



Construction

Builder of choice

**22
Sept
2020**



Property

One of Malaysia's
top property
developers

**IJM
Corporation
Berhad**



Industry

An essential
industry partner



Plantation

Nurturing
sustainability



Infrastructure

Building recurrent
income streams

36th ANNUAL GENERAL MEETING

Review of Group Performance & Prospects
Financial Year Ended 31 March 2020

Mr Liew Hau Seng, CEO & Managing Director
IJM Corporation Berhad



Table of Contents

- 1. FY2020 Group Performance**
- 2. Core Business Performance**
 - a) Construction Division
 - b) Property Division
 - c) Industry Division
 - d) Infrastructure Division
 - e) Plantation Division
- 3. Conclusion**



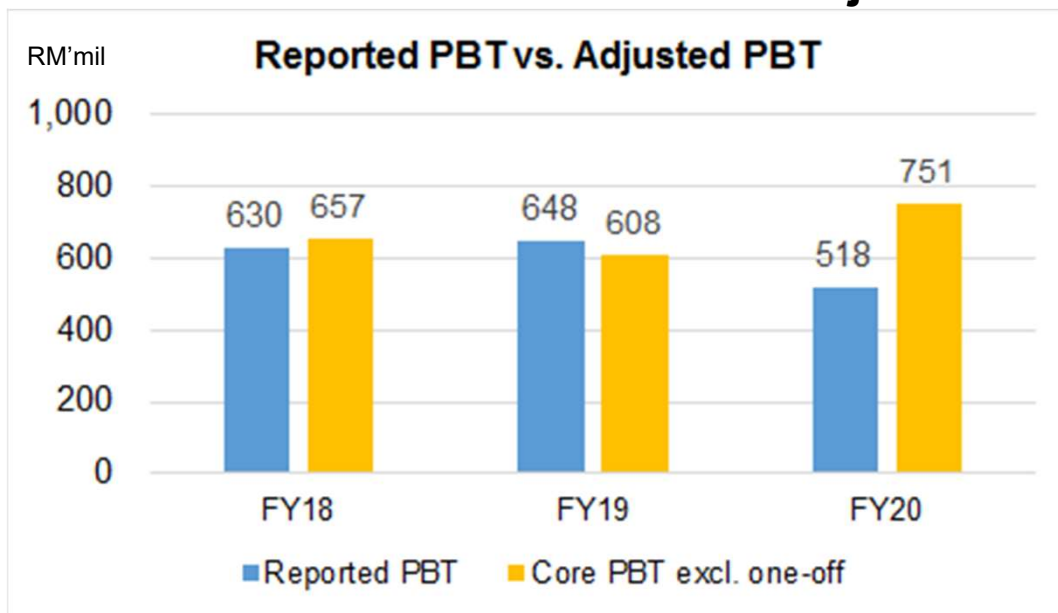
Group Income Statement

RM'mil	Full Year		% Δ
	FY20	FY19	
Revenue	6,605.1	5,655.7	16.8
Gross Profit	1,235.0	1,149.2	7.5
Operating Profit Before Finance Cost	870.3	745.4	16.8
Finance Cost	(290.4)	(225.1)	
Operating Profit After Finance Cost	579.9	520.3	11.5
Share Of Results From JV & Assoc.	(62.1)	127.7	
Profit Before Tax	517.8	648.0	(20.1)
EBITDA	1,203.1	1,212.5	
EPS (Basic) Sen	6.91	11.56	
EPS (Fully Diluted) Sen	6.91	11.55	
Proposed / Declared Dividend Sen	3.00	4.00	

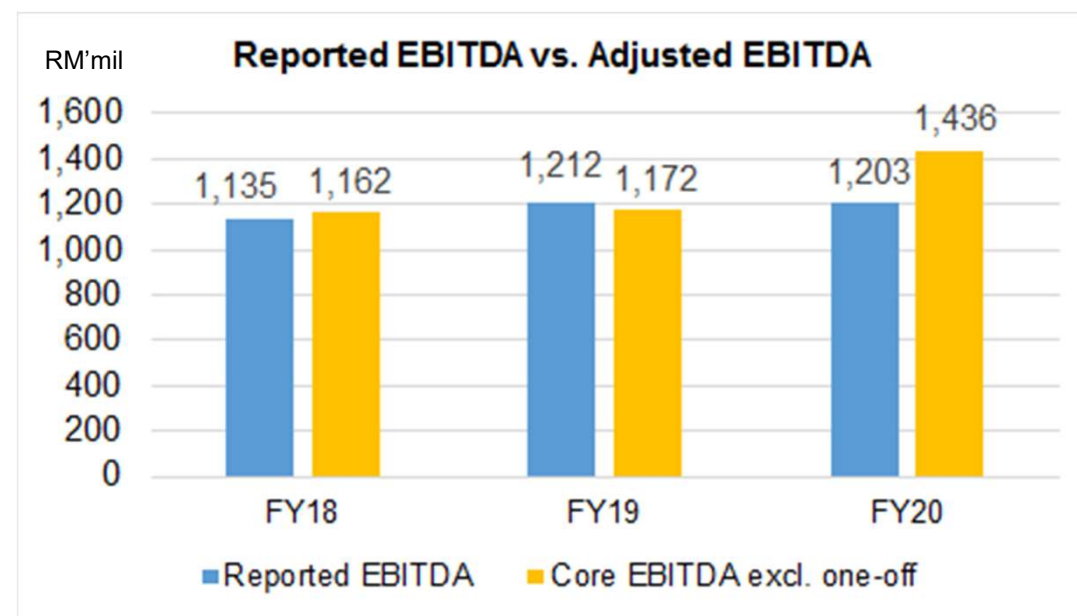


Group Income

Adjusted for one-off items



One-Off Items (RM'm)	FY18	FY19	FY20
Grupo	-	112m	(41m)
Forex losses	(27m)	(72m)	(121m)
Impairment of inventories	-	-	(91m)
Others	-	-	20m
Total	(27m)	40m	(233m)





Group Balance Sheet

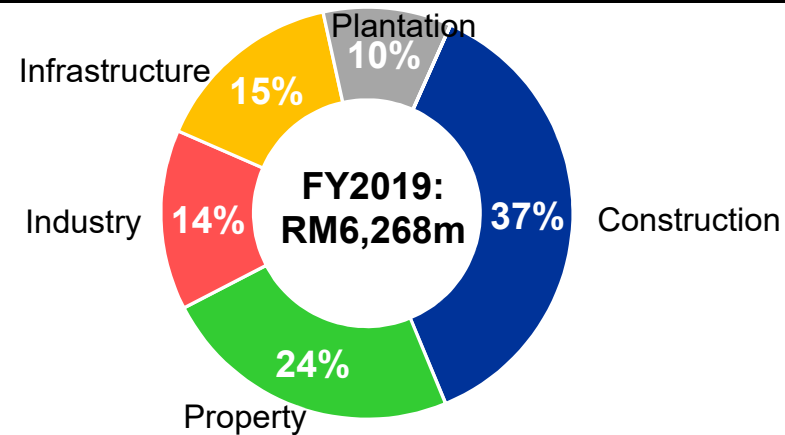
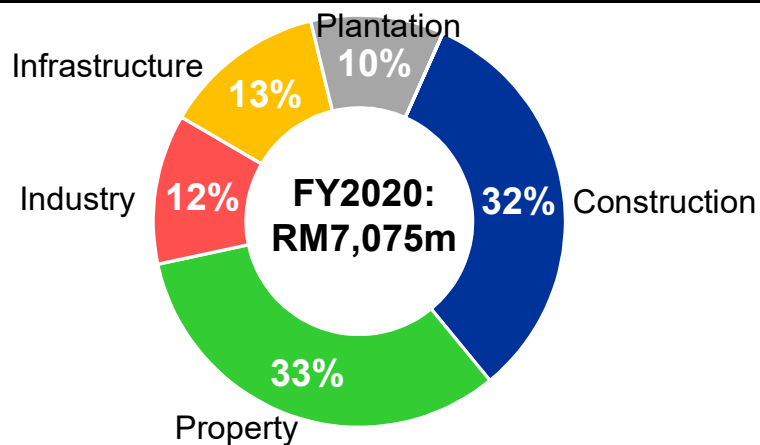
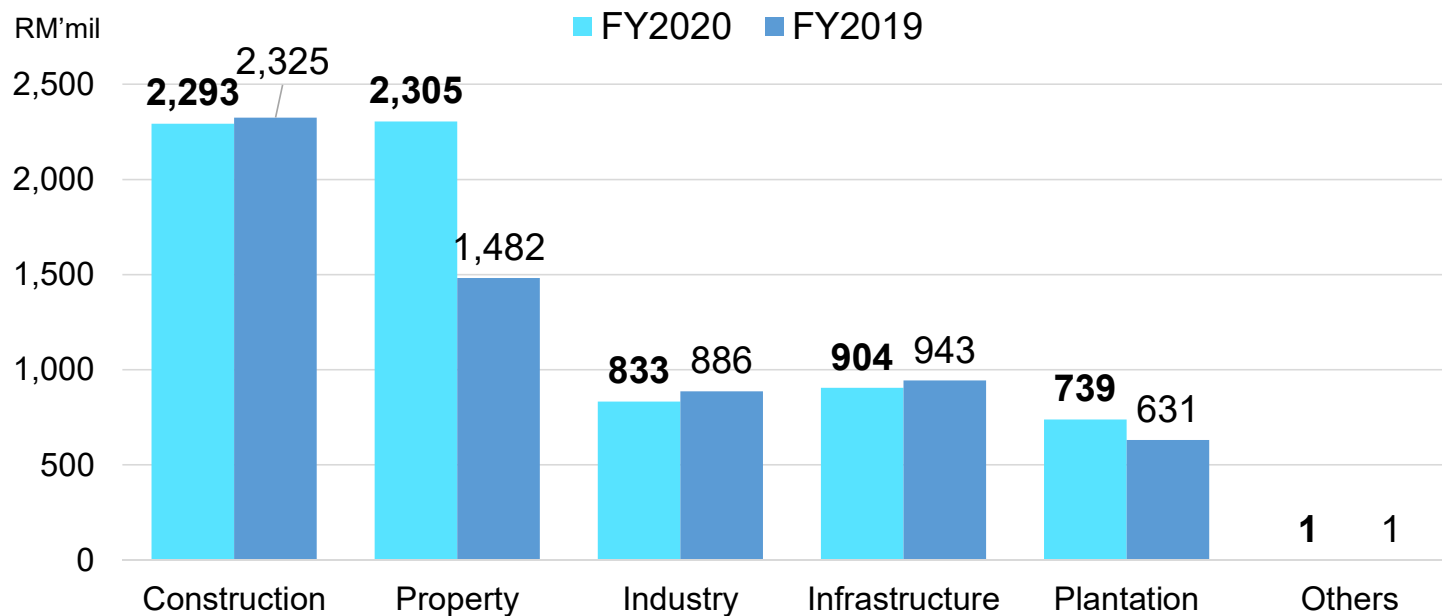
RM'mil	31 Mar 20	31 Mar 19
Share Capital	6,112.0	6,099.4
Shareholders' Funds	9,602.4	9,538.7
Total Assets	23,453.3	23,006.0
Net Assets Per Share (RM)	2.65	2.63
Total Cash	2,222.7	1,558.0
Total Borrowings	(6,917.1)	(6,662.1)
Net Debt *	(4,694.4)	(5,104.1)
Net Debt / Shareholders' Funds (%)	48.9	53.5

