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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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# IJM LAND

## IJM LAND BERHAD

(187405-T)

**PART A**

### CIRCULAR TO SHAREHOLDERS

in relation to the

- I. **PROPOSED SHARE BUY-BACK; AND**
- II. **PROPOSED RENEWAL OF GENERAL MANDATE AND NEW GENERAL MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE/TRADING NATURE**

and

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**PART B**

### LETTER TO SHAREHOLDERS IN RELATION TO THE IMPLEMENTATION OF ELECTRONIC DIVIDEND PAYMENT

The Notice of the Extraordinary General Meeting (“EGM”) to be held at the Victorian Ballroom, Level 1, Holiday Villa Hotel & Suites Subang, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 24 August 2010, at 4.30 p.m. (or immediately following the conclusion of the 21<sup>st</sup> Annual General Meeting scheduled at 3.30 p.m. on the same day and at the same venue) is set out in this Circular. Shareholders are advised to refer to the Notice of the EGM and the Form of Proxy, which are enclosed. The Form of Proxy should be lodged at the Registered Office of the Company at 2<sup>nd</sup> Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time fixed for holding of the EGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

This Circular is dated 30 July 2010

## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

Act	Companies Act, 1965, as amended from time to time and any re-enactment thereof
AGM	Annual General Meeting
Board	Board of Directors of IJML
Bursa Securities	Bursa Malaysia Securities Berhad (635998-W)
Director	Shall have the meaning given in section 2(1) of the Capital Market and Services Act 2007 and for purposes of the Proposed General Mandate includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or a chief executive officer of IJML (or any other company which is its subsidiary or holding company)
DKT	Dato' Tan Boon Seng @ Krishnan
DLTY	Datuk Lee Teck Yuen
DTKM	Dato' Teh Kean Ming
EGM	Extraordinary General Meeting
EPS	Earnings per share
IJML / the Company	IJM Land Berhad (187405-T)
IJML Group / Group	IJML and its subsidiaries
IJM	IJM Corporation Berhad (104131-A)
IJM Group	IJM and its subsidiaries
IJML-KEB Jointly Controlled Entity	Radiant Pillar Sdn Bhd (501699-W), an entity over which IJML Group and KEB Group have contractually agreed sharing of control, where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control.
IJML-Talam Jointly Controlled Entities	The entities over which IJML Group and Talam Group have contractually agreed sharing of control, where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control. The entities include Cekap Tropikal Sdn Bhd (482977-U), Good Debut Sdn Bhd (731881-A), Sierra Ukay Sdn Bhd (673863-K), Sierra Selayang Sdn Bhd (713168-A) and Valencia Terrace Sdn Bhd (730978-X).
KEB	Kumpulan Europlus Berhad (534368-A)
KEB Group	KEB and its subsidiaries
LPD	30 June 2010, being the latest practicable date prior to the printing of this Circular
Listing Requirements	Main Market Listing Requirements of Bursa Securities including any amendment thereto that may be made from time to time
M&A	Memorandum and Articles of Association

## DEFINITIONS (Cont'd)

Major Shareholder	<p>A person who (which includes a person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon) has an interest or interests in one or more voting shares in the Company (or any other company which is its subsidiary or holding company) and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is</p> <p>(a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the Company; or</p> <p>(b) 5% or more of the aggregate of the nominal amounts of all voting shares in the Company where such person is the largest shareholder of the Company.</p> <p>For the purpose of this definition, “interest in shares” shall have the meaning given in section 6A of the Act.</p>
NA	Net assets
Proposed Renewal of General Mandate	Proposed renewal of general mandate for IJML Group to enter into RRPT of a revenue or trading nature with Related Party in the ordinary course of business which are necessary for IJML Group's day to day operations
Proposed New General Mandate	Proposed new general mandate for IJML Group to enter into RRPT of a revenue or trading nature with Related Party in the ordinary course of business which are necessary for IJML Group's day to day operations
Proposed General Mandate	Proposed Renewal of General Mandate and Proposed New General Mandate
Proposed Share Buy-Back	Proposed purchase by IJML of its own Shares up to a maximum of 10% of its issued and paid-up capital
Proposals	Proposed Share Buy-Back, Proposed Renewal of General Mandate and Proposed New General Mandate
Purchased Shares	Shares purchased pursuant to the Proposed Share Buy-Back
Related Party	A Director, Major Shareholder or person connected with such Director or Major Shareholder
Related Party Transaction	A transaction entered into by IJML Group which involves the interest, direct or indirect, of a Related Party
RM and sen	Ringgit Malaysia and sen respectively
RRPT	Recurrent Related Party Transactions
Share(s)	Ordinary share(s) of RM1.00 each in IJML
Substantial Shareholder	Shall have the meaning given in section 69D of the Act
Talam	Talam Corporation Berhad (1120-H)
Talam Group	Talam and its subsidiaries

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**PART A**

**CIRCULAR TO SHAREHOLDERS**

**in relation to the**

- I. PROPOSED SHARE BUY-BACK; AND**
- II. PROPOSED RENEWAL OF GENERAL MANDATE AND NEW GENERAL MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE/TRADING NATURE**

