.55 |
| Indian Rupee | **4.97** | 4.88 | **7.37** | 6.48 |
| Cash at bank held under Housing Development Accounts | **1.45** | 1.15 | **-** | - |
| Cash and bank balances: | | | | |
| Ringgit Malaysia | **0.10 – 3.65** | 0.10 – 3.34 | **2.50 – 3.65** | 2.25 – 3.15 |
| US Dollar | **0.30 – 4.00** | 0.30 – 3.70 | **-** | - |
| Chinese Renminbi | **0.30** | 0.30 | **-** | - |

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.

Deposits with licensed banks of the Group and of the Company have a maturity period ranging between 1 and 366 days (2023: 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.

The carrying values of the designated bank accounts amounting to RM108,000 (2023: RM3,397,000) are pledged as securities for the term loans of the subsidiaries (Note 17).

## 40 ASSETS HELD FOR SALE

| | Note | The Group 2024 RM'000 | 2023 RM'000 |
|---|---|---|---|
| Property, plant and equipment (Note 25) | (a) | **470** | - |
| Property, plant and equipment (Note 25) | (b) | **-** | 866 |
| Right-of-use assets (Note 26) | (c) | **-** | 589 |
| Investment properties (Note 27) | (d) | **-** | 583 |
| | | **470** | 2,038 |

(a) (i) On 27 January 2024, IJM (India) Infrastructure Limited, an indirect subsidiary of the Company, entered into a sale and purchase agreement with an external party to dispose a residential flat measuring approximately 1,279 square feet at RTP-DK Project at Nambur Village situated in the state of Andhra Pradesh for a total net cash consideration of Rupees 35 lakhs (translated to RM198,800 based on an exchange rate of 1 Rupee equivalent to RM0.0568). As at 31 March 2024, the disposal is subject to fulfilment of conditions precedent.

(a) (ii) During the financial year, IJM (India) Infrastructure Limited, an indirect subsidiary of the Company, entered into an arrangement with an external party to dispose freehold land measuring approximately 1.80 acres at Koppuravuru Village, Peddakakani Mandalam, Guntur District, Andhra Pradesh for a total net cash consideration of Rupees 68.55 lakhs (translated to RM389,000 based on an exchange rate of 1 Rupee equivalent to RM0.0568). As at 31 March 2024, the disposal is subject to fulfilment of conditions precedent.

(a) (iii) During the financial year, IJM (India) Infrastructure Limited, an indirect subsidiary of the Company, entered into an arrangement with an external party to dispose freehold land measuring approximately 47.72 acres at Village & Post Bodhanam, Chillakur Mandal, Kadivedu Sub-post, Nellore District, in the state of Andhra Pradesh for a total net cash consideration of Rupees 2.15 crores (translated to RM1,221,200 based on an exchange rate of 1 Rupee equivalent to RM0.0568). As at 31 March 2024, the disposal is subject to fulfilment of conditions precedent.

(b),(c) As at 31 March 2024, property, plant and equipment and right-of-use assets held by Industrial Concrete Products Sdn Bhd ("ICP"), a wholly-owned subsidiary of the Company, did not satisfy the criteria in MFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" and were therefore reclassified as "Property, Plant and Equipment" and "Right-Of-Use Assets" following the termination of the transactions to dispose of these assets.

(d) On 20 February 2023, ICP, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an external party to dispose a unit of condominium at Bayan Lepas for a total net cash consideration of RM657,000. The disposal was completed during the current financial year and a gain of RM74,000 recognised in profit or loss (Note 5(b)).

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 41 TRADE AND OTHER PAYABLES

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| Trade payables | | **1,165,434** | 934,620 | **251** | 251 |
| Trade accruals * | | **997,094** | 977,528 | **28,796** | 36,965 |
| Amounts owing to subsidiaries | | **-** | - | **28,892** | 7,987 |
| Amounts owing to associates | | **599** | 50 | **-** | - |
| Amounts owing to joint ventures | | **12,071** | 12,995 | **-** | - |
| Amount owing to a corporate shareholder ** | | **194,181** | 184,935 | **-** | - |
| Other payables and accruals *** | | **345,501** | 527,452 | **7,052** | 12,742 |
| Government support loan | 18 | **9,930** | 9,930 | **-** | - |
| Land and development costs payable | 22(b) | **22,039** | 20,697 | **-** | - |
| Lease payable to Kuantan Port Authority | 22(e) | **6,738** | 6,710 | **-** | - |
| | | **2,753,587** | 2,674,917 | **64,991** | 57,945 |
| Retirement benefits payable | 23 | **731** | 33 | **-** | - |
| GST payables | | **3,997** | 4,895 | **-** | - |
| | | **2,758,315** | 2,679,845 | **64,991** | 57,945 |

* Included in the trade accruals are mainly the provision for costs amounting to RM695,013,000 (2023: RM771,709,000) to complete the property development projects.

| | The Group 2024 RM'000 |
|---|---|
| Provision for costs to complete | |
| At 1 April 2023 | **771,709** |
| Current year provision | **125,868** |
| Utilised during the year | **(78,777)** |
| Over provision in respect of prior years | **(123,787)** |
| **At 31 March** | **695,013** |

Trade accruals also include interest payable of the Group and Company amounting to RM27,475,000 and RM16,180,000 (2023: RM57,524,000 and RM17,392,000) respectively.

** The amount owing to a corporate shareholder of an indirect subsidiary of the Company is in relation to advances which are unsecured, repayable on demand and bear interest at a rate of 5.0% (2023: 5.0%) per annum.

*** Included in the other payables and accruals is provision for onerous contracts which represents the Group's obligations to complete the construction projects, whereby the unavoidable costs of meeting the obligations exceed the economic benefits expected to be recovered.

## 41 TRADE AND OTHER PAYABLES (cont'd)

| | The Group 2024 RM'000 |
|---|---|
| Provision for onerous contracts | |
| At 1 April 2023 | **59,783** |
| Current year provision | **20,910** |
| Utilised during the year | **(26,301)** |
| **At 31 March** | **54,392** |

The currency exposure profile of trade and other payables is as follows:

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Chinese Yuan | **13,147** | 16 | **-** | - |
| Euro | **186** | - | **-** | - |
| Japanese Yen | **39** | - | **-** | - |
| Singapore Dollar | **-** | 13 | **-** | - |
| United States Dollar | **11,643** | 3,945 | **-** | - |

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 (2023: range from payments in advance to 120 days).

## 42 DERIVATIVE FINANCIAL INSTRUMENTS

| | The Group and the Company Liabilities RM'000 |
|---|---|
| **As at 31 March 2024** | |
| Current: | |
| Cross currency swap | **332** |

During the financial year, 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 2024, the outstanding notional value of the contract is USD20 million.