*

	RM'mil	%
Recourse Debt	895.8	19.1
Non-recourse Debt	3,798.6	80.9
Net Debt	4,694.4	100.0

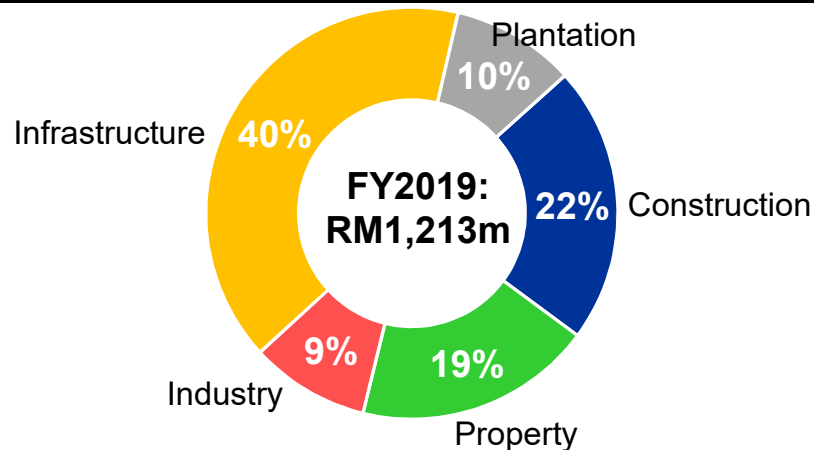
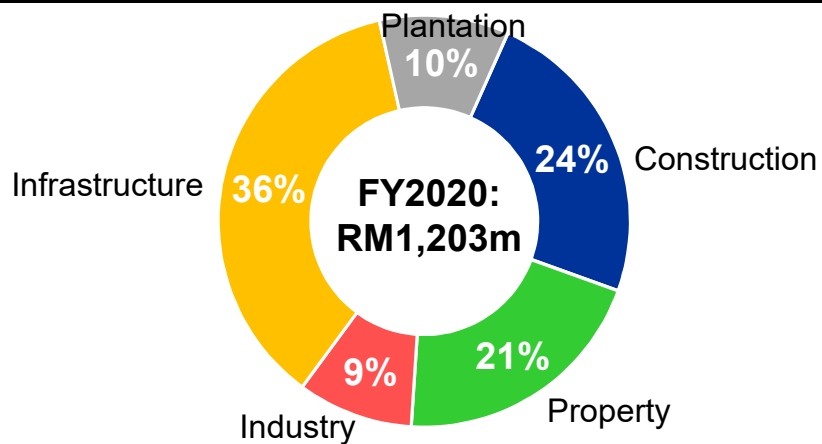
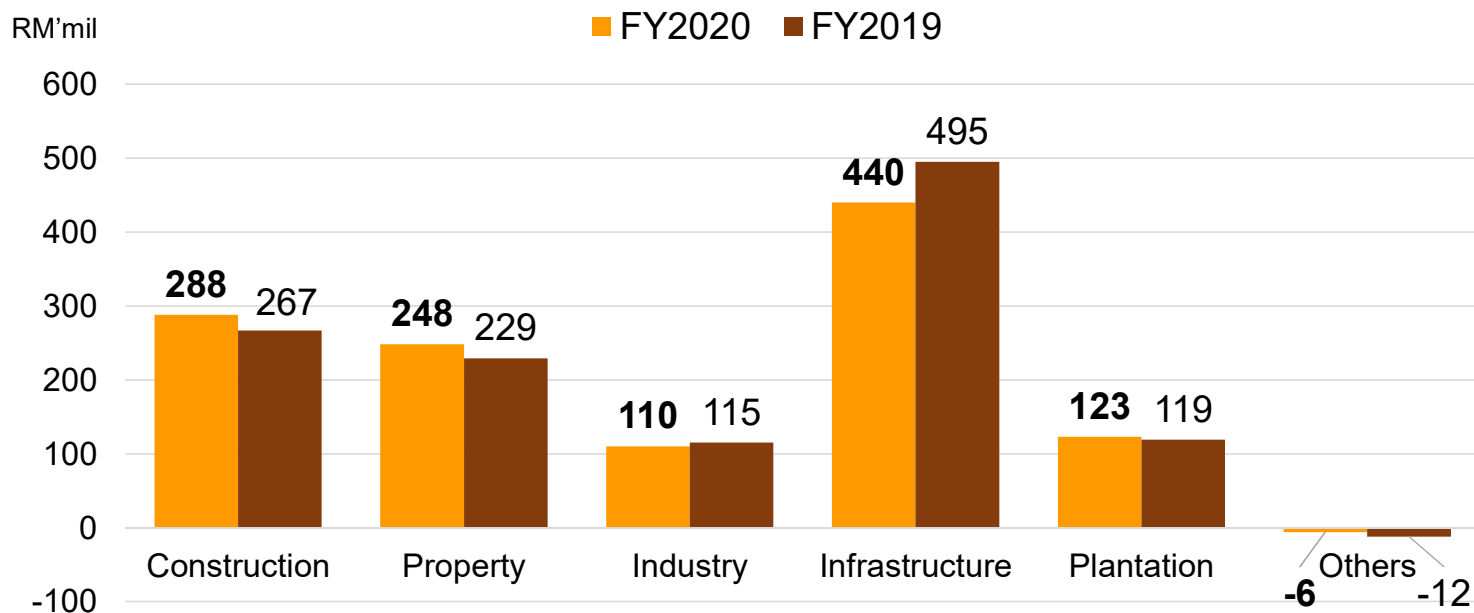