**and**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

# IJM LAND BERHAD (187405-T)

**Registered Office:** 2<sup>nd</sup> Floor, Wisma IJM  
Jalan Yong Shook Lin, 46050 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel: 603-79858288 Fax: 603-79521200  
E-mail: csa@ijm.com http://www.ijm.com

30 July 2010

## **Board of Directors**

Dato' Tan Boon Seng @ Krishnan, *Non-Executive Chairman*  
Dato' Soam Heng Choon, *Chief Executive Officer & Managing Director*  
Tan Sri Dato' Nasruddin bin Bahari, *Senior Independent Non-Executive Director*  
Dato' Md Naim bin Nasir, *Independent Non-Executive Director*  
Boey Tak Kong, *Independent Non-Executive Director*  
Raymond Tan, *Independent Non-Executive Director*  
Datuk Lee Teck Yuen, *Non-Executive Director*  
Dato' Teh Kean Ming, *Non-Executive Director*

To: **The Shareholders of IJM Land Berhad**

Dear Sir/Madam

## **I. PROPOSED SHARE BUY-BACK; AND II. PROPOSED RENEWAL OF GENERAL MANDATE AND NEW GENERAL MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE/TRADING NATURE**

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### **1. INTRODUCTION**

At the EGM held on 24 August 2009, your Board obtained the shareholders' approval for the renewal of general mandate for recurrent related party transactions of a revenue/trading nature.

The approval for the general mandate shall lapse at the conclusion of the forthcoming AGM, which has been scheduled to be held on 24 August 2010 unless the approval is renewed.

The Company had on 23 July 2010 announced that the Board proposes to seek from the shareholders the approval for the following proposals:-

- I. Proposed Share Buy-Back; and
- II. Proposed General Mandate.

#### **1.1 Proposed Share Buy-Back**

The implementation of the Proposed Share Buy-Back will allow the Company to purchase its own Shares up to a maximum of 10% of its issued and paid-up capital from the open market.

#### **1.2 Proposed General Mandate**

The procurement of the Proposed General Mandate will permit the IJML Group to enter into RRPT of a revenue or trading nature with the classes of Related Party which are necessary for IJML Group's day to day operations, in the ordinary course of business and on terms not more favourable to the Related Party than those generally available to the public.

The purpose of this Circular is to provide you with the relevant details of the Proposals and to seek your approval for the resolutions to be tabled at the forthcoming EGM to be convened at Victorian Ballroom, Level 1, Holiday Villa Hotel & Suites Subang, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 24 August 2010, at 4.30 p.m. (or immediately following the conclusion of the 21<sup>st</sup> AGM scheduled at 3.30 p.m. on the same day and at the same venue).

## 2. DETAILS OF THE PROPOSALS

### 2.1 Proposed Share Buy-Back

Your Board proposes to seek your approval for the Company to purchase its own Shares up to a maximum of 10% of its issued and paid-up capital, subject to the Act, Listing Requirements and any prevailing laws, orders, requirements, guidelines, rules and regulations issued by the relevant authorities at the time of purchase. The Shares will be purchased from the open market through Bursa Securities.

The authorization for the Proposed Share Buy-Back will be effective immediately upon the passing of the ordinary resolution for the Proposed Share Buy-Back until:-

- (a) the conclusion of the next AGM of IJML, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) revoked or varied by ordinary resolution of the shareholders in a general meeting; or
- (c) the expiration of the period within which the next AGM is required by law to be held, whichever occurs first.

Set out below are details of the Proposed Share Buy-Back:-

#### (i) Funding

The Proposed Share Buy-Back will be funded from internally generated funds and/or borrowings; and the maximum amount allocated shall not exceed the sum of retained profits and share premium of the Company based on the audited financial statements for the year ended 31 March 2010.

If borrowings are used for the Proposed Share Buy-Back, the Company will experience a decline in its net cash flow to the extent of the interest costs associated with such borrowings but the Board would ensure that the Company has sufficient fund to repay the borrowing and that the repayment would have no material impact on the cash flow of the Company.

Based on the audited financial statements for the year ended 31 March 2010, the retained profits and share premium of the Company stood at RM29.08 million and RM57.97 million respectively. The Board will ensure that the total amount of retained profits and share premium of the Company will be sufficient to effect the Proposed Share Buy-Back. The issued and paid-up capital of the Company as at the LPD was RM1,103,293,451.

The actual number of Shares to be purchased, the total amount of funds to be utilized, impact on cash flows and the timing of the purchase(s) will depend on the prevailing equity market conditions, sentiments of the stock market and the available financial resources of the Company at the time of the purchase(s).

#### (ii) Treatment of Purchased Shares

The Purchased Shares will be treated as treasury shares, which may be distributed as dividends, resold on the Bursa Securities and/or cancelled as may be determined from time to time by the Directors.

#### (iii) Risk Assessment of the Proposed Share Buy-Back

The Proposed Share Buy-Back is not expected to have any potential material disadvantages to the Group and shareholders of the Company.

The Proposed Share Buy-Back, if implemented, would reduce the financial resources of the Group. This may result in the Group having to forego future investment opportunities and/or any income that may be derived from the deposit of such funds in interest bearing instruments. The Proposed Share Buy-Back may also result in a reduction of financial resources available for distribution in the form of cash dividends to shareholders.