Maturity profile of derivative financial instruments:

| | < 1 year RM'000 | 1 – 3 years RM'000 | Total fair value of derivative financial liabilities RM'000 |
|---|---|---|---|
| Types of derivative | | | |
| **The Group and the Company** | | | |
| **As at 31 March 2024** | | | |
| Cross currency swap | **332** | **-** | **332** |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 43 PROVISIONS

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 |
|---|---|---|---|
| Provisions (current) | (a) | **4,272** | 2,992 |
| Provision for maintenance | | | |
| At 1 April 2023/2022 | | **2,992** | 2,714 |
| Current year provision | | **7,200** | 4,884 |
| Utilised during the year | | **(8,190)** | (4,383) |
| Under/(over) provision in respect of prior years | | **2,270** | (223) |
| **At 31 March** | | **4,272** | 2,992 |

(a) Provision for maintenance is in respect of the contractual obligations under the respective concession agreements to maintain and restore the Expressways to a specified standard of serviceability.

## 44 BORROWINGS

| | Note | The Group 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| Secured | | | | | |
| Bonds | 16 | **162,883** | 145,000 | **-** | - |
| Term loans | 17 | **37,263** | 153,513 | **-** | - |
| Revolving credits (A) | | **51,507** | 131,137 | **-** | - |
| | | **251,653** | 429,650 | **-** | **-** |
| Unsecured | | | | | |
| Bonds | 16 | **199,198** | 200,000 | **100,000** | 200,000 |
| Term loans | 17 | **473,121** | 429,587 | **189,480** | 172,146 |
| Bankers' acceptances | | **-** | 14,319 | **-** | - |
| Revolving credits | | **774,603** | 617,450 | **555,969** | 150,000 |
| Bank overdrafts | 47 | **22,682** | 7,365 | **-** | - |
| Letters of credit | | **2,683** | 5,562 | **-** | - |
| | | **1,472,287** | 1,274,283 | **845,449** | 522,146 |
| | | **1,723,940** | 1,703,933 | **845,449** | 522,146 |

## 44 BORROWINGS (cont'd)

The currency exposure profile of the above bank borrowings (other than term loans as disclosed in Note 17 to the financial statements) is as follows:

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| United States Dollar | **188,059** | 132,420 | **188,059** | - |

As at the reporting date, the weighted average annual effective interest rates for the bank borrowings, other than the bonds and term loans which are disclosed in Notes 16 and 17 respectively, of the Group and the Company are as follows:

| | The Group | | |
|---|---|---|---|
| | Bankers' acceptances % | Revolving credits % | Bank overdrafts % |
| **As at 31 March 2024:** | | | |
| Ringgit Malaysia | **-** | **4.31** | **-** |
| Indian Rupee | **-** | **-** | **8.82** |
| United States Dollar | **-** | **6.68** | **-** |
| **As at 31 March 2023:** | | | |
| Ringgit Malaysia | 3.47 | 4.30 | - |
| Indian Rupee | - | - | 8.58 |
| United States Dollar | - | 5.75 | - |

| | The Company | |
|---|---|---|
| | 2024 Revolving credits % | 2023 Revolving credits % |
| Ringgit Malaysia | **4.16** | 3.81 |
| United States Dollar | **6.68** | - |

The security for bonds and term loans are disclosed in Notes 16 and 17 respectively.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 44 BORROWINGS (cont'd)

(A) As at the reporting date, the following revolving credits of the Group are secured as follows:

| | Note | The Group 2024 RM'000 | 2023 RM'000 |
|---|---|---|---|
| Revolving credit (i) | (a) | **9,737** | 9,737 |
| Revolving credit (ii) | (b) | **18,800** | 100,000 |
| Revolving credit (iii) | (c) | **22,970** | 21,400 |
| | | **51,507** | 131,137 |

(a) The security for revolving credit (i) of RM9,737,000 (2023: RM9,737,000) is disclosed in Note 17(C)(f).

(b) The security for revolving credit (ii) of RM18,800,000 (2023: RM100,000,000) is disclosed in Note 17(C)(g).

(c) The revolving credit (iii) of RM22,970,000 (2023: RM21,400,000) is secured by way of a Lien-Holder's Caveat over inventories (Note 35) of a subsidiary of IJML with a minimum security cover of 1.0 time the loan outstanding.

## 45 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:

| | Construction RM'000 | Property development RM'000 | Manufacturing and quarrying RM'000 | Others RM'000 | Total RM'000 |
|---|---|---|---|---|---|
| **2024** | | | | | |
| **At 1 April 2023/At 31 March 2024** | **13,407** | **10,303** | **56,026** | **28,501** | **108,237** |
| **2023** | | | | | |
| At 1 April 2022 | 13,407 | 10,303 | 56,026 | - | 79,736 |
| Acquisition of a subsidiary (Note 46(a)(i)) | - | - | - | 28,501 | 28,501 |
| **At 31 March 2023** | 13,407 | 10,303 | 56,026 | 28,501 | 108,237 |

## 45 IMPAIRMENT OF ASSETS (cont'd)

Impairment tests for goodwill (cont'd)

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 |
|---|---|
| Construction | Discounted cash flows of the construction order book covering a 3-year period |
| Property development | Discounted cash flows of a property development project covering a 17-year period |
| Manufacturing and Quarrying | Financial budgets approved by management covering a 5-year period based on past performance and expectations of market development |
| Others - telecommunication | Financial budgets approved by management covering a 5-year period based on future secured contracts and expectations of market development |

| | Average annual revenue growth rate | | Long term growth rate | | Discount rate | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | % | % | % | % | % | % |
| Construction | **N/A** | N/A | **2.0** | - | **8.3** | 10.0 |
| Property development | **N/A** | N/A | **N/A** | N/A | **8.1** | 8.4 |
| Manufacturing and Quarrying | **2.8** | 3.0 | **2.0** | 1.0 | **9.9** | 9.6 |
| Others - telecommunication | **11.0** | 13.0 | **-** | 1.0 | **8.2** | 8.2 |

N/A denotes not applicable

The discount rates used are pre-tax and reflect the specific risks relating to the respective CGUs.

In the preceding financial year, the Group recognised a goodwill arising from the acquisition of a subsidiary, Globalcomm Solutions Sdn Bhd (Note 46(a)(i)) as the goodwill allocated to the CGU was 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 2024

## 46 ACQUISITION OF SUBSIDIARIES

(a) In the preceding financial year, the Group acquired/incorporated the following subsidiaries:

(i) On 21 July 2022, the Company entered into a sale and purchase agreement to acquire 600,000 ordinary shares in Globalcomm Solutions Sdn Bhd ("GSSB"), representing a 60% equity interest in GSSB for a total purchase consideration of RM33,755,259. The acquisition was completed on 16 August 2022.