Group Revenue by Division



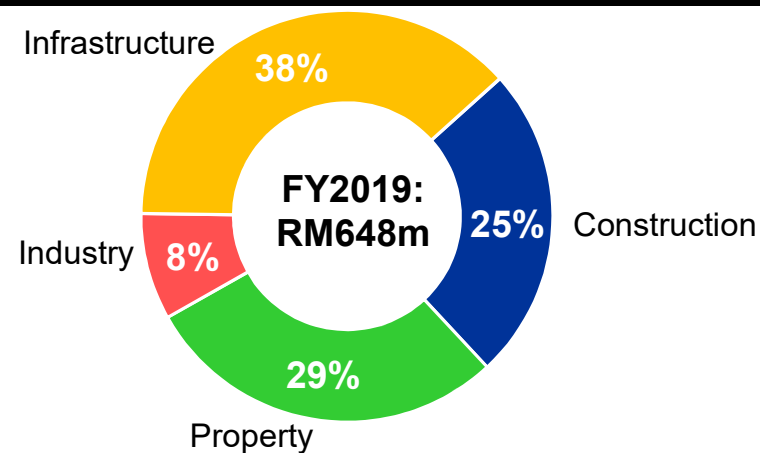
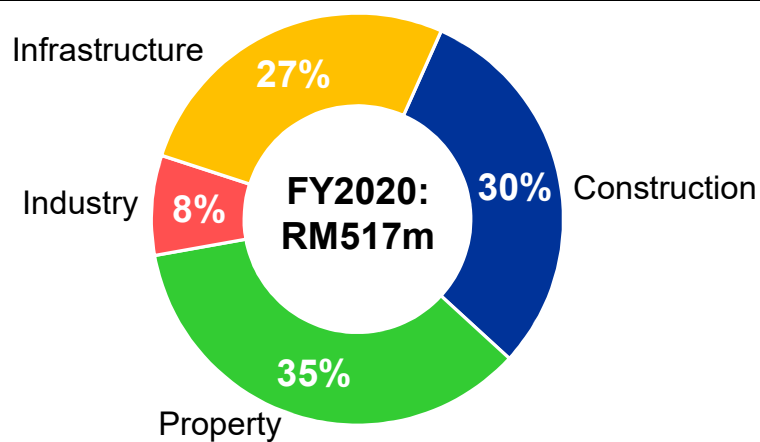
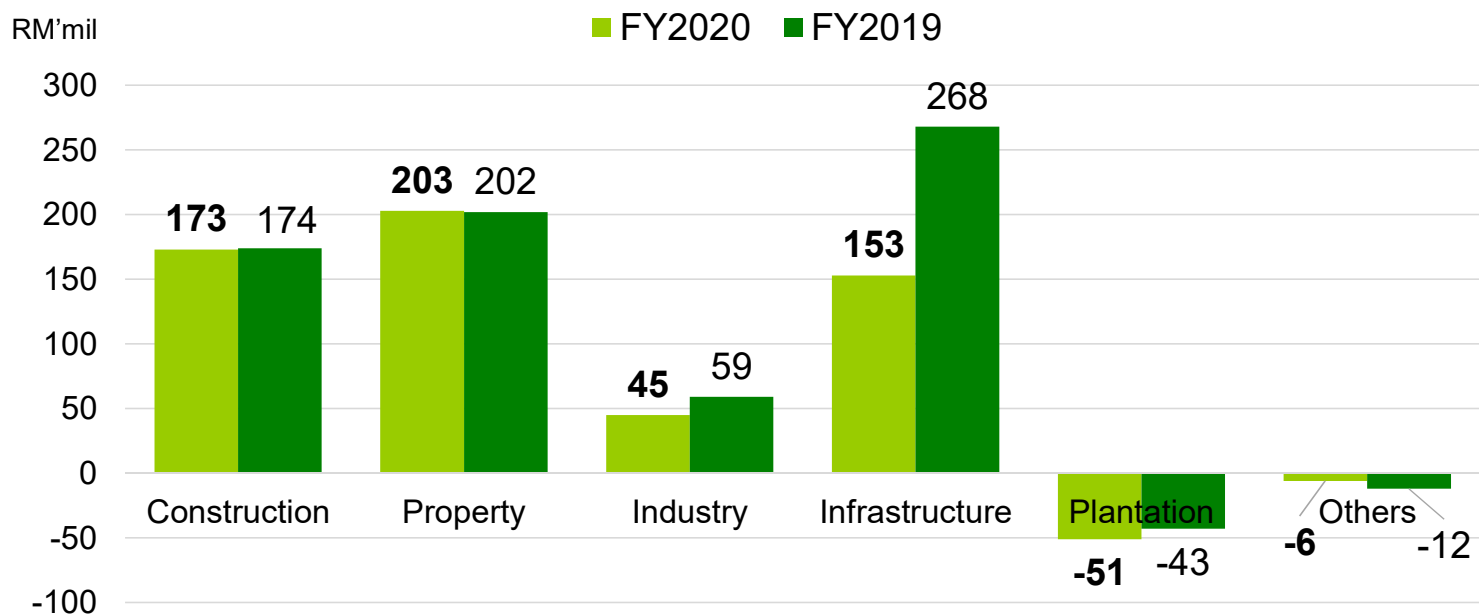


Group EBITDA by Division





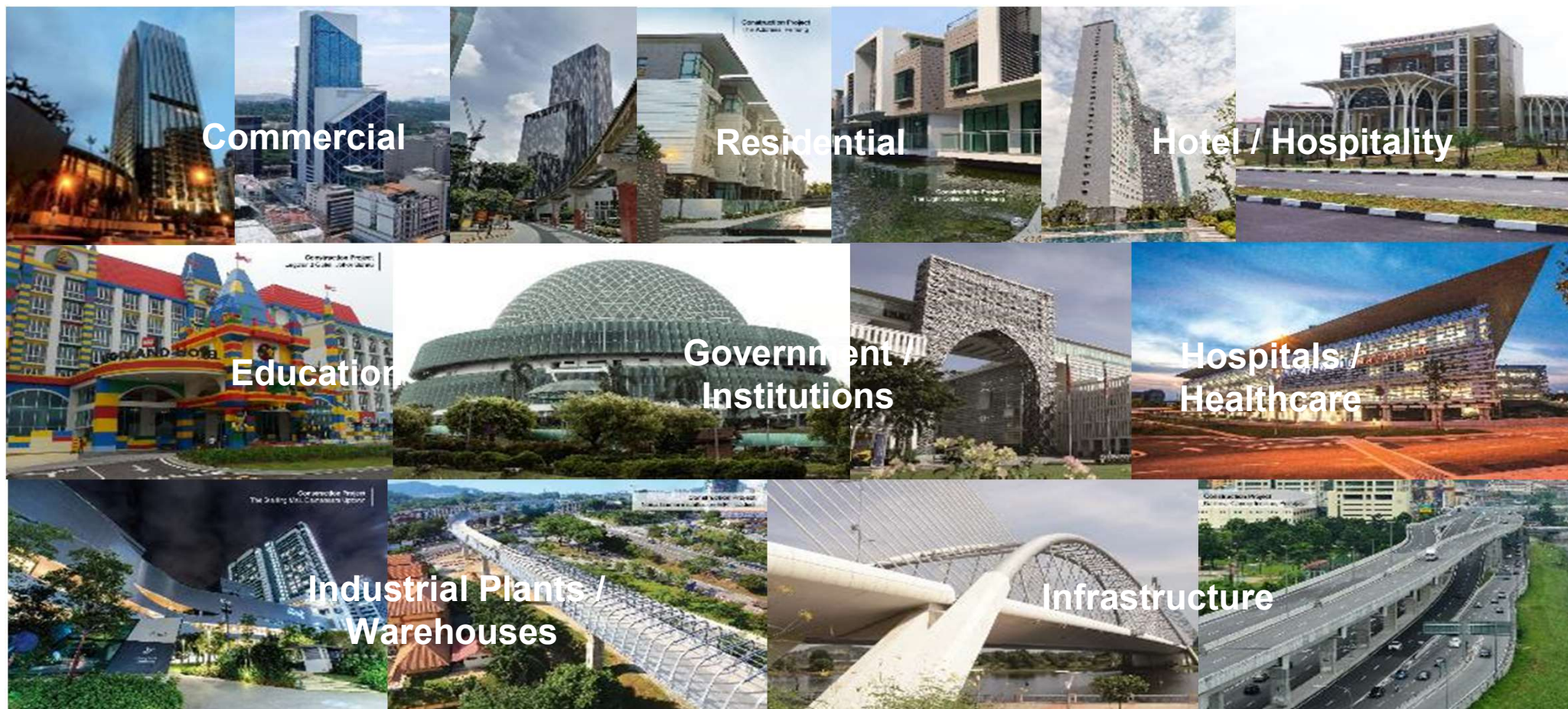
Group PBT by Division





Construction Division

Entrusted with projects that have shaped the nation and beyond





Construction Snapshot

RM'mil	Full Year		% Δ
	FY20	FY19	
Revenue	2,292.8	2,325.4	(1.4)
EBITDA	288.3	267.2	7.9
PBT	173.2	174.4	(0.7)
PBT %	7.6	7.5	