However, the financial resources of the Group may increase pursuant to the resale of the Purchased Shares held as treasury shares at prices higher than the purchase price. Nevertheless, the Board will be mindful of the interests of the Group and its shareholders in implementing the Proposed Share Buy-Back and in subsequent resale.

(iv) **Shareholding Spread**

According to the Registers of Substantial Shareholders and Directors' Shareholdings as at the LPD, the public shareholding spread of the Company was approximately 28.94%. The public shareholding spread would be reduced to approximately 21.05% pursuant to the Proposed Share Buy-Back, assuming the Company implements the Proposed Share Buy-Back in full and that the Shares purchased are from public shareholders. In this regard, the Company will take cognizance of the 25% public shareholding spread required by the Listing Requirements before implementing any further buy-back of the Shares.

(v) **Purchase of Shares and Resale of Treasury Shares**

IJML has not purchased any Shares since its listing on the Bursa Securities on 19 December 1991 up to the date of this Circular. Consequently, the Company does not have any treasury shares and has not resold any treasury shares in the same period.

(vi) **Implications Relating to the Code**

The Board does not anticipate any implications relating to the Code even if the allowed maximum number of Shares are purchased pursuant to the authority granted under the Proposed Share Buy-Back.

(vii) **Share Prices**

The monthly high and low prices of IJML Shares as traded on the Bursa Securities for the past 12 months are as follows:-

	Share Prices	
	High RM	Low RM
<b>2009</b>		
July	1.620	1.350
August	2.050	1.590
September	2.260	1.890
October	2.680	2.180
November	2.460	2.100
December	2.410	2.150
<b>2010</b>		
January	2.440	2.140
February	2.250	2.030
March	2.360	2.070
April	2.620	2.270
May	2.400	2.050
June	2.250	2.050

(Source: The Star)

The last transacted market price of IJML Shares on the LPD was RM2.15.

## 2.2 Proposed General Mandate

The principal activity of the Company is that of an investment holding company and its subsidiaries are principally engaged in property development, construction, hotel and recreational club operations, property management, and property investment.

It is envisaged that in the normal course of the Group's businesses, transactions of a revenue or trading nature between companies in the IJML Group and the Related Party are likely to occur, and which are necessary for its day to day operations. Such transactions include those described below.

The details of the Proposed General Mandate are as follows:-

(i) **Categories of RRPT**

The types of RRPT to be covered by the Proposed General Mandate relate principally to the provision or receipt of construction works and contracts for property development, rental of equipment, machinery and office premises, project management, construction consultancy services, property management services, sales and marketing services, management services, sale of properties and advances for defrayment of property development cost and related expenses, which are in the ordinary course of business of IJML Group.

The inclusion of this category of transactions in the Proposed General Mandate will facilitate such transactions by the IJML Group with the Related Party that arise in the normal course of operations of the IJML Group in a more expeditious manner.

(ii) **Classes of Related Party**

The Proposed General Mandate will apply to the following classes of Related Party:-

- Directors or Major Shareholders; and
- persons connected with the Directors or Major Shareholders.

The Related Party includes IJM Group, KEB Group, IJML-KEB Jointly Controlled Entity, Talam Group, IJML-Talam Jointly Controlled Entities, and Directors of IJM Group and persons connected to such Directors, and the categories of transactions involving IJML Group and the Related Party include the following:-

(a) **Proposed Renewal of General Mandate**

<u>Related Party</u>	<u>Categories of Transaction</u>	<u>Estimated value under the mandate approved at the last EGM (RM'million)</u>	<u>Actual value transacted from 24 August 2009 to LPD (RM'million)</u>	<u>*Estimated value during the validity period of the proposed mandate (RM'million)</u>	<u>Relationship</u>
IJM Group	Construction work for property development undertaken by IJM Group for IJML Group; and hire of equipment, ^renting and/or letting of office premises; interest and management fee charged by IJM Group to IJML Group	2,000	567	#May exceed 5% of the percentage ratio pursuant to paragraph 10.02 of the Listing Requirements	IJM is a Major Shareholder of IJML holding 62.76% equity interest in IJML. DKT, DTKM and DLTY are directors of IJM and IJML. DLTY is also a shareholder of IJML.
IJML-Talam Jointly Controlled Entities, IJML-KEB Jointly Controlled Entity, KEB Group and Talam Group	Project management, sales and marketing services, and other services provided by IJML Group to IJML-Talam Jointly Controlled Entities, IJML-KEB Jointly Controlled Entity, KEB Group and Talam Group+	10	1	#May exceed 5% of the percentage ratio pursuant to paragraph 10.02 of the Listing Requirements	IJM is a Major Shareholder of IJML holding 62.76% equity interest in IJML. KEB is a 25% associate of IJM. Talam is a 24.11% associate of KEB.

Notes:

\* The estimated value of transaction is based on past records and/or anticipated transactions to be entered into during the validity period of the mandate. The estimated amount may vary and subject to changes.

^ The lease period is not exceeding 3 years and the payment of rental is on a monthly basis.