Details of net assets acquired were as follows:

| | Note | Fair value RM'000 |
|---|---|---|
| Identifiable assets and liabilities: | | |
| Non-current assets | | |
| Property, plant and equipment | 25 | **4,090** |
| Right-of-use assets | 26 | **794** |
| Investment properties | 27 | **3,515** |
| Intangible assets | 34 | **3,958** |
| | | **12,357** |
| Current assets | | |
| Trade and other receivables | | **3,548** |
| Contract assets | 37(a) | **1,122** |
| Restricted deposits with licensed bank | | **218** |
| Deposits, cash and bank balances | | **3,566** |
| | | **8,454** |
| Non-current liabilities | | |
| Bank borrowings | | **(2,605)** |
| Lease liabilities | | **(843)** |
| Deferred tax liabilities | 20 | **(954)** |
| | | **(4,402)** |
| Current liabilities | | |
| Trade and other payables | | **(6,054)** |
| Lease liabilities | | **(300)** |
| Current tax liabilities | | **(1,050)** |
| Bank borrowings | | **(165)** |
| | | **(7,569)** |
| Fair value of identifiable net assets acquired | | **8,840** |
| Less: Non-controlling interests | | **(3,586)** |
| | | **5,254** |
| Less: Purchase consideration (including fair value of contingent consideration of RM15.4 million) | | **(33,755)** |
| Goodwill on acquisition | 34,45 | **(28,501)** |

## 46 ACQUISITION OF SUBSIDIARIES (cont'd)

(a) In the preceding financial year, the Group acquired/incorporated the following subsidiaries: (cont'd)

(i) Details of cash flows arising from the acquisition were as follows:

| | The Group RM'000 |
|---|---|
| Total purchase consideration paid | (18,382) |
| Less: Cash and cash equivalents of subsidiary acquired | 3,471 |
| Net cash outflow to the Group on acquisition | (14,911) |

The acquired business contributed revenue and profit before taxation of RM17,406,000 and RM4,348,000 to the Group for the period from 16 August 2022, date of completion of acquisition, to 31 March 2023.

(ii) On 25 November 2022, IJM Properties Sdn Bhd ("IJMP"), a wholly-owned subsidiary of IJM Land Berhad ("IJMLB"), which in turn is a wholly-owned subsidiary of the Company, entered into a conditional share sale agreement ("SSA") with WCE Maju Sdn Bhd ("WCEM") and KEB Management Sdn Bhd ("KEBM") to acquire 400,000 ordinary shares (representing WCEM's 30% and KEBM's 10% equity interests) in Radiant Pillar Sdn Bhd ("RPSB") for a total cash consideration of RM494.0 million. Both WCEM and KEBM are wholly-owned subsidiaries of WCE Holdings Berhad ("WCEH").

On 28 February 2023, the SSA was completed in accordance with the terms of the SSA. Upon completion of this acquisition, the effective interest in RPSB by IJMP had increased from 60% to 100%. The Company owned 26.65% equity interest in WCEH and accounted for WCEH as an associate. WCEH also owned 40% of RPSB. At the Group level, the effective interest of the Company in RPSB approximated 70.66% (60% via IJMLB and approximately 10% via WCEH).

The additional interest in RPSB had been accounted for as transaction with non-controlling interests ("NCI") by the Group where the difference between the proceeds and the NCI amount was recorded in the Group retained profits. As the NCI in RPSB was 29.34%, part of the proceeds paid for the 40% equity interest of RPSB (10.66%) was deemed as capital contribution provided by the Group to WCEH.

| | The Group RM'000 |
|---|---|
| Total purchase consideration | 494,000 |
| Less: IJM Group's share of proceeds received by WCEH (deemed capital contribution in WCEH) | (131,651) |
| Net proceeds from the acquisition based on effective interest | 362,349 |
| Less: 29.34% NCI related to RPSB at the Group level | (357,467) |
| Retained profits (loss from transaction with NCI) | 4,882 |

(iii) On 28 April 2022, the Company incorporated a 100%-owned subsidiary, namely IJM Treasury Management Sdn Bhd.

(iv) On 2 March 2023, IJM RE Sdn Bhd, a wholly-owned subsidiary of the Company, incorporated a 100%-owned subsidiary, namely Exio Logistics Sdn Bhd.

The acquisitions (iii) & (iv) had no significant effect on the financial results of the Group in the preceding financial year and the financial position of the Group as at the end of the preceding financial year.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 47 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 2024 RM'000 | The Group 2023 RM'000 | The Company 2024 RM'000 | The Company 2023 RM'000 |
|---|---|---|---|---|---|
| Deposits with licensed banks | 39 | **407,750** | 487,288 | **13,424** | 41,470 |
| Cash and bank balances | 39 | **2,462,639** | 2,337,875 | **507,084** | 615,387 |
| Bank overdrafts | | | | | |
| - Unsecured | 44 | **(22,682)** | (7,365) | **-** | - |
| | | **2,847,707** | 2,817,798 | **520,508** | 656,857 |
| Less: | | | | | |
| Restricted deposits with licensed banks | (a) | **(1,962)** | (9,979) | **-** | - |
| | | **2,845,745** | 2,807,819 | **520,508** | 656,857 |

(a) As at 31 March 2024, the restricted deposits with licensed banks are mainly deposits being pledged as consent for an assignment of performance bond in relation to Sukuk Murabahah and deposits of an indirect subsidiary being pledged to a bank to be held as security for bank guarantee.

As at 31 March 2023, the restricted deposits with licensed banks were mainly deposits of an indirect subsidiary being pledged to a bank to be held as security for bank guarantee; deposits being pledged as consent for an assignment of performance bond in relation to Sukuk Murabahah; and performance deposits to safeguard default or early termination of the lease agreement entered into between an indirect subsidiary and an external party and also to guarantee rental for a lock-in period of the first six years of the lease period.

## 48 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.

## 48 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:

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | Note | Carrying value RM'000 | Fair value* RM'000 | Carrying value RM'000 | Fair value* RM'000 |
| <u>Financial Liabilities</u> | | | | | |
| **At 31 March 2024** | | | | | |
| (i) Bonds | 16 | **3,065,648** | **3,186,587** | **1,000,000** | **1,017,341** |
| (ii) Government support loan | 18 | **18,585** | **20,278** | **-** | **-** |
| (iii) Advances from the State Government | 22(a) | **33,180** | **(aa)** | **-** | **-** |
| **At 31 March 2023** | | | | | |
| (i) Bonds | 16 | 2,917,025 | 2,995,932 | 1,200,000 | 1,203,015 |
| (ii) Government support loan | 18 | 31,059 | 32,796 | - | - |
| (iii) Advances from the State Government | 22(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 22(a) to the financial statements, of which the completion date could not be reasonably determined as at the reporting date.