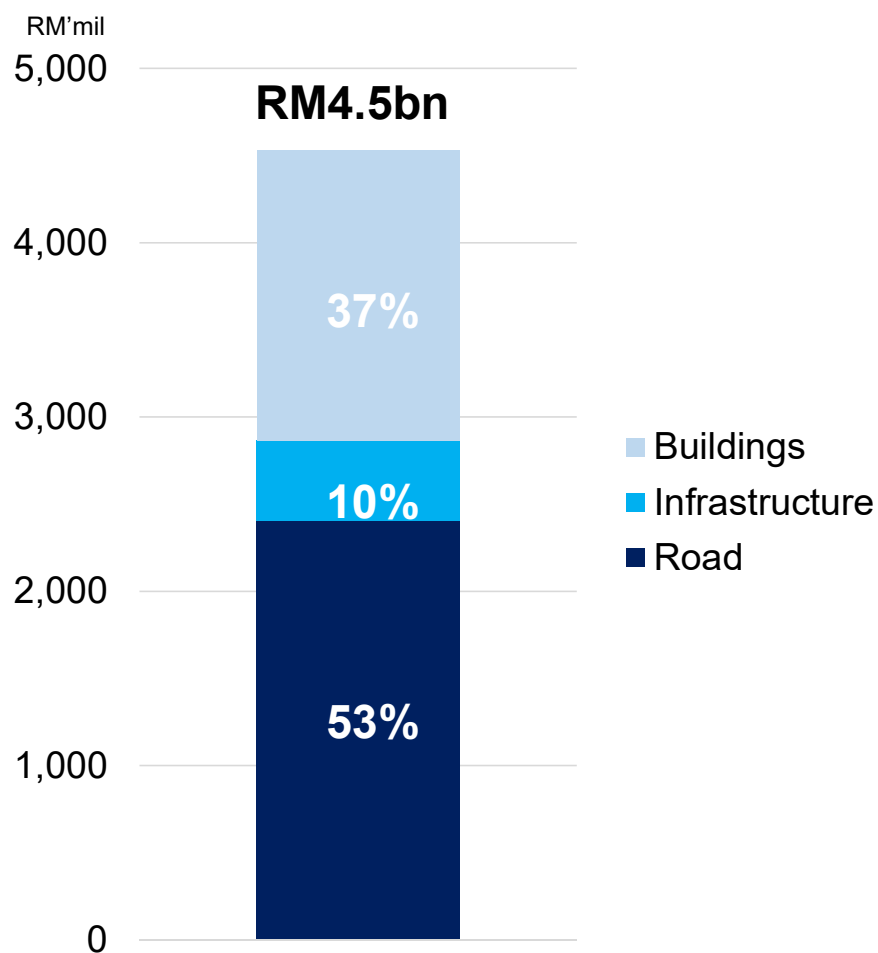
Comments

- Revenue for the year was relatively unchanged from the previous corresponding periods as job progress remained on track
- PBT and PBT margin for the year remained steady



Outstanding Order Book

As at 31 March 2020





FY20 Awarded Contract

Building Project Awarded - TRX Residences



Two Blocks of Service Apartment at Tun Razak Exchange (announced 10 March 2020)

- RM530m contract awarded for superstructure works of the proposed two blocks of service apartment at TRX
- Completion period expected to be 36 months, which is expected to be completed by May 2023
- The project comprises Tower A of 53-storey (443 units) and Tower B of 57-storey (453 units)
- Including residential facilities, seven levels of podium and elevated car park, one level of mezzanine floor, one level of commercial space at ground floor and two levels of basement car park





Building Projects in Kuala Lumpur

Key Updates

HSBC HQ

- Building glass and aluminum facade completed in August 2020

UOB Tower 2

- Steel structures - roof crown
- Architecture works - B5-L26 in progress
- M&E works - B5-L26 in progress
- ID works - B4-L13 in progress

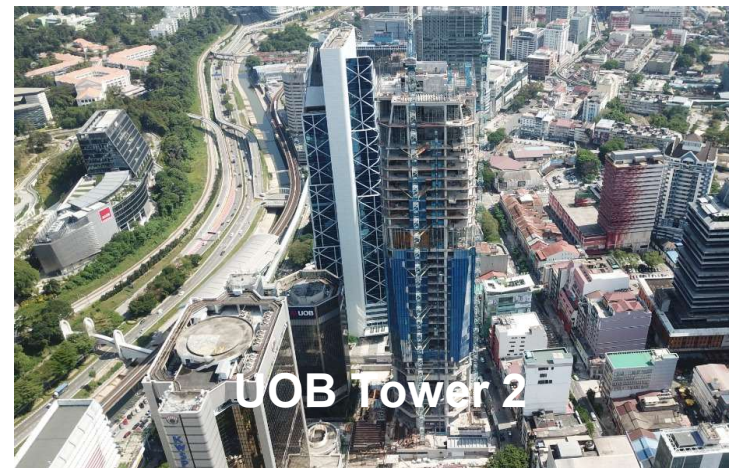
BBCC Retail Mall

- All structure works completed
- Arcitecture , ID , facade and M&E works in progress
- Landscape work at roof in progress

Affin Bank Corporate HQ

- RC core wall complete.
- Slab casted level 42, one last floor to construct
- Facade works installing up to level 35
- Podium casted level 6, remaining 2 floors
- Block wall in progress level 38
- Tiling and stone works in progress until Level 20

Building Projects





West Coast Expressway

Road Projects

Key Updates

WCE

- Opened to public:
 - Section 8 – May 2019
 - Section 9 – Sept 2019
 - Section 10 – Sept 2019
 - Section 5 – Dec 2019





MRT 2, Jinjang to Jalan Ipoh

Infrastructure Project

Key Updates

Overall MRT 2 Progress

- Phase 1 (Jalan Jinjang to Kentonmen Station, Jalan Ipoh) track access given to PDP/System team
- Phase 2 (Kentonmen Station to End Chainage, Jalan Ipoh) Kentonmen Station to abutment A deck slab construction completed. Open cut & cover works is in progress

Sri Delima Station

- Building services work are in progress at Entrance 1, 2 and Pedestrian Overhead Bridge (POB)
- Target to get CCC on 30 Oct 2020

Kampung Batu Station

- Target to get CCC on 30 Sept 2020

Kentonmen Station

- Façade, ABWF and building services works are in progress at Main Station, North and South Entrance

Jalan Ipoh Station

- Platform, intermediate and concourse slab are in progress at Main Station





Projects in India

Road Projects

Key Updates

Vijayapura-Solapur, Maharashtra and Karnataka, India

- Has achieved 40% milestone in construction progress

Dewas Bypass, Madhya Pradesh, India

- Commenced tolling on 11 January 2020





Property Division

Developer of major and vibrant townships, bustling enterprises and thriving communities