# The estimated value of transactions cannot be determined as these are anticipatory contracts.

+ Including defraying of property development cost and related expenses.

## (b) Proposed New General Mandate

<u>Related Party</u>	<u>Categories of Transaction</u>		<u>*Estimated value during the validity period of the proposed mandate (RM' million)</u>	<u>Relationship</u>
Directors of IJM Group and persons connected to such Directors	Sale of properties by IJML Group	} } }	**	Directors of IJM Group and persons connected to such Directors.

### Notes:

- \* *The estimated value of transaction is based on past records and/or anticipated transactions to be entered into during the validity period of the mandate. The estimated amount may vary and subject to changes.*
- \*\* *Estimates of the value of the transactions cannot be ascertained given the various types of properties sold by IJML Group, which vary from project to project, but the percentage ratios for any one of the transactions will not be more than 10%, pursuant to Section 3.3 of Practice Note 12 of the Listing Requirements.*

## (iii) Guidelines and Review Procedures

To ensure that RRPT are undertaken on the IJML Group's normal commercial terms, and to supplement the existing internal control procedures of the Group, the Audit Committee (the "Audit Committee") has been tasked with the review and approval of such transactions.

The Audit Committee currently comprises Boey Tak Kong (Chairman), Tan Sri Dato' Nasruddin bin Bahari and Raymond Tan.

The following guidelines will apply to the review and approval of RRPT to ensure that the terms of the RRPT are no more favourable to the Related Party than those generally available to the public and the RRPT are not detrimental to minority shareholders of IJML:-

- (a) Any tender, quotation or contract received from or proposed to be entered into with a Related Party will not be approved unless:-
  - the IJML Group's pricing for the services, materials and/or equipment to be provided or supplied and/or received or purchased is determined in accordance with the Group's usual business practices and policies, consistent with the usual margin of the Group for the same or substantially similar type of transactions made by the Group with unrelated third parties. Where possible and applicable, at least two (2) other contemporaneous transactions with unrelated third parties for similar products, services and/or quantities will be used as comparison to determine whether the price and terms offered to or by the related parties are fair and reasonable and comparable to those offered to or by other unrelated third parties for the same or substantial similar type of products, services and/or quantities. In the event that the quotation or comparative pricing from unrelated third parties are not available (such as when the Group awards construction works to related companies), the Group will rely on the prevailing market prices of the same or substantially similar type of products and services for comparison based on terms which are generally in line with industrial norms, and taking into consideration the efficiency, quality, safety (where relevant) and standards for the delivery of products or services to be provided, to ensure that the RRPT are not detrimental to the Company and/or the Group;
  - the terms are no more favourable to the Related Party than those extended to unrelated third parties and available to the public and the RRPT are not detrimental to minority shareholders of IJML;

- in respect of the provision and/or supply and/or purchase of equipment, machinery and/or materials after taking into account factors such as pricing, quality, delivery schedules and, where applicable, preferential rates, rebates or discounts accorded for bulk purchases, the terms offered are fair and reasonable and in the IJML Group's commercial interests; and
  - in respect of the provision and/or supply and/or receipt of services, the terms offered to the IJML Group are comparable with those offered by other unrelated parties for the same or substantially similar type of services.
- (b) There is no particular threshold for approval of RRPT within the Group as all RRPT will be reviewed and approved by the Audit Committee. Any member of the Audit Committee may, as he deems fit, request for additional information pertaining to the transaction from independent sources or advisers, including the obtaining of valuations from professional valuers.
- (c) In addition to the guidelines set out above, the Audit Committee will also undertake the following reviews:-
- the Audit Committee will review from time to time, status reports on contracted works being performed by the IJM Group which are Related Party Transactions to ascertain the progress of the works;
  - the Audit Committee will carry out an annual review to ascertain that the established guidelines and procedures for Related Party Transactions have been complied with; and
  - the Audit Committee will consider from time to time whether the established guidelines and procedures for Related Party Transactions have become inappropriate, and/or are unable to ensure that the transactions will be on normal commercial terms, and/or will prejudice the interests of shareholders generally.
- (d) The Company maintains a record of Related Party Transactions carried out pursuant to the Proposed General Mandate. The Company's internal audit plan has incorporated a review of the record in respect of the transactions entered into during the year.

(iv) **Statement by Audit Committee**

The Group has in place adequate procedures and processes to monitor, track, and identify RRPT in a timely and orderly manner. The Audit Committee is satisfied that the guidelines and procedures for Related Party Transactions are sufficient to ensure that such Related Party Transactions will be carried out on normal commercial terms which are not prejudicial to the interests of shareholders, and that the terms of the RRPT are no more favourable to the Related Party than those generally available to the public and the RRPT are not detrimental to minority shareholders of IJML. Such guidelines, procedures and processes are subject to review by the Audit Committee annually.

(v) **Validity period of the Proposed General Mandate**

If approved at the EGM, the Proposed General Mandate will take effect from the passing of the Ordinary Resolutions relating thereto ("Resolutions 2 and 3") at the EGM. The authority will continue to be in force until:-

- (a) the conclusion of the next AGM of the Company, at which time it will lapse, unless renewed by a resolution passed at that meeting;
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to section 143(2) of the Act); or
- (c) revoked or varied by resolution of the shareholders in a general meeting, whichever occurs first.