* The fair values of the financial liabilities above have been derived based on discounted cash flows using market interest rates applicable for similar financial instruments as at the reporting date and are within Level 2 of the fair value hierarchy.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 49 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:

| | 2024 RM'000 | 2023 RM'000 |
|---|---|---|
| **The Group** | | |
| (aa) Associates | | |
| (i) Progress billings in respect of construction contract: | | |
| - West Coast Expressway Sdn Bhd | **269,741** | 252,441 |
| - Global Vision Logistics Sdn Bhd | **22,159** | - |
| (ii) Interest charged to: | | |
| - Kuantan Pahang Holding Sdn Bhd | **855** | 1,627 |
| (iii) Net (advances to)/repayment from: | | |
| - Kuantan Pahang Holding Sdn Bhd | **21,394** | 6,070 |
| - MCKILP Development Sdn Bhd | **4,321** | (3,920) |
| - Urban Reach Sdn Bhd | **(2,700)** | - |
| (iv) Subscription of Redeemable Unsecured Murabahah Stocks: | | |
| - West Coast Expressway Sdn Bhd | **35,080** | 18,760 |
| (v) Profits from Redeemable Unsecured Murabahah Stocks: | | |
| - West Coast Expressway Sdn Bhd | **17,470** | 26,457 |
| (vi) Dividends received from: | | |
| - Hexacon Construction Pte Limited | **649** | 1,408 |
| - Emas Utilities Corporation Sdn Bhd | **5,760** | - |
| (vii) Land sales to: | | |
| - MCKILP Development Sdn Bhd | **369,981** | - |
| (ab) Joint ventures | | |
| (i) Progress billings in respect of construction contract: | | |
| - Tumpuan Azam Sdn Bhd | **259,091** | 185,495 |
| - Laksana Positif Sdn Bhd | **62,599** | 31,449 |
| - Jaringan Simfoni Sdn Bhd | **90,554** | 28,098 |
| (ii) Project management and sales and marketing fees charged to: | | |
| - 368 Segambut Sdn Bhd | **1,534** | 2,090 |
| - Jaringan Simfoni Sdn Bhd | **929** | 2,039 |
| - Nasa Land Sdn Bhd | **1,362** | 841 |
| (iii) Toll operation and maintenance works charged to: | | |
| - Lebuhraya Kajang-Seremban Sdn Bhd | **55** | 3,891 |
| (iv) Interest charged to: | | |
| - 368 Segambut Sdn Bhd | **2,392** | 1,919 |
| - Nasa Land Sdn Bhd | **5,549** | 4,401 |
| - Laksana Positif Sdn Bhd | **535** | - |

## 49 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)

| | 2024 RM'000 | 2023 RM'000 |
|---|---|---|
| **The Group** (cont'd) | | |
| (ab) Joint ventures (cont'd) | | |
| (v) Net repayment from/(advances to): | | |
| - 368 Segambut Sdn Bhd | **1,784** | 3,422 |
| - Nasa Land Sdn Bhd | **1,207** | 775 |
| - IJM-CHEC Joint Venture | **-** | 4,608 |
| - IJM Perennial Development Sdn Bhd | **(73,500)** | (20,500) |
| - Exio Logistics Sdn Bhd | **(18,000)** | - |
| - Tumpuan Azam Sdn Bhd | **239,739** | 157,602 |
| - Laksana Positif Sdn Bhd | **55,715** | 21,448 |
| - Jaringan Simfoni Sdn Bhd | **61,610** | 28,415 |
| - Lebuhraya Kajang-Seremban Sdn Bhd | **143,341** | 5,847 |
| (vi) Interest accretion on RCULS and RCSIDS: | | |
| - Lebuhraya Kajang-Seremban Sdn Bhd | **25,600** | 44,146 |
| (vii) Progress billing on telecommunication infrastructure services charged to: | | |
| - Lebuhraya Kajang-Seremban Sdn Bhd | **1,123** | - |
| (ac) Joint operation partner | | |
| (i) Progress billings in respect of construction contracts to: | | |
| - IJMC-KEB Joint Venture | **80,209** | 75,519 |
| (ii) Net repayment from/(advances to): | | |
| - IJMC-KEB Joint Venture | **-** | 34,198 |
| (iii) Interest charged to: | | |
| - IJMC-KEB Joint Venture | **-** | 2,138 |
| (ad) Corporate shareholder of a subsidiary | | |
| (i) Interest charged by: | | |
| - Beibu Gulf Holding (Hong Kong) Co. Ltd | **9,247** | 7,946 |
| (ae) Related company | | |
| (i) Interest charged to: | | |
| - WCE Maju Sdn Bhd | **818** | 2,275 |
| (ii) Net repayment from: | | |
| - WCE Maju Sdn Bhd | **48,960** | - |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)
For the Financial Year Ended 31 March 2024

## 49 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)

| | 2024 RM'000 | 2023 RM'000 |
|---|---|---|
| **The Company** | | |
| (aa) Subsidiaries | | |
| (i) Interest charged to/(by): | | |
| - IJM Properties Sdn Bhd | **42,620** | 38,511 |
| - Murni Lapisan Sdn Bhd | **-** | 473 |
| - Suria Bistari Development Sdn Bhd | **1,606** | 2,881 |
| - IJM Land Berhad | **7,820** | 7,875 |
| - IJM Land Management Services Sdn Bhd | **1,453** | 1,260 |
| - IJM Management Services Sdn Bhd | **805** | 770 |
| - IJM Investments (L) Limited | **3,303** | - |
| - Fairview Valley Sdn Bhd | **787** | 448 |
| - RB Development Sdn Bhd | **813** | 693 |
| - CIDB Inventures Sdn Bhd | **(392)** | (329) |
| - Panorama Jelita Sdn Bhd | **754** | 698 |
| (ii) Share-based payments charged to: | | |
| - Kuantan Port Consortium Sdn Bhd | **-** | 178 |
| - Industrial Concrete Products Sdn Bhd | **-** | 497 |
| - IJM Construction Sdn Bhd | **-** | 1,724 |
| - IJM Land Management Services Sdn Bhd | **-** | 1,176 |
| - Besraya (M) Sdn Bhd | **-** | 117 |
| (iii) Management fees charged to: | | |
| - IJM Construction Sdn Bhd | **11,187** | 10,225 |
| - Industrial Concrete Products Sdn Bhd | **5,217** | 6,085 |
| - New Pantai Expressway Sdn Bhd | **-** | 1,284 |
| - Kuantan Port Consortium Sdn Bhd | **1,985** | 2,030 |
| - Besraya (M) Sdn Bhd | **1,430** | 1,186 |
| - IJM Land Management Services Sdn Bhd | **6,845** | 7,314 |
| (iv) Office rental charged by IJM Construction Sdn Bhd | **2,106** | 2,098 |
| (v) Repayment from/(advances to): | | |
| - IJM Construction Sdn Bhd | **7,483** | 9,147 |
| - IJM Properties Sdn Bhd | **350,872** | 95,944 |
| - IJM Land Berhad | **(7,265)** | 80,751 |
| - Panorama Jelita Sdn Bhd | **100** | (4,074) |
| - Murni Lapisan Sdn Bhd | **8,634** | (700) |
| - Cypress Potential Sdn Bhd | **-** | 2,188 |
| - Chen Yu Land Sdn Bhd | **-** | 6,506 |