Property Snapshot

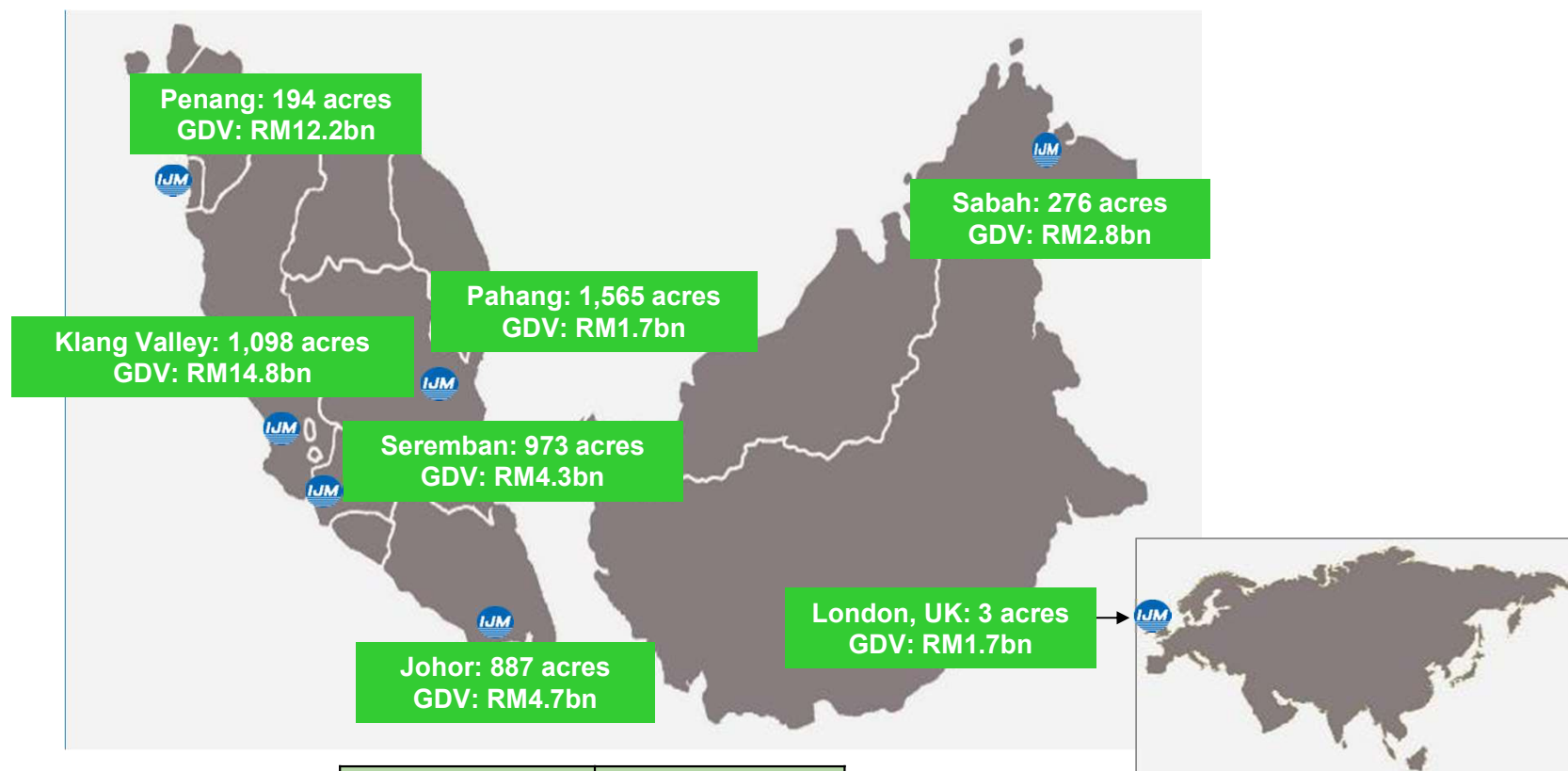
RM'mil	Full Year		% Δ
	FY20	FY19	
Revenue	2,305.1	1,482.0	55.5
EBITDA	248.2	228.5	8.6
PBT	203.3	202.0	0.6
PBT %	8.8	13.6	

Comments

- Revenue for the year increased as compared to the preceding year mainly due to the completion of the Royal Mint Gardens, London, whereby revenue is recognised upon handover
- For the year, PBT was marginally higher as compared to the preceding year, despite a recognition of impairment on inventories of RM91m, mainly due to the higher revenue recorded as well as the recognition of a forex gain of RM7.1m in the current year as opposed to a forex loss of RM2.8m in the preceding year



Regional Land Bank Profile

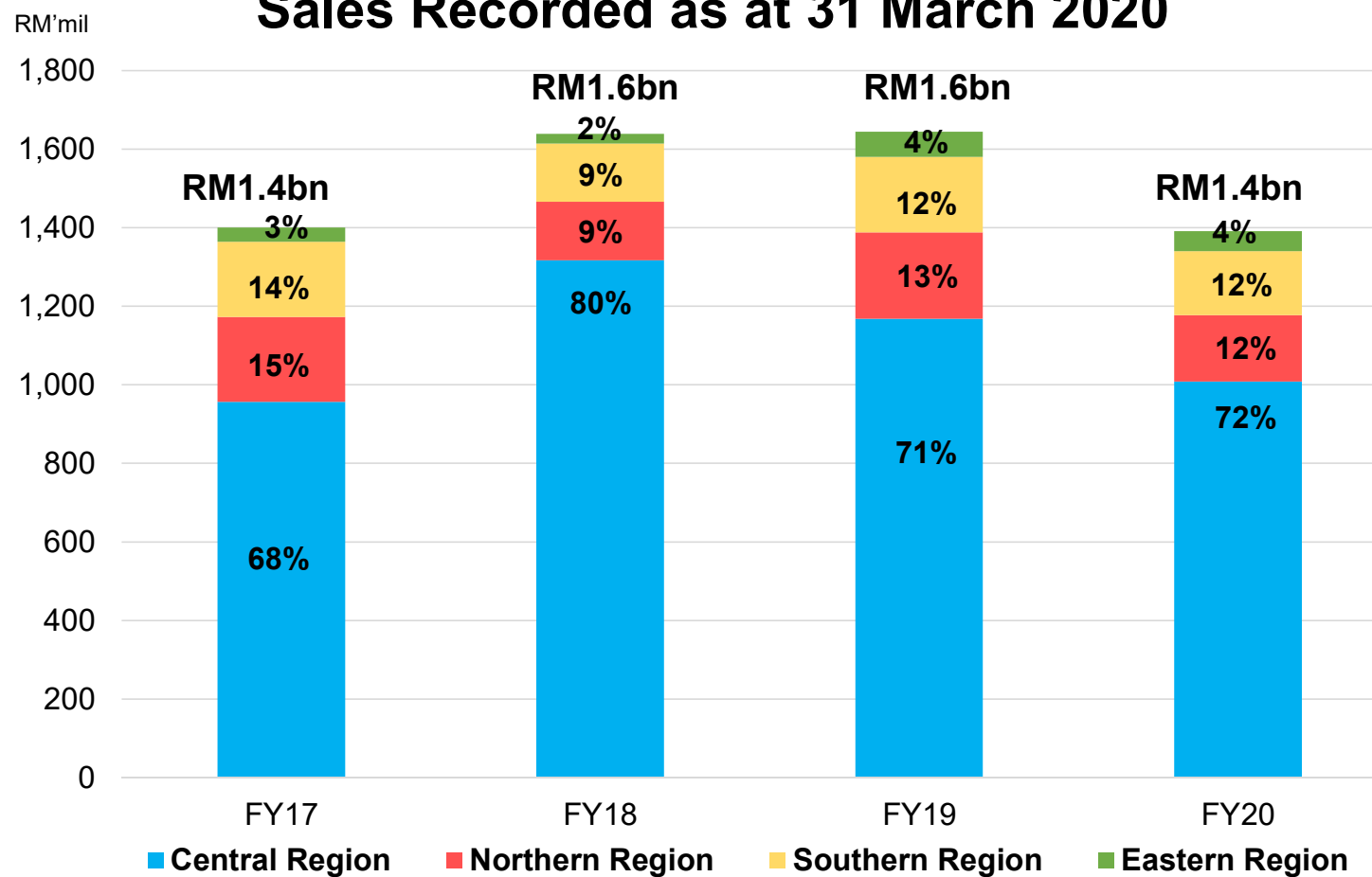


	Area (acres)	GDV 'RM bn
Malaysia	4,993	40.5
International	3	1.7
Total	4,996	42.2



Sales Achieved

Sales Recorded as at 31 March 2020





Sales Performance and Launches in FY20

FY20 Sales Mainly Contributed by:



Sales supported by:

- Phase 11 (A&B) Swans, Periwinkle, Blossom Square (shop office)



Sales supported by:

- Alam Suria (YB128-YB129) & Rumah Selangorku



Sales supported by:

- Rumahwip – affordable homes



SEREMBAN 2 TOWNSHIP

Sales supported by:

- Rimbun Impian, Safira Apartment, Saujana Duta, The Plazo (shop office), Rimbun Harmoni & Seri Binjai



S2 HEIGHTS

Negeri Sembilan



Sales supported by:

- Ph10A & 10B double storey terrace

Sales from other development in Klang Valley:



- Secoya (Phase 2), Pantai Sentral Park



RIANA DUTAMAS

- Riana Dutamas (Phase 1), Segambut

Sales from other development in Penang :

- Sanctuary Ridge 4A & 4B, Permatang Sanctuary, Bukit Mertajam



THELIGHT
WATERFRONT
PENANG

- Light Collection IV & Waterside Residence



Sales and Launches in FY20

1QFY20

Rimbun Alam (Seremban 2 Heights)

No Of Units : 102
GDV : RM80m
Launch Date : Apr '19



Phase 10A (Austin Duta)

No Of Units : 123
GDV : RM80m
Launch Date : Apr '19



Alam Suria Enclave Phase 4 Shah Alam 2)

No Of Units : 82
GDV : RM45m
Launch Date : June '19



Total Value Launched:
RM205m

Total Units Launched:
307

2QFY20

Rimbayu Indah Phase 1A (Sandakan, Sabah)

No Of Units : 48
GDV : RM29m
Launch Date : July '19



Swans Parcel 2 (Bandar Rimbayu, Selangor)

No Of Units : 111
GDV : RM100m
Launch Date : Aug '19



Phase 10B (Austin Duta, Johor)

No Of Units : 140
GDV : RM91m
Launch Date : Sept '19



Total Value Launched:
RM220m

Total Units Launched:
299



Sales and Launches in FY20

3QFY20

Rimbun Impian Parcel 1 (Seremban 2)