### **3. RATIONALE FOR THE PROPOSALS**

#### **3.1 Proposed Share Buy-Back**

The Proposed Share Buy-Back would enable IJML to utilize its surplus financial resources to purchase Shares at prices which your Board views as favourable. It may stabilize the supply and demand of Shares traded on the Main Market of Bursa Securities and thereby support its fundamental value.

The Purchased Shares held as treasury shares may be resold on the Bursa Securities with the intention of realizing a potential gain without affecting the total issued and paid-up capital of the Company. The treasury shares may also be distributed to shareholders as dividends and, if undertaken, would serve to reward the shareholders of the Company.

The actual treatment of the Purchased Shares would depend on, inter-alia, the prevailing equity market conditions and the financial position of IJML.

The Proposed Share Buy-Back would effectively reduce the number of Shares carrying voting and participation rights. As such, in arriving at the EPS of the Company, the earnings of IJML would be divided by a reduced number of Shares. Based on among other things, the current market price of the Shares, shareholders may enjoy an increase in the value of their investment in IJML arising from the consequent increase in EPS.

#### **3.2 Proposed General Mandate**

The Proposed General Mandate is intended to enhance the Group's ability to pursue business opportunities which are time-sensitive in nature, and will eliminate the need to announce, or to announce and convene separate general meetings on each occasion to seek shareholders' prior approval for the entry by the relevant company in the Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficacy considerably, and allow manpower resources and time to be channeled towards attaining other corporate objectives.

The procurement of a mandate for the provision of financial assistance would facilitate the pooling of funds within the Group via a centralized treasury management function of such similar arrangement on a short term or medium term basis. The "short or medium term basis" means for a duration not exceeding 3 years.

The RRPT entered into is intended to meet business needs of the Group. Approval for transacting with Related Party can also enhance the ability of the Group to explore beneficial business opportunities with the Related Party. The Group has dealt with some of the Related Party including IJM Group for many years and the Related Party have proven to be good customers of the Group as well as reliable suppliers of materials, goods and services required by the Group for its business. The Related Party are financially stable and have over the years established good business relationship with the Group with their good services and promptness in settlement, as the case may be. The materials, goods and services provided by and/or to the Related Party are carried out on an arm's length basis and on terms not more favourable than those generally available to the public.

### **4. CONDITIONS OF THE PROPOSALS**

The Proposals require the approval of the shareholders at the forthcoming EGM.

### **5. FINANCIAL EFFECT OF THE PROPOSALS**

#### **5.1 Proposed Share Buy-Back**

Assuming that the Proposed Share Buy-Back is carried out in full, the financial effect is as follows:-

(a) **Share Capital**

As the Purchased Shares will be retained in full as treasury shares, the Proposed Share Buy-Back will not have any effect on the issued and paid-up capital of IJML. However, the rights attaching to them as to voting, dividends and participation in other distributions and otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

(b) **NA**

The effects of the Proposed Share Buy-Back on the NA of IJML Group will depend on the purchase price and number of Shares purchased. The Proposed Share Buy-Back will reduce the consolidated NA per Share if the purchase price exceeds the consolidated NA per Share at the time of the purchase. Conversely, it would increase the consolidated NA per Share if the purchase price is less than the consolidated NA per Share of the Company at the time of the purchase.

(c) **Working Capital**

The Proposed Share Buy-Back is likely to reduce the working capital of the IJML Group, the quantum of which depends on the purchase price of the Shares, the number of Shares purchased and any associated costs incurred in making the purchase. However, if the Purchased Shares treated as treasury shares subsequently resold on Bursa Securities, the working capital of the Group will increase if the Company realizes a gain from the resale.

(d) **EPS**

The effects of the Proposed Share Buy-Back on the earnings of the IJML Group would depend on the purchase price and number of Shares purchased. The effective reduction in the number of Shares applied in the computation of the consolidated EPS pursuant to the Proposed Share Buy-Back may generally, all else being equal, have a positive impact on the consolidated EPS of the Company for the financial year ending 31 March 2011.

(e) **Dividends**

For the financial year ended 31 March 2010, IJML had declared a single tier interim dividend of 2% or 2 sen per share, which will be paid on 19 August 2010 to every member who is entitled to receive the dividend at the close of business on 30 July 2010.

Assuming the Proposed Share Buy-Back is implemented in full, dividends will be paid on the remaining issued capital of IJML (excluding the Shares purchased). The Proposed Share Buy-Back may have an impact on the Company's dividend policy for the financial year ending 31 March 2011 as it will reduce the cash available which may otherwise be used for dividend payments. Nonetheless, the treasury shares purchased may be distributed as dividends to shareholders, if the Company so decides.

5.2 **Proposed General Mandate**

The Proposed General Mandate will have no effect on the share capital, NA, working capital and EPS of the Company.

6. **DIRECTORS' AND SUBSTANTIAL/MAJOR SHAREHOLDERS' INTERESTS**

6.1 **Proposed Share Buy-Back**

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the shareholders as a consequence of the Proposed Share Buy-Back, none of the Directors and Substantial Shareholders of IJML or persons connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back.