## 49 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)

| | 2024 RM'000 | 2023 RM'000 |
|---|---|---|
| **The Company** (cont'd) | | |
| (aa) Subsidiaries (cont'd) | | |
| (v) Repayment from/(advances to): (cont'd) | | |
| - Jelita Kasturi Sdn Bhd | **100** | (1,867) |
| - IJM Investments (L) Limited | **(32,596)** | (58,125) |
| - Kuantan Port Consortium Sdn Bhd | **2,323** | 2,033 |
| - IJM Land Management Services Sdn Bhd | **31,068** | 8,595 |
| - Industrial Concrete Products Sdn Bhd | **(50,147)** | 5,896 |
| - RB Development Sdn Bhd | **4,000** | 730 |
| - Besraya (M) Sdn Bhd | **2,767** | 1,336 |
| - New Pantai Expressway Sdn Bhd | **252** | 1,372 |
| - Fairview Valley Sdn Bhd | **(3,048)** | (10,275) |
| - IJM Management Services Sdn Bhd | **(18,427)** | 18,255 |
| - Suria Bistari Development Sdn Bhd | **63,993** | 10,000 |
| - Sierra Ukay Sdn Bhd | **106** | (2,397) |
| - IJM (India) Infrastructure Limited | **(8,602)** | 8,056 |
| - IJM Shared Services Sdn Bhd | **(415)** | (526) |
| - IJM Treasury Management Sdn Bhd | **20,001** | - |
| - Jelutong Development Sdn Bhd | **(100,000)** | - |
| (vi) Repayments to: | | |
| - Road Builder (M) Holdings Bhd | **35,087** | 10,144 |
| - CIDB Inventures Sdn Bhd | **456** | 301 |
| (vii) Subscription of preference shares issued by: | | |
| - IJM RE Sdn Bhd | **193,250** | 20,500 |
| - IJM Construction Sdn Bhd | **-** | 100,000 |
| - Industrial Concrete Products Sdn Bhd | **-** | 50,000 |
| - IJM Investments (M) Limited | **1,179** | 70,073 |
| - IJM Treasury Management Sdn Bhd | **900** | - |
| - Suria Bistari Development Sdn Bhd | **54,000** | - |
| - IJM Investments (L) Limited | **113,499** | - |
| (ab) Joint ventures | | |
| (i) Interest accretion on RCULS and RCSIDS | | |
| - Lebuhraya Kajang-Seremban Sdn Bhd | **25,600** | 44,146 |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 49 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) Key management compensation during the financial year:

Key management personnel comprise 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 | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Wages, salaries and bonus | **10,885** | 11,937 | **3,458** | 4,743 |
| Defined contribution retirement plan | **1,127** | 1,325 | **588** | 753 |
| Fees and other employee benefits | **3,479** | 9,449 | **2,565** | 7,040 |
| Share-based payments | **-** | (469) | **-** | (232) |
| | **15,491** | 22,242 | **6,611** | 12,304 |

(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 | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Progress billings during the financial year: | | |
| - Directors and key management personnel of the Company | **-** | 204 |
| - Company in which a Director of the Company has interest | **-** | 1,181 |

(d) The amounts that remained outstanding at the reporting date in respect of the transactions with related parties are disclosed in Notes 29, 30, 31, 36 and 41.

## 50 COMMITMENTS

Capital commitments

| | The Group | |
|---|---|---|
| | 2024<br>RM'000 | 2023<br>RM'000 |
| Approved and contracted for | **180,751** | 38,139 |
| Approved but not contracted for | **73,700** | 28,154 |
| | **254,451** | 66,293 |
| Analysed as follows: | | |
| Purchases of property, plant and equipment | **185,290** | 48,600 |
| Purchases of development land | **1,485** | 2,037 |
| Concession assets | **2,963** | 14,966 |
| Investment properties | **16,735** | 690 |
| Share of capital commitments of a jointly controlled entity | **47,978** | - |
| | **254,451** | 66,293 |

## 51 CONTINGENT LIABILITIES (UNSECURED)

| | The Group | |
|---|---|---|
| | 2024<br>RM'000 | 2023<br>RM'000 |
| Stamp duty matters under appeal | **1,863** | 1,765 |
| Sales and service tax matters under appeal | **31,940** | 30,231 |
| Goods and services tax matters under appeal | **27,595** | 26,136 |
| | **61,398** | 58,132 |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)
For the Financial Year Ended 31 March 2024

## 52 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2024

SUBSIDIARIES

| Name | Country of incorporation | Effective equity interest 2024 % | 2023 % | Principal activities |
|---|---|---|---|---|
| Held by the Company | | | | |
| CIDB Inventures Sdn Bhd | Malaysia | **100** | 100 | Dormant |
| Emcee Corporation Sdn Bhd | Malaysia | **100** | 100 | Dormant |
| Globalcomm Solutions Sdn Bhd | Malaysia | **60** | 60 | Provision of telecommunication and surveillance systems |
| 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 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 RE Sdn Bhd | Malaysia | **100** | 100 | Investment holding |
| IJM Treasury Management Sdn Bhd | Malaysia | **100** | 100 | Provision of financing and related management services |
| Industrial Concrete Products Sdn Bhd | Malaysia | **100** | 100 | Production and sale of concrete products and investment holding |
| Kamad Quarry Sdn Bhd ^^ | Malaysia | **-** | 100 | Liquidated |
| IJM Shared Services Sdn Bhd | Malaysia | **100** | 100 | Provision of management services and investment holding |
| RB Manufacturing Sdn Bhd | Malaysia | **100** | 100 | Dormant |
| Road Builder (M) Holdings Bhd | Malaysia | **100** | 100 | Investment holding |
| Held by Globalcomm Solutions Sdn Bhd | | | | |
| Globalcomm Telecommunications Sdn Bhd | Malaysia | **37** | 37 | Telecommunication tower sharing operator |
| Held by IJM Construction Sdn Bhd | | | | |
| Azam IJMC UDSB Sdn Bhd | Malaysia | **39** | - | Civil and building construction |
| Commerce House Sdn Bhd | Malaysia | **100** | 100 | Trading in construction materials and providing insurance agency services |
| IJM Building Systems Sdn Bhd (2) | Malaysia | **-** | 100 | Construction, trading and rental of aluminium formworks |
| IJM Construction Sdn Bhd JV Ganda Imbuhan Sdn Bhd | ** | **60** | 60 | Civil and building construction |
| IJMC-PESTECH Joint Venture | ** | **60** | - | Design, supply, installation, testing and commissioning for automated people mover |

## 52 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2024 (cont'd)

SUBSIDIARIES (cont'd)

| Name | Country of incorporation | Effective equity interest 2024 % | 2023 % | Principal activities |
|---|---|---|---|---|
| Held by IJM Construction Sdn Bhd (cont'd) | | | | |
| IJM Construction Vietnam Co., Ltd ^^ | Vietnam | **-** | 100 | Liquidated |
| IJM Investments J.A. Limited * | United Arab Emirates | **100** | 100 | Investment holding |
| IJM-Norwest JV ^^ | ** | **-** | 100 | Dissolved |
| Jurutama Sdn Bhd | Malaysia | **100** | 100 | Construction |
| 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 |
| Held by IJM Dewas (Mauritius) Limited | | | | |
| Dewas Bypass Tollway Private Limited * (of which 26% (2023: 26%) is held directly by the Company) | India | **100** | 100 | Highway development |
| Held by IJM Engineering (Mauritius) Limited | | | | |
| Team Universal Infratech Private Limited * | India | **80** | 80 | Construction |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 52 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2024 (cont'd)