No Of Units : 201
GDV : RM167m
Launch Date : Nov'19



Total Value Launched:
RM167m

Total Units Launched:
201

Total Value Launched For The FY20:
RM720m

Total Units Launched For The FY20:
1,018

4QFY20

Desa Palma Phase 3, Double Storey Terraces (Nasa City, Johor)

No Of Units : 84
GDV : RM57m
Launch Date : Feb'20



Alam Suria Enclave, Phase 5C Type B, Double Storey Terraces (Shah Alam 2, Selangor)

No Of Units : 127
GDV : RM71m
Launch Date : Mar'20



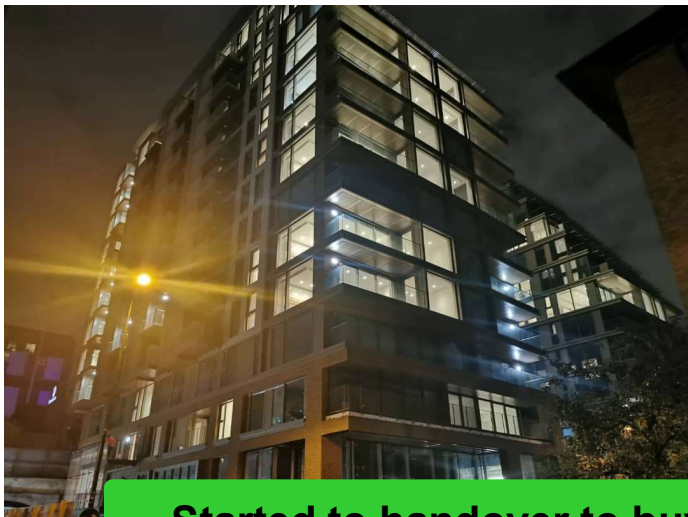
Total Value Launched:
RM128m

Total Units Launched:
211

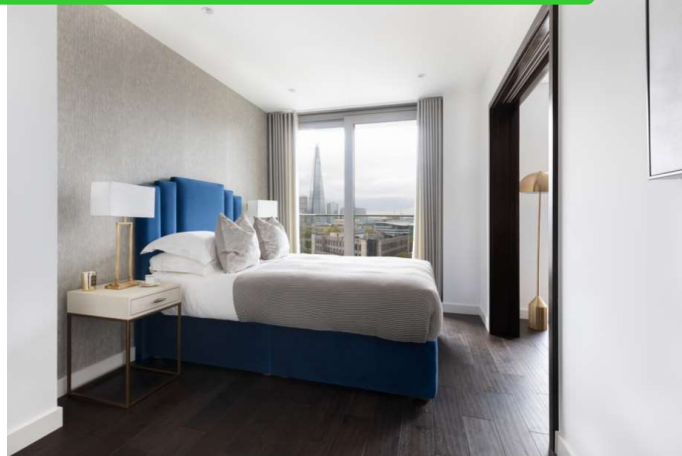


Other Property Updates

Royal Mint Gardens, London, UK



Started to handover to buyers in end-November 2019





Industry Division

*Key supplier of building materials to the construction industry –
largest spun piles manufacturer in Southeast Asia*





Industry Snapshot

RM'mil	Full Year		% Δ
	FY20	FY19	
Revenue	833.1	886.4	(6.0)
EBITDA	110.3	114.7	(3.9)
PBT	44.9	59.0	(23.9)
PBT %	5.4	6.7	

Comments

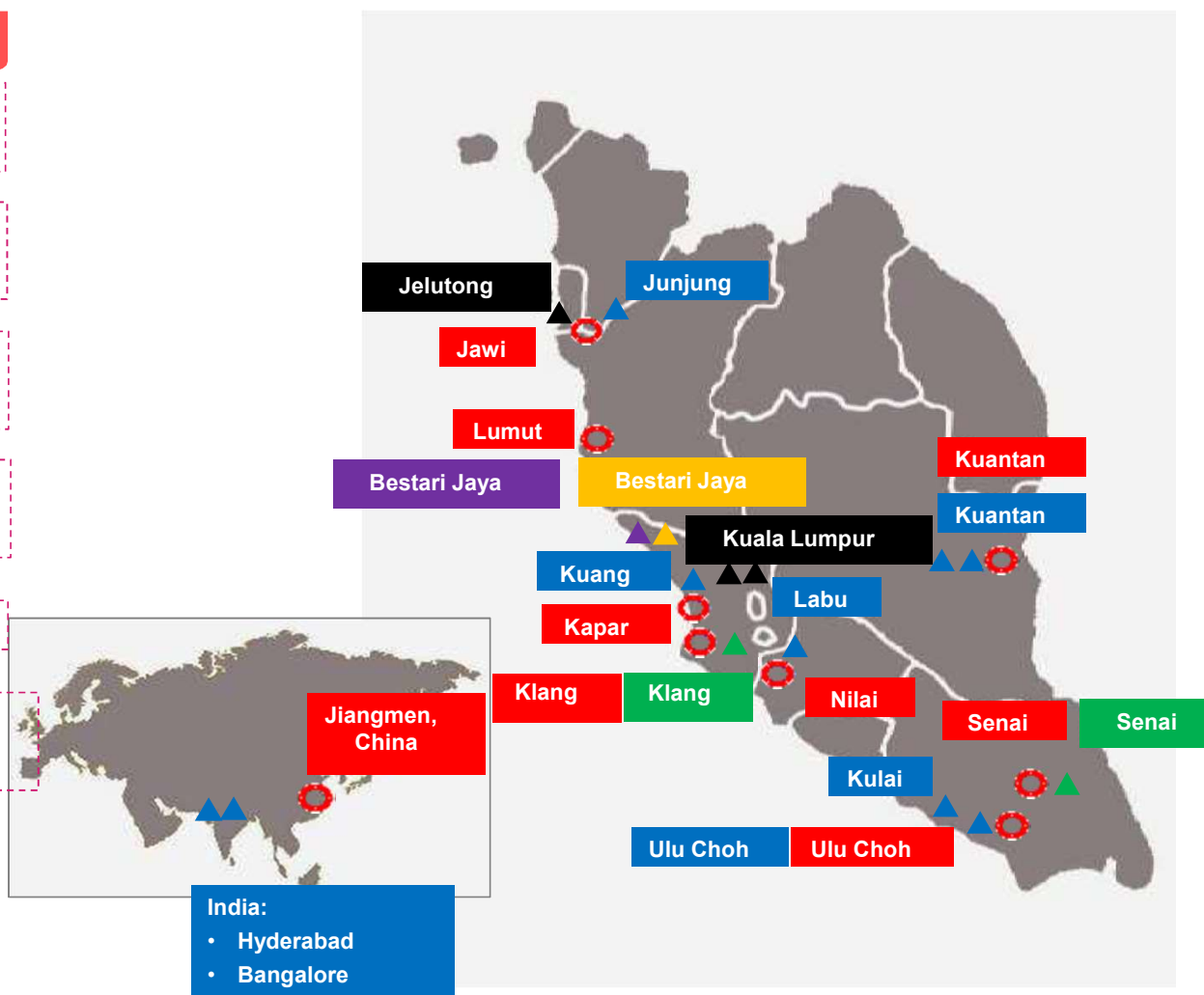
- Revenue and PBT for the year decreased mainly due to lower deliveries of piles and ready-mixed concrete and lower margins recorded by the piles and quarrying sectors



Capacity and Locations

Capacity

- 9 pile factories
○ 2.0m tonnes p.a.
- ▲ 9 quarries
○ 10.0m tonnes p.a.
- ▲ 1 IBS Factory
○ 500k square meter p.a.
- ▲ 2 Durabon factories
○ 54k tonnes p.a.
- ▲ 1 sand mining factory
- ▲ 3 ready mixed concrete
○ 540k cubic meter p.a.