The following tables illustrate the effects on the shareholdings of the Directors and Substantial Shareholders of IJML as at the LPD assuming that IJML implements the Proposed Share Buy-Back in full and that the Shares purchased are from public shareholders:-

#### Directors' Shareholding

Name of Directors	Number of Shares		Before the Proposed Share Buy-Back		After the Proposed Share Buy-Back	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
			%	%	%	%
DKT	-	20,000 <sup>*1</sup>	-	0.002	-	0.002
DLTY	11,064,693 <sup>*2</sup>	-	1.003	-	1.114	-

<sup>\*1</sup> shares held by his spouse.

<sup>\*2</sup> shares held through a nominee company.

#### Substantial Shareholders' Shareholding

Name of Substantial Shareholders	Number of Shares		Before the Proposed Share Buy-Back		After the Proposed Share Buy-Back	
	Direct	Deemed	Direct	Deemed	Direct	Deemed
			%	%	%	%
IJM	692,392,293	-	62.757	-	69.730	-
Employees Provident Fund Board	96,983,100	692,392,293 <sup>1</sup>	8.790	62.757	9.767	69.730
Government of Singapore	80,500,000	-	7.296	-	8.107	-
Investment Corporation Pte Ltd						

<sup>1</sup> Through IJM Corporation Berhad

## 6.2 Proposed General Mandate

Save for DKT, DLTY, DTKM and IJM, who are deemed interested in the RRPT as set out in Section 2.2(ii)(a) of this Circular, none of the other Directors and Major Shareholders of IJML or persons connected to them has any interest, direct or indirect, in the RRPT.

Accordingly, DKT, DLTY and DTKM have and will continue to abstain from all Board deliberations in relation to RRPT as set out in Section 2.2(ii)(a) of this Circular. DKT, DLTY, DTKM and IJM shall also abstain from voting in respect of their direct and indirect shareholdings on the resolution relating to the Proposed Renewal of General Mandate at the EGM. DKT, DLTY, DTKM and IJM have undertaken to ensure that the persons connected to them shall abstain from voting on the resolution relating to the Proposed Renewal of General Mandate at the EGM.

As the transacting Related Parties cannot be ascertained prior to the date of this Circular, all the Directors have and will continue to abstain from all Board deliberations in relation to RRPT as set out in Section 2.2(ii)(b) of this Circular. All the Directors shall also abstain from voting in respect of their direct and indirect shareholdings on the resolution relating to the Proposed New General Mandate at the EGM. All the Directors have undertaken to ensure that the persons connected to them shall abstain from voting on the resolution relating to the Proposed New General Mandate at the EGM.

The direct and indirect shareholdings of the abovementioned interested Directors and Major Shareholders in the Company as at the LPD are set out as follows:-

#### Directors' Shareholding

Name of Directors	Number of Shares			
	Direct	%	Deemed	%
DKT	-	-	20,000 <sup>*1</sup>	0.002
DLTY	11,064,693 <sup>*2</sup>	1.003	-	-
DTKM	-	-	-	-
Dato' Soam Heng Choon	-	-	-	-
Tan Sri Dato' Nasruddin bin Bahari	-	-	-	-
Dato' Md Naim bin Nasir	-	-	-	-
Boey Tak Kong	-	-	-	-
Raymond Tan	-	-	-	-

\*1 shares held by his spouse.

\*2 shares held through a nominee company.

#### Major Shareholder's Shareholding

<u>Name of Major Shareholder</u>	<u>Direct</u>	<u>Number of Shares</u>		
		<u>%</u>	<u>Deemed</u>	<u>%</u>
IJM	692,392,293	62.757	-	-

## 7. DIRECTORS' RECOMMENDATION

### 7.1 Proposed Share Buy-Back

Your Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interest of IJML. Accordingly, they recommend that you vote in favour of the resolution pertaining to the Proposed Share Buy-Back contained herein to be tabled at the forthcoming EGM.

### 7.2 Proposed General Mandate

Your Directors (other than DKT, DLTY and DTKM, who are deemed interested in the Proposed Renewal of General Mandate) having considered all aspects of the Proposed Renewal of General Mandate, are of the opinion that the Proposed Renewal of General Mandate is in the best interest of IJML.

Accordingly, your Directors (other than DKT, DLTY and DTKM) recommend that you vote in favour of the resolution pertaining to the Proposed Renewal of General Mandate to be tabled at the forthcoming EGM.

For the reason stated in Section 6.2 of this Circular, all the Directors have abstained from giving an opinion and making any recommendation in respect of the Proposed New General Mandate to be tabled at the forthcoming EGM.

## 8. EXTRAORDINARY GENERAL MEETING

An EGM, the notice of which is enclosed in this Circular, will be held at Victorian Ballroom, Level 1, Holiday Villa Hotel & Suites Subang, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 24 August 2010, at 4.30 p.m. (or immediately following the conclusion of the 21<sup>st</sup> Annual General Meeting scheduled at 3.30 p.m. on the same day and at the same venue) to consider the resolutions on the Proposals. If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the endorsed Form of Proxy (in accordance with the instructions printed thereon) and to arrive at the Registered Office not later than forty eight (48) hours before the time fixed for holding the EGM.