SUBSIDIARIES (cont'd)

| Name | Country of incorporation | Effective equity interest 2024 % | 2023 % | Principal activities |
|---|---|---|---|---|
| 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 Raintree Park Private Limited * (4) (formerly known as IJM Lingamaneni Township Private Limited) | India | **99.9** | 99.8 | 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% (2023: 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% (2023: 25.51%) is held directly by the Company) | India | **99.9** | 99.9 | Highway development |
| Held by IJM Land Berhad | | | | |
| Asas Panorama Sdn Bhd | Malaysia | **60** | 60 | Property development |
| Emko Properties Sdn Bhd | Malaysia | **100** | 100 | Property development |
| ERMS Berhad | Malaysia | **100** | 100 | Dormant |
| 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 |

## 52 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2024 (cont'd)

SUBSIDIARIES (cont'd)

| Name | Country of incorporation | Effective equity interest 2024 % | 2023 % | Principal activities |
|---|---|---|---|---|
| Held by IJM Land Berhad (cont'd) | | | | |
| Mintle Limited * | Jersey | **51** | 51 | Property investment |
| 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 | 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 | Under member's voluntary liquidation |
| Manda'rina Sdn Bhd | Malaysia | **100** | 100 | Property development |
| Maxharta Sdn Bhd | Malaysia | **100** | 100 | Investment holding and property development |
| NS Central Market Sdn Bhd | Malaysia | **70** | 70 | Dormant |
| Preferred Accomplishment Sdn Bhd | Malaysia | **100** | 100 | Sale of electricity |
| Radiant Pillar Sdn Bhd | Malaysia | **100** | 100 | Property development and investment holding |
| Sinaran Intisari (M) Sdn Bhd | Malaysia | **100** | 100 | Dormant |
| Suria Bistari Development Sdn Bhd | Malaysia | **51** | 51 | Property development |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 52 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2024 (cont'd)

SUBSIDIARIES (cont'd)

| Name | Country of incorporation | Effective equity interest 2024 % | 2023 % | Principal activities |
|---|---|---|---|---|
| Held by IJM Properties Sdn Bhd (cont'd) | | | | |
| 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 |
| Sierra Ukay Sdn Bhd | Malaysia | **100** | 100 | Property development |
| 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 | Provision of promotional and marketing services |
| 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 | Malaysia | **100** | 100 | Property development |
| IJMP-RPSB Joint Venture | ** | **100** | 100 | Dormant |
| 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 | Dissolved |
| RMS (England) Rentals Limited * | England and Wales | **51** | 51 | Letting and operating of own real estate |
| RMS (Welwyn Garden City) Limited (formerly known as RMS (Welwyn) Limited) * (6) | England and Wales | **51** | - | Letting and operating of own or leased real estate |

## 52 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2024 (cont'd)

SUBSIDIARIES (cont'd)

| Name | Country of incorporation | Effective equity interest 2024 % | 2023 % | Principal activities |
|---|---|---|---|---|
| Held by RMS (England) 2 Limited | | | | |
| Innova Partnership Management Limited (formerly known as Planning and Delivery Services Limited) * (1) | England and Wales | **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 | Under member's voluntary liquidation |
| 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 | Under member's voluntary liquidation |
| 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 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 investment and investment holding |
| Held by Industrial Concrete Products Sdn Bhd | | | | |
| Durabon Sdn Bhd | Malaysia | **100** | 100 | Processing and sales of steel bars |
| ICP Marketing Sdn Bhd | Malaysia | **100** | 100 | Dormant |
| IJM Building Systems Sdn Bhd (2) | Malaysia | **100** | - | Construction, trading and rental of aluminium formworks |
| IJM Minerals Sdn Bhd (3) (formerly known as ICP Precast Products Sdn Bhd) | Malaysia | **-** | 100 | Dormant |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 52 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2024 (cont'd)

SUBSIDIARIES (cont'd)

| Name | Country of incorporation | Effective equity interest 2024 % | 2023 % | Principal activities |
|---|---|---|---|---|
| Held by Industrial Concrete Products Sdn Bhd (cont'd) | | | | |
| IJM IBS Sdn Bhd | Malaysia | **100** | 100 | Manufacturing of Industrialised Building System and provision of related technical services |
| 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 | | | | |
| Azam Ekuiti Sdn Bhd | Malaysia | **100** | 100 | Leaseholder of quarry land |
| 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 |
| IJM Minerals Sdn Bhd (3) (formerly known as ICP Precast Products Sdn Bhd) | Malaysia | **75** | - | Dormant |
| Held by Strong Mixed Concrete Sdn Bhd | | | | |
| SMC Islamabad (Private) Limited * | Pakistan | **60** | 60 | Dormant |
| Held by RB Manufacturing Sdn Bhd | | | | |
| Kuching Riverine Resort Management Sdn Bhd | Malaysia | **100** | 100 | Property management |

## 52 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2024 (cont'd)

SUBSIDIARIES (cont'd)

| Name | Country of incorporation | Effective equity interest 2024 % | 2023 % | Principal activities |
|---|---|---|---|---|
| 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 | Advertising services |
| Kuantan Port Consortium Sdn Bhd (of which 30% (2023: 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 |
| ASSOCIATES | | | | |
| Held by the Company | | | | |
| Bionic Land Berhad * | Malaysia | **20** | 20 | Investment holding and provision of management services |
| Emas Utilities Corporation Sdn Bhd * | Malaysia | **40** | 40 | Investment holding |
| Grupo Concesionario del Oeste S.A. * | Argentina | **20.1** | 20.1 | Construction, renovation, repair, conservation and operation of Acesso Oeste highway |
| Inversiones E Inmobiliaria Sur-Sur S.A. * | Chile | **25** | 25 | Dormant |
| WCE Holdings Berhad * | Malaysia | **26.7** | 26.7 | Investment holding |
| Held by IEMCEE Infra (Mauritius) Limited | | | | |
| GVK Gautami Power Limited * | India | **20** | 20 | Power generation |

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Financial Year Ended 31 March 2024

## 52 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2024 (cont'd)

ASSOCIATES (cont'd)

| Name | Country of incorporation | Effective equity interest 2024 % | 2023 % | Principal activities |
|---|---|---|---|---|
| Held by IJM Construction Sdn Bhd | | | | |
| Hexacon Construction Pte Limited * | Singapore | **45.5** | 45.5 | 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 | Dormant |
| Held by IJM Land Berhad | | | | |
| Kuantan Pahang Holding Sdn Bhd | Malaysia | **40** | 40 | Investment holding |
| Urban Reach Sdn Bhd (5) | Malaysia | **45** | - | Investment holding, investment in properties, leasing and management of properties and property development |
| Held by Asas Panorama Sdn Bhd | | | | |
| MCKILP Development Sdn Bhd | Malaysia | **29.4** | 29.4 | Property development |
| Held by IJM Properties Sdn Bhd | | | | |
| MASSCORP-Vietnam Sdn Bhd * | Malaysia | **20** | 20 | Investment holding |
| Held by IJM RE Sdn Bhd | | | | |
| Global Vision Logistics Sdn Bhd (7) | Malaysia | **25** | - | Investment holding |
| 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 21.3% (2023: 21.3%) 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 |

## 52 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2024 (cont'd)

# 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 13 April 2023, RMS (England) 2 Limited ("RMS 2"), a 51% indirect subsidiary of IJM Land Berhad, which in turn is a wholly-owned subsidiary of the Company, acquired 1 share in Innova Partnership Management Limited (formerly known as Planning and Delivery Services Limited) ("IPM"), representing a 100% equity interest in IPM.