IJM IBS: Pusat Bina Bestari Plant

At Bestari Jaya, Kuala Selangor, Selangor



**Groundbreaking Ceremony
8 Aug 2019**



**Size of Land: 25 acres
Production Capacity: 500k square metres per annum**



Completed Projects in FY20



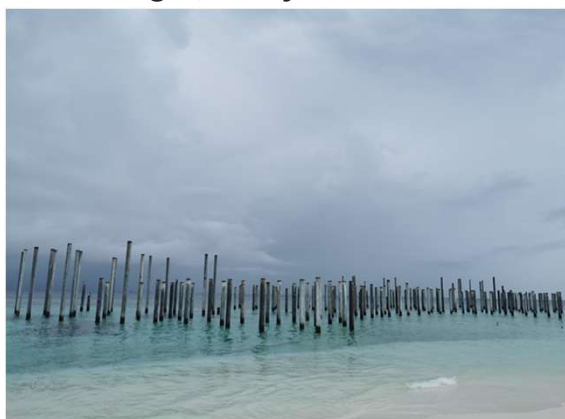
**Geo Condominium, Bukit Rimau,
Selangor, Malaysia**



**PT Tshing Shan Weda Bay,
Indonesia**



**HDB Housing Project (Fernvale Woods) at
Sengkang West Avenue, Singapore**



**Pool Villa at Innafushi Allfu
Dhaalu Atoll, Maldives**



**Ikea Warehouse, Klang,
Selangor, Malaysia**

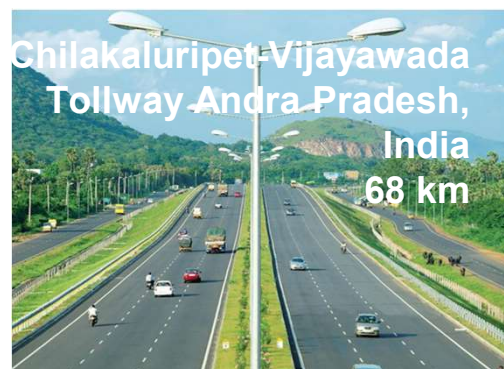


**8 Kinrara, Puchong, Selangor,
Malaysia**



Infrastructure Division

Kuantan Port and an international portfolio of toll roads





Infrastructure Snapshot

RM'mil	Full Year		% Δ
	FY20	FY19	
Revenue	904.1	943.4	(4.2)
EBITDA	439.9	495.4	(11.2)
<i>Malaysian Tollways</i>	<i>307.3</i>	<i>267.5</i>	<i>14.9</i>
<i>Kuantan Port</i>	<i>189.4</i>	<i>127.8</i>	<i>48.2</i>
<i>Overseas & Other Infra</i>	<i>(56.8)</i>	<i>100.1</i>	<i>(156.7)</i>
PBT	153.2	268.3	(42.9)
<i>Malaysian Tollways</i>	<i>193.3</i>	<i>160.0</i>	<i>20.8</i>
<i>Kuantan Port</i>	<i>79.4</i>	<i>74.0</i>	<i>7.3</i>
<i>Overseas & Other Infra</i>	<i>(119.5)</i>	<i>34.3</i>	<i>(448.4)</i>

Comments

- Revenue for year decreased mainly due to the Covid-19 movement restrictions imposed in Malaysia and India which affected the Group's toll collections and cargo throughput handled by the Group's port concession
- PBT for the year declined respectively mainly due to lower contribution from associates, attributable mainly to the share of losses RM40.8m for the year respectively (FY2019: share of profits RM140.5m for the year respectively) from an associate in Argentina as a result of the higher than expected credit losses on the toll compensation

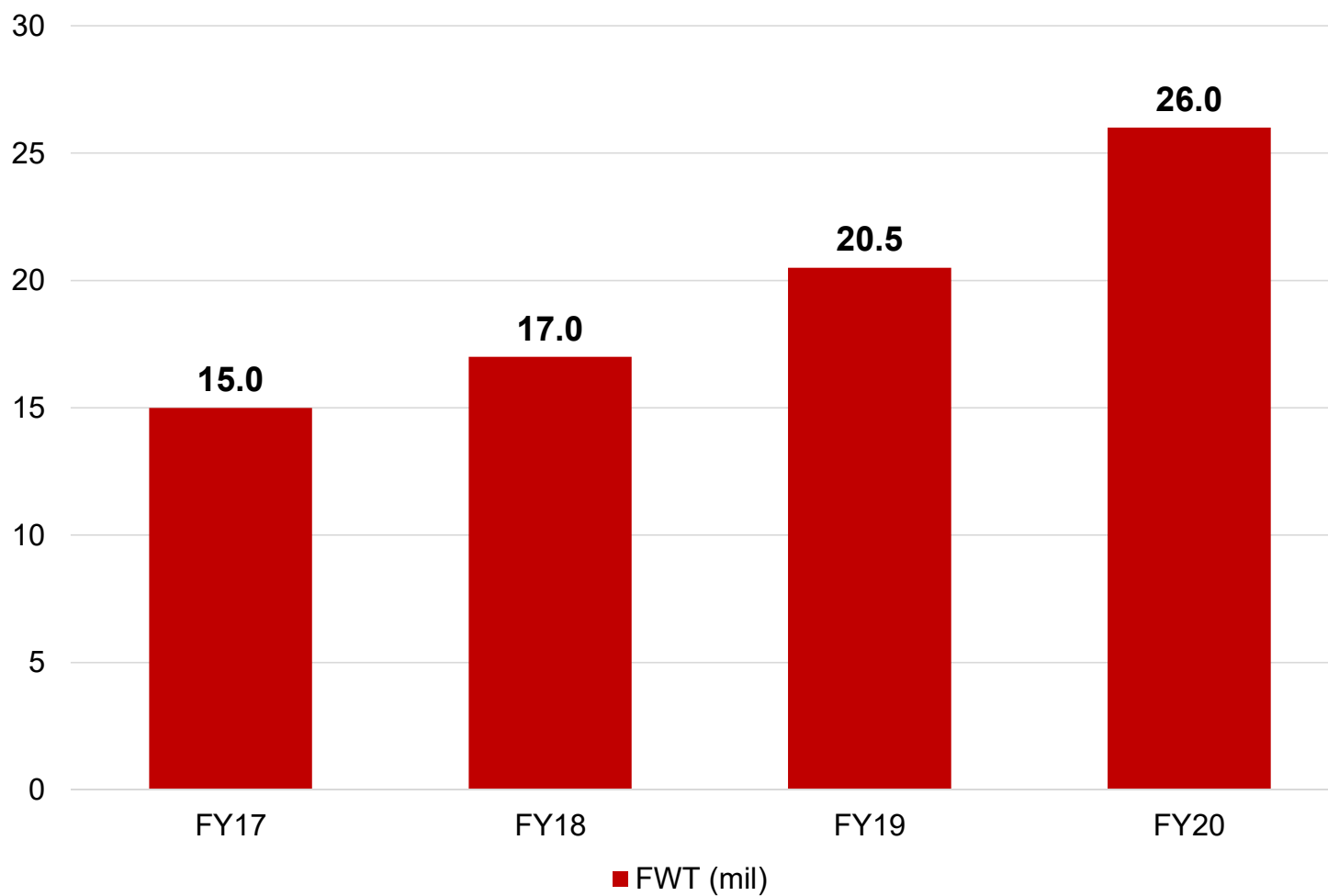


Concession Assets

	Assets	Type	% Share	Concession Period
Operating				
Malaysia	New Pantai Expressway, Selangor	Tollway 20 km	100%	1996 – 2030
	Besraya & Extension, Selangor	Tollway 29 km	100%	1996 – 2040
	LEKAS, Kajang-Seremban	Tollway 44 km	50%	2007 – 2039
	Kuantan Port, Pahang	Port	60%	1998 – 2045
India	Chilikaluripet – Vijayawada, Andra Pradesh	Tollway 68 km	100%	2008 – 2025
	Dewas, Madhya Pradesh	Tollway 19.8 km	100%	2017 – 2042
Argentina	Western Access Tollway, Buenos Aires	Tollway 56 km	20%	1997 – 2030
Under Construction				
Malaysia	West Coast Expressway	Tollway 233 km	40%	2013 - 2073
India	Vijayapura - Solapur, Maharashtra and Karnataka	Tollway 109.1 km	100%	2017 – 2037



Kuantan Port Throughput





Current Operators in MCKIP

Alliance Steel



Land Bank Size

- 710 acres in MCKIP 1

Business Type

- Modern integrated steel mill
- High carbon steel & H shape steel

Cargo Type

- Break bulk

Status

- Operation started since June 2018

ICP



Land Bank Size

- 16 acres in MCKIP 3

Business Type

- A high performance and high strength pretensioned spun concrete piles

Cargo Type:

- Break bulk

Status

- Operation started since August 2019

Camel Power (M)



Land Bank Size

- 41 acres in MCKIP 3

Business Type

- Battery manufacturing (lead acid / lithium-ion for energy efficient vehicles)

Cargo Type

- Container
- 5 million batteries per annum

Status

- Operation started since October 2019



Pipeline of New Investors in MCKIP & Kuantan Port

Maxtrek Tyres



Land Bank Size

- 300 acres in MCKIP 2

Business Type

- Tire manufacturing

Cargo Type

- Container
- 6 million car / light truck tyres per annum
- 500k truck / bus tyres per annum