## 9. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I for further information.

Yours faithfully,  
For and on behalf of the Board of Directors  
**IJM LAND BERHAD (187405-T)**

**Tan Sri Dato' Nasruddin bin Bahari**  
Senior Independent Non-Executive Director

**FURTHER INFORMATION****1. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated in this Circular are accurate and that there are no other facts, the omission of which would make any statement in this Circular misleading.

**2. MATERIAL LITIGATION**

To the best of our knowledge, IJML Group are not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the business or financial position of the IJML Group, and our Directors have no knowledge of any proceeding pending or threatened against the IJML Group, or of any fact likely to give rise to any proceedings which might materially and adversely affect the business or financial position of the IJML Group.

**3. MATERIAL CONTRACTS**

Save as disclosed below, there are no other material contracts, not being contracts entered into in the ordinary course of business, which have been entered into by IJML Group during the two (2) years preceding the date of this Circular:

- (i) Share Purchase Agreement dated 1 August 2008 between IJM Properties Sdn Bhd (a wholly-owned subsidiary of IJML) ("IJMPRP") and Wawasan QI Properties Sdn Bhd, whereby IJMPRP agreed to dispose of its 1,000,000 ordinary shares of RM1.00 each and 30,000 preference shares of RM1.00 each, representing 100% of the issued and paid-up share capital of Kami Builders Sdn Bhd to Wawasan QI Properties Sdn Bhd for a consideration of RM20,172,615 which was to be satisfied entirely by way of cash. The transaction was completed on 15 July 2009;
- (ii) Shares Sale Agreement dated 21 May 2010 between IJML and the existing shareholders of Sova Holdings Sdn Bhd ("SHSB"), namely Ong Yeng Tian @ Ong Weng Tian, Ong Seh Choon, Ong Seh Yew, Ong Chiew Gee and Ong Chiew Lee, whereby IJML agreed to acquire a total of 210,000 ordinary shares of RM1.00 each, representing 70% of the issued and paid-up share capital of SHSB from the abovenamed existing shareholders of SHSB for a consideration of RM18.00 million which was to be satisfied entirely by way of cash; and
- (iii) Share Sale and Purchase Agreement dated 24 June 2010 between IJML and ADF Tiger III Limited ("ADF Tiger"), whereby IJML agreed to dispose of its 250,000 ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital of Delta Awana Sdn Bhd to ADF Tiger for a consideration estimated at RM66.26 million which was to be satisfied entirely by way of cash.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the Registered Office at 2<sup>nd</sup> Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia, during normal business hours from Monday to Friday (except public holidays) for a period from the date of this Circular to the date of the EGM.

- i) Memorandum and Articles of Association of the Company;
- ii) audited financial statements of IJML Group for the past two (2) years for the financial year ended 31 March 2010 and 31 March 2009; and
- iii) the material contracts referred to in Section 3 above.

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of IJM LAND BERHAD (187405-T) will be held at Victorian Ballroom, Level 1, Holiday Villa Hotel & Suites Subang, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 24 August 2010, at 4.30 p.m. (or immediately following the conclusion of the 21<sup>st</sup> Annual General Meeting scheduled at 3.30 p.m. on the same day and at the same venue) for the purpose of considering and, if thought fit, passing the following ordinary resolutions:-

### 1. PROPOSED SHARE BUY-BACK

“THAT the Directors be and are hereby authorized to purchase the ordinary shares of the Company on the market of the 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 ten per cent (10%) of the issued capital of the Company; and
- ii) the funds allocated for the purchase of shares shall not exceed its retained profits and share premium account

AND THAT the Directors be and are hereby further authorized to deal with the treasury shares in their absolute discretion (which may be distributed as dividends, resold and/or cancelled)

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.”

### 2. PROPOSED RENEWAL OF GENERAL MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS AS SET OUT IN SECTION 2.2(ii)(a)

“THAT the Directors be and are hereby authorized to enter into and to give effect to specified recurrent transactions of a revenue or trading nature with specified classes of Related Parties (as set out in Section 2.2(ii)(a) of the Circular to Shareholders dated 30 July 2010), which are necessary for the day to day operations of the Company and its subsidiaries, in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public

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.”

**3. PROPOSED NEW GENERAL MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS AS SET OUT IN SECTION 2.2(ii)(b)**

“THAT the Directors be and are hereby authorized to enter into and to give effect to specified recurrent transactions of a revenue or trading nature with specified classes of Related Parties (as set out in Section 2.2(ii)(b)) of the Circular to Shareholders dated 30 July 2010), which are necessary for the day to day operations of the Company and its subsidiaries, in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public

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.”