(2) On 1 July 2023, IJM Construction Sdn Bhd, a wholly-owned subisidiary of the Company entered into a sale and purchase agreement with Industrial Concrete Products Sdn Bhd, a wholly-owned subisidiary of the Company to dispose its 100% equity interests in IJM Building Systems Sdn Bhd for a total cash consideration of RM5,600,000.

(3) On 3 July 2023, Industrial Concrete Products Sdn Bhd ("ICP"), a wholly-owned subsidiary of the Company transferred its 100% equity interests in IJM Minerals Sdn Bhd ("IJMMSB") (formerly known as ICP Precast Products Sdn Bhd) to Malaysian Rock Products Sdn Bhd ("MRP"), a wholly-owned subsidiary of ICP.

On the same day, 749,998 and 250,000 ordinary shares of RM1 each are allotted to MRP and Kuari Wan Ahmad Sdn Bhd. Following the completion of the allotment of shares, the Group's effective equity interests in IJMMSB has decreased from 100% to 75%.

(4) On 11 August 2023, IJM (India) Infrastructure Limited, a 99.9%-owned subsidiary of IJMII (Mauritius) Limited, which in turn is a wholly-owned subsidiary of IJM Investments (M) Limited acquired 224,490 ordinary shares in IJM Raintree Park Private Limited ("IJM Raintree Park") (formerly known as IJM Lingamaneni Township Private Limited), representing a 0.2% equity interests in IJM Raintree Park from LEPL Ventures Private Limited for a total purchase consideration of RM127,000. IJM Investments (M) Limited is a wholly-owned subsidiary of the Company.

Following the completion of the acquisition, the Group's effective equity interest in IJM Raintree Park has increased from 99.8% to 99.9%. The accretion of the Group's interest in IJM Raintree Park was accounted for as a transaction with non-controlling interest. This transaction resulted in a decrease in equity attributable to owners of the company of RM1,832,000 and an increase in the non-controlling interest of RM1,705,000.

(5) On 25 August 2023, IJM Land Bhd, a wholly-owned subisidiary of the Company, entered into a share sale and purchase agreement with FCW Holdings Bhd to accquire 45 ordinary shares in Urban Reach Sdn Bhd ("Urban Reach"), representing a 45% equity interests in Urban Reach, for a total cash consideration of RM3,360,540. The acquisition was completed on 30 August 2023. Following the completion of the acquisition, Urban Reach has become an associate of the Group.

On 19 January 2024, IJM Land Berhad has further subscribed 9 ordinary shares in Urban Reach for a total cash consideration of RM449,955.

(6) On 14 November 2023, RMS (England) Limited, a wholly-owned subsidiary of Mintle Limited incorporated a wholly-owned subsidiary, known as RMS (Welwyn Garden City) Limited. Mintle Limited is a 51%-owned subsidiary of IJM Land Berhad, which in turn is a wholly-owned subsidiary of the Company.

(7) On 12 January 2024, IJM RE Shd Bhd, a wholly-owned subsidiary of the Company, entered into a share purchase agreement with Swift Haulage Berhad and Hartamas Mentari Sdn Bhd, to acquire 1,145,000 ordinary shares and 1,873,750 redeemable preference shares ("RPS") in Global Vision Logistics Sdn Bhd ("GVL"), representing a 25% equity interests in GVL for a total cash consideration of RM88,725,278. Following the completion of the acquisition, GVL has become an associate of the Group.

# 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 6 to 177 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 5 July 2024.

**DATO' EDWARD CHONG SIN KIAT**
**(MIA No. 11526)**

Before me:

PESURUHJAYA SUMPAH
B 459
GUNALAN A/L MUNESAMY
1.1.2022 - 31.12.2024
MALAYSIA

Commissioner for Oaths
Petaling Jaya

NO: 13, (TINGKAT 1) JALAN 52/10
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 2024, 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 2024 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 material accounting policies, as set out on pages 6 to 177.

### 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, Menara TH 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*

# INDEPENDENT AUDITORS' REPORT (cont'd)

To The Members of IJM Corporation Berhad
(Incorporated in Malaysia)
Registration No. 198301008880 (104131-A)

## 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**<br><br>i) Construction contracts<br>Revenue: RM1,656,164,000<br>Cost: RM1,597,117,000<br><br>ii) Property development activities<br>Revenue: RM1,972,430,000<br>Cost: RM1,320,615,000<br><br>Refer to Notes 9(a) and 9(b) for the material accounting policies and Notes 2(b), 2(c), 4(a) and 4(b) to the financial statements.<br><br>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 and estimates made by management in the following areas:<br><br>a) Stage of completion of the projects;<br><br>b) Whether any liquidated ascertained damages ("LAD") is required for construction contracts;<br><br>c) Extent of costs incurred for construction contracts and property development projects, and construction costs or property development costs yet to be incurred; and<br><br>d) Status of variation orders and claims with customers. | 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.<br><br>We discussed with management and read management meeting minutes to understand the overall progress of construction and property development projects. With regards to construction contracts 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 any LAD is required.<br><br>We checked the extent of costs incurred to date to internal quantity surveyors' latest valuations or sub-contractors' 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' claim certificates or approvals from internal quantity surveyors.<br><br>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.<br><br>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.<br><br>Based on the procedures performed above, we noted no material exceptions in the revenue and costs recognition for the Group's construction contracts and property development activities. |

## 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**<br><br>Refer to Notes 14 and 22 for the material accounting policies and Notes 2(g), 3(b), 33 and 36 to the financial statements.<br><br>The Group assessed on a forward-looking basis the expected credit loss ("ECL") associated with its trade receivables using the simplified approach.<br><br>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, which requires the use of significant assumptions about future economic conditions and credit risk of the customers.<br><br>The Group 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 applies individual debtor assessment for debtors with different risk characteristics, where the credit risk information of these debtors is obtained and monitored individually.<br><br>The measurement of ECL incorporates expected loss rates, time value of money, forward looking information and probability-weighted estimates.<br><br>As at 31 March 2024, the Group's trade receivables prior to loss allowance was RM1,196,450,000, of which RM118,766,000 has been provided for as loss allowance.<br><br>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 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.<br><br>For ECL measured under the individual debtor assessment, we checked the expected timing and quantum of receipts of trade receivables by comparing them to the historical payment trend of individual customers, considered collaterals held by the Group and sighted to correspondences on settlement arrangements agreed between the Group 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.<br><br>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.<br><br>We found management's assessment of its loss allowance of trade receivables to be materially consistent with the supporting information provided to us. |