By Order of the Board

Jeremie Ting Keng Fui  
Company Secretary

Petaling Jaya  
30 July 2010

Notes: **APPOINTMENT OF PROXY**

- (i) a member is entitled to appoint up to two (2) proxies, and they need not be members;
- (ii) a member, who is an authorized nominee (as defined under the Securities Industry (Central Depositories) Act 1991), may appoint up to two (2) proxies in respect of each Securities Account held;
- (iii) a member who appoints a proxy must duly execute the Form of Proxy, and if two (2) proxies are appointed, the number of shares to be represented by each proxy must be clearly indicated;
- (iv) a corporate member who appoints a proxy must execute the Form of Proxy under seal or the hand of its officer or attorney duly authorized;
- (v) the duly executed Form of Proxy must be deposited at the Registered Office not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting;
- (vi) only members whose names appear in the Record of Depositors as at **17 August 2010** will be entitled to attend and vote at the meeting; and
- (vii) the Circular and Form of Proxy are available for access and download at <http://www.ijm.com>.

## 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 LAND BERHAD (187405-T)**, 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 **Extraordinary General Meeting of IJM LAND BERHAD** to be held on Tuesday, 24 August 2010, at 4.30 p.m. (or immediately following the conclusion of the 21<sup>st</sup> Annual General Meeting scheduled at 3.30 p.m. on the same day and at the same venue), and at any adjournment thereof, in the manner indicated below:

No.	Ordinary Resolutions	For	Against
1.	Proposed Share Buy-Back		
2.	Proposed Renewal of General Mandate for Recurrent Related Party Transactions as set out in Section 2.2(ii)(a)		
3.	Proposed New General Mandate for Recurrent Related Party Transactions as set out in Section 2.2(ii)(b)		

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 \_\_\_\_\_ 2010

Signature(s) : \_\_\_\_\_

### Notes: **APPOINTMENT OF PROXY**

- (i) a member is entitled to appoint up to two (2) proxies, and they need not be members;
- (ii) a member, who is an authorized nominee (as defined under the Securities Industry (Central Depositories) Act 1991), may appoint up to two (2) proxies in respect of each Securities Account held;
- (iii) a member who appoints a proxy must duly execute the Form of Proxy, and if two (2) proxies are appointed, the number of shares to be represented by each proxy must be clearly indicated;
- (iv) a corporate member who appoints a proxy must execute the Form of Proxy under seal or the hand of its officer or attorney duly authorized;
- (v) the duly executed Form of Proxy must be deposited at the Registered Office not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting;
- (vi) only members whose names appear in the Record of Depositors as at **17 August 2010** will be entitled to attend and vote at the meeting; and
- (vii) the Circular and Form of Proxy are available for access and download at <http://www.ijm.com>.

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AFFIX  
STAMP

THE COMPANY SECRETARY  
**IJM LAND BERHAD (187405-T)**  
2<sup>nd</sup> Floor, Wisma IJM  
Jalan Yong Shook Lin  
46050 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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**PART B**

**LETTER TO SHAREHOLDERS IN RELATION TO THE  
IMPLEMENTATION OF ELECTRONIC DIVIDEND PAYMENT**

## **IJM LAND BERHAD (187405-T)**

**Registered Office:** 2<sup>nd</sup> Floor, Wisma IJM  
Jalan Yong Shook Lin, 46050 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel: 603-79858288 Fax: 603-79521200  
E-mail: csa@ijm.com <http://www.ijm.com>

30 July 2010

Dear Shareholder

### **Implementation of Electronic Dividend Payment (“eDividend”)**

We are pleased to inform you that the Company will be implementing eDividend in line with the announcement of Bursa Malaysia to promote greater efficiency of the dividend payment system, among others, with effect from 1 September 2010. The eDividend refers to the payment of cash dividends by directly crediting into the bank accounts of shareholders instead of making payment via bank cheques.

The benefits of eDividend include the following:-

- a) faster access to your cash dividends;
- b) eliminates the inconvenience of having to deposit the dividend cheques;
- c) eliminates incidents such as misplaced, lost or expired cheques; and
- d) eliminates incident of unauthorized deposit of dividend cheques.

Registration for eDividend has commenced on 19 April 2010 for a period of one (1) year until 18 April 2011 at no cost. If you register after the one (1) year grace period, an administrative charge will be imposed.

To register for eDividend, you are required to provide to Bursa Malaysia Depository Sdn Bhd through your stock broker’s office where your CDS account is maintained, your bank account number and other information by completing the prescribed form (in triplicate). The form can be obtained from your stock broker’s office or downloaded from Bursa Malaysia’s website at <http://www.bursamalaysia.com>.

Your bank account (savings or current account) must be an active bank account maintained with a local bank that is under your name or in the case of a joint account, has your name as one of the account holders. It must also be maintained with a financial institution that offers MEPS Inter-Bank GIRO. Information on eDividend is also available at the Bursa Malaysia’s website and the Company’s website at <http://www.ijm.com>.

We look forward to a successful implementation of eDividend through your active participation, and to serving you better as our valued shareholders. If you have any query relating to eDividend, you may contact our Share Registrar (IGB Corporation Berhad (Share Registration Department) at 603-22898989 or email: [corporate-enquiry@igbcorp.com](mailto:corporate-enquiry@igbcorp.com)) or our Company Secretary (at 603-79858131 or email: [csa@ijm.com](mailto:csa@ijm.com)).

Thank you.

Yours faithfully  
for **IJM LAND BERHAD (187405-T)**

**Dato’ Tan Boon Seng @ Krishnan**  
Non-Executive Chairman