# INDEPENDENT AUDITORS' REPORT (cont'd)

To The Members of IJM Corporation Berhad
(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 debt instruments in equity accounted investments**<br><br>Refer to Note 22 for the material accounting policies, Notes 2(g), 30 and 31 to the financial statements.<br><br>As of 31 March 2024, the Group's investments in Redeemable Convertible Unsecured Loan Stock ("RCULS") of a joint venture and Redeemable Unsecured Murabahah Stock ("RUMS") of an associate have net carrying amounts of RM136,214,000 and RM295,448,000, respectively. Additionally, there have been material changes in the allowance for impairment of RCULS during the financial year where a reversal of impairment of RM56,996,000 have been recognised, arising from the extension of the tollway concession period of a joint venture.<br><br>The Group applies the general 3-stage ECL model under MFRS 9 "Financial Instruments" to assess the impairment of the RCULS and RUMS. ECL represents a probability-weighted estimate of the difference between the present value of contractual cash flows and the present value of the cash flows that the Group expects to receive over the remaining tenure of the RCULS and RUMS, based on the projected future cash flows from the tollway concession operations of the joint venture and associate that are available for the repayment of principal and interest of the instruments up to their respective maturity dates.<br><br>We focused on this area because management's assessment of ECL on RCULS and RUMS requires significant judgement and estimates in determining the projected future cash flows from the tollway concession operations of the joint venture and associate, which will affect the timing of the recovery of these instruments. | In determining the present value of the cash flows the Group expects to receive over the remaining life of the instruments, we have performed the following procedures or reviewed the component auditor's workpapers with respect of the expected cash flows to be generated from the tollway concession operations of the joint venture and associate respectively. Our work include the following audit procedures:<br><br>• Checked the projected traffic volume used in the projection of future cash flows to the traffic consultant's report or historical trend;<br><br>• Checked that the toll rates used in the projection are in accordance with those stipulated in the concession agreement;<br><br>• Checked that the tax expenses are calculated based on statutory tax rate, the repayment of external borrowings and interests are in accordance with the loan agreements and the required capital expenditure and maintenance costs are based on the amounts authorised by the Board of Directors of the joint venture and associate; and<br><br>• Assessed the competency and objectivity of the traffic consultant by considering their professional qualifications and experience.<br><br>In addition, we have checked the appropriateness of the discount rate used to derive the expected cash flows of RCULS and RUMS for the purpose of calculation of the allowance for impairment.<br><br>Based on the above procedures performed, we noted no material exceptions. |
| **Recoverability of the carrying amounts of inventories**<br><br>i) Land held for property development - RM550,936,000<br><br>ii) Property development costs - RM5,115,574,000<br><br>iii) Completed development units - RM908,715,000<br><br>Refer to Notes 11(a), 11(b) and 11(c) for the material accounting policies and Notes 5(a), 5(b), 35, 35(a) and 35(b) to the financial statements. | For inventories which have recent sale transactions, we compared the carrying amount 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. |

## 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** (cont'd)<br><br>We focused on the recoverability of the carrying amount of inventories because of the estimates made by management in determining the net realisable values.<br><br>Management assessed the net realisable value of the completed development units and land held for property development based on estimates derived from recent transacted prices or revised selling prices in light of the latest economic condition and future market outlook, net of expected discounts to be given which were approved by the Directors.<br><br>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.<br><br>Based on management's assessment, the Group's property development costs were written down by RM83,714,000 during the financial year. | 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 adjusted for the size of the units.<br><br>For property development costs, we tested the operating effectiveness of the key control in respect of the review and approval of project cost budgets to assess the reliability of these budgets and the determination of the costs yet to be incurred to complete the development project.<br><br>For inventories which management has relied on independent valuations, we read the valuation reports issued by the independent valuers and discussed with the independent valuers to understand and evaluate the appropriateness of valuation methodology, assumptions and adjustments applied, which include types, conditions, ages and sizes of the properties. We also compared the values of the properties by the independent valuers to available information through market research.<br><br>We discussed with management on the basis used to determine the write down or reversal of write down of certain inventories at the period end based on 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.<br><br>Based on the above procedures performed, we noted no material exceptions. |
| **Recoverability of the Company's investments in subsidiaries**<br><br>Refer to Note 4 for the material accounting policies and Notes 2(i) and 29 to the financial statements.<br><br>The Company has investments in subsidiaries outside Malaysia totalling RM1,570,149,000 before the provision of impairment. We focused on the recoverability of the Company's carrying amount of these investments in subsidiaries because of the estimates and judgements made by management in determining the recoverable amounts. | In determining the recoverable amounts of the investments in subsidiaries outside Malaysia, we have considered the cash flows available for dividend distribution to the Company from these subsidiaries.<br><br>With regards to future cash flows to be generated from the subsidiaries' tollway concession, we have performed the following audit procedures:<br><br>• Checked the projected traffic volumes used in the projection of future cash flows to traffic consultant's report or historical trend; |

# INDEPENDENT AUDITORS' REPORT (cont'd)

To The Members of IJM Corporation Berhad
(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 the Company's investments in subsidiaries** (cont'd)<br><br>Management's determination of the recoverable amount of the investments in these subsidiaries includes the assessment based on the projected future cash flows to be generated from the subsidiaries' tollway concession and the sales of the subsidiaries' unsold completed properties, property development costs and lands held for property development.<br><br>Based on the above, provision of impairment of RM113,499,000 has been made on the investments in these subsidiaries during the financial year.<br><br>We focused on this area because management's determination of recoverable amounts requires significant judgements and estimates. | • Checked that the toll rate used in the projection of future cash flows are in accordance with the toll rates as stipulated in the concession agreement;<br><br>• Checked that the tax expenses are calculated based on statutory tax rate, the repayment of borrowings and interests are based on terms of the loan agreements and the required capital expenditure and maintenance costs are based on approved budgets;<br><br>• Assessed the competency and objectivity of the traffic consultant by considering their professional qualifications and experience; and<br><br>• Checked the reasonableness of the discount rate with assistance from auditors' valuation experts by benchmarking to similar tollway concession companies.<br><br>With regards to the future cash flows to be generated from the sales of the subsidiaries' unsold completed properties, property development costs and lands held for property development, we have performed the following audit procedures:<br><br>• Checked that the selling prices of the unsold completed properties are reasonable by comparing to the market value of similar properties in the same vicinity or recent transacted prices;<br><br>• For property development costs and lands held for property development which management has relied on independent valuations to determine the net realisable value, 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; and<br><br>• Checked that the tax expenses are calculated based on statutory tax rate.<br><br>Based on the above procedures performed, we have not noted any material exceptions. |

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

**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, Statement on Risk Management and Internal Control, Management Discussion and Analysis, Sustainability Statement, Chairman's Statement and other sections of the 2024 Annual Report, but 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 and will 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, 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.

**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.

# INDEPENDENT AUDITORS' REPORT (cont'd)

To The Members of IJM Corporation Berhad
(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)

(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.

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 52 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

**MAHESH A/L RAMESH**
03428/04/2025 J
Chartered Accountant

Kuala Lumpur
5 July 2024

IJM CORPORATION BERHAD 198301008880 (104131-A)

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