Status

- Currently undertaking earthworks

TNG Limited



Land Bank Size

- 150 acres in MCKIP 1

Business Type

- Magnetite processing for titanium oxide, vanadium pentoxide and iron ore

Cargo Type

- Dry bulk

Status

- Manufacturing license obtained

Hebei Puxin Paper Co. Ltd

Land Bank Size

- 17 acres in MCKIP 1

Business Type

- Laminated paper manufacturing

Cargo Type

- Container

Status

- Manufacturing license obtained

Jianhui Paper Kuantan (M) Sdn. Bhd



Land Bank Size

- 600 acres in MCKIP 2

Business Type

- Paper mill

Cargo Type

- Container

Status

- Manufacturing license obtained

NewOcean Energy (M)



Land Bank Size

- 76 acres

Business Type

- Crude oil refinery

Cargo Type

- Liquid

Status

- Land clearance has been completed



Plantation Division

Total planted area 60,966 hectares





Plantation Snapshot

RM'mil	Full Year		% Δ
	FY20	FY19	
Revenue	739.1	630.9	17.2
EBITDA	122.7	119.0	3.1
PBT	(50.5)	(43.3)	(16.6)
CPO Price (RM)	2,269	2,125	

Comments

- Revenue for the year increased mainly due to higher commodity prices and sales volumes. Overall FFB production for the year increased by 8.7% respectively due to the change in the cropping pattern in both the Malaysian and Indonesian operations and larger area attaining maturity in the Indonesian operations
- However, the uncertainties in the economic environment caused by the Covid-19 pandemic resulted in the unfavourable currency movement on its USD and Japanese Yen denominated borrowings and resulted in weaker financial performances for the year. The division recorded net forex losses of RM87.1m for the year (FY2019: Loss of RM25.8m for the year)



Operations Profile



60,966 ha

Total Planted Area

1,061,772 mt (FY2020)

976,394 mt (FY2019)

FFB Production

267,863 mt (FY2020)

224,164 mt (FY2019)

Crude Palm Oil



Planted Area & Weighted Average Age Profile

As at 31 March 2020

	Malaysian Operations	Indonesian Operations	GROUP	%
Average Palm Age	14.0	7.9	10.4	
Mature (> 20 years)	3,326	-	3,326	5
Mature-Prime (8 - 20 years)	15,536	28,413	43,949	72
Mature-Young (4-7 years)	2,714	4,380	7,094	12
Immature (1-3 years)	3,322	3,275	6,597	11
TOTAL PLANTED AREA	24,898	36,068	60,966	100



Mills Location & Capacity

Palm Oil Mill	Capacity (mt FFB / Hour)	Commissioned Year
Desa Talisai, Sugut, Sabah,	60	1992
Minat Teguh, Sugut, Sabah	30	1999
Sabang 1, Sandakan, Sabah	60	2002
Sabang 2, Sandakan, Sabah	30	2008
Malaysia	180	
IPS, Kutai Timur, Kalimantan	60	2012
Sinergi, Kutai Timur, Kalimantan	60	2016
Bulungan, Kalimantan	60	2020
Indonesia	180	
Total Malaysia & Indonesia	360	



Conclusion

Group Strategic Focus: Moving Forward FY2021-FY2023

BUILD RESILIENCE

- Optimise execution capabilities to adapt to the new operating environment.
- Maintain healthy gearing and ensure liquidity across all business divisions.
- Enhance balance sheet strength by prioritising capital expenditure and working capital management.
- Drive cost optimisation.
- Monetise low-yielding assets.

DRIVE GROWTH

- Brownfield expansion of our infrastructure assets to grow recurring income.
- Develop new ventures complementary to our core businesses.
- Regional expansion.
- Enhance growth through strategic merger and acquisitions.

NURTURE CAPABILITIES

- Continue our digital transformation journey, embrace innovation and Industry 4.0.
- Enhance best practices of sustainability accross the Group.
- Foster workforce agility and build future-ready competencies that are responsive to market changes.
- Drive robust risk management.
- Enhance accountability and performance based culture.



Thank You





MSWG Questions & Answers



MINORITY SHAREHOLDERS WATCH GROUP

Badan Pengawas Pemegang Saham Minoriti Berhad 200001022382 (524989-M)



MSWG Questions & Answers

Strategic & Financial Matters

Q1. With the onset of the Covid-19 pandemic in March 2020, the Group had swiftly and proactively adjusted its business strategies to address the emergent challenges and uncertainties posed by the pandemic. The Group had refined its strategies to address the potential impacts on our business, workforce and the broader economy (Page 67 of the Annual Report 2020).

To what extent has the pandemic impacted the Group's prospects? Thus far, has the Group managed to address the pandemic's impact on the Group's business, workforce, and the broader economy?



MSWG Questions & Answers

Strategic & Financial Matters

A1. The implementation of the Movement Control Order (MCO) had an impact on most of the Group's business segments that had to adhere to the temporary suspension of operating activities. During this period, the Group's Port, Toll and Plantation operations, which were classified as essential activities, were able to operate, albeit at subnormal capacities due to lower business activities and in adherence to new standard operating procedures.

With the gradual resumption of business activities after the MCO period, the Group's primary focus has been and continues to be the health and safety of our employees, business partners and the public as we navigate the new Covid-19 norms.

con't...



MSWG Questions & Answers

Strategic & Financial Matters

... con't

A1. To address the short-term economic uncertainties, the Group has implemented certain response measures, focusing on cost containment, prudent capital management and cash preservation, as depicted on page 67 of the Annual Report 2020.

As presented in the Group's Strategic Focus (page 66 of the Annual Report 2020), we have formulated a comprehensive plan to address the broader economic and business challenges.

The overall economic revival would also hinge upon the stimulus measures that are expected to be unveiled by the Malaysian Government in the upcoming Malaysian Budget 2021 in November 2020 and the 12th Malaysia Plan in January 2021.



MSWG Questions & Answers

Strategic & Financial Matters

Q2. IJM has recorded a revenue of RM7,075,072 in FY2020. It was the highest revenue since FY2016. However, the Group has recorded a profit before taxation of RM517,765, which was the lowest since the FY2016 (Page 38 of the Annual Report 2020).

How does the Board plan to address the bottom-line result situation, moving forward?



MSWG Questions & Answers

Strategic & Financial Matters

A2. During the financial year, non-recurring items recognised (page 58 of the Annual Report 2020) included unrealised foreign exchange losses of RM120.81 million, impairment of property inventories of RM91.20 million and expected credit losses on toll compensation of RM40.78 million in relation to our toll concession investment in Argentina.

Excluding certain non-recurring items, the core profit before tax (PBT) would have been RM750.03 million in FY2020, which represents a 23.4% improvement over the previous year's core PBT of RM607.81 million.

con't...



MSWG Questions & Answers

Strategic & Financial Matters

... con't

A2. As mentioned in Question 1, mitigating measures are being put in place to address the likely impact to the bottom line in the near term. While the Group expects a challenging short to medium term macro outlook, the Group's long term fundamentals remain solid.



MSWG Questions & Answers

Strategic & Financial Matters

Q3. The outlook for the Construction Division is supported by an outstanding order book of RM4.5 billion. Order book replenishment prospects are expected to be challenging due to the subdued property market and reduction in Government infrastructure spending (Page 55 of the Annual Report 2020).

How long will the Construction Divisions' order book of RM4.5 billion last? Amid the subdued property market and the reduction in Government infrastructure spending, what is the targeted order book replenishment next year?



MSWG Questions & Answers

Strategic & Financial Matters

A3. The Group recently secured a retail mall and the Penang Waterfront Convention Centre contract at The Light City of RM865 million and a government office building in August 2020. Subsequently, our outstanding order book of now RM5.5 billion, comprising of a good mix of private and public sector projects, should provide earnings over the next 2 to 3 years.

The Group's ability to replenish our order book will be dependent on the Government's plan to stimulate the economy through the Malaysia Budget 2021 and 12th Malaysia Plan. In addition, the Group continues to bid for projects in India.



MSWG Questions & Answers

Strategic & Financial Matters

Q4. On-going projects:

a) What is the current progress of the Group's existing projects? Are the projects on track to be completed within the stipulated timeframe?

A4. a) The Group's portfolio of existing projects are at various stages of construction progress. All our operations have resumed work since May 2020. The respective projects have made applications for extensions of time arising from the temporary suspension of operations during the movement control restriction period.



MSWG Questions & Answers

Strategic & Financial Matters

Q4. On-going projects:

b) Are any of the Group's current projects facing cost overruns or other issues? If so, what is IJM's strategy to manage the issues?

A4. b) The Group has, effectively, a 41% equity stake in West Coast Expressway concession. This concession has experienced cost overruns, primarily due to land acquisition issues. The matter is being rigorously followed up by WCE Holdings Bhd with the Government and is supported by the IJM Group in various forms.



MSWG Questions & Answers

Strategic & Financial Matters

Q5. With fewer new launches and improved sales, the value of unsold residential units dropped to RM18.82 billion in 2019 compared to RM19.86 billion a year earlier (Page 77 of the Annual Report 2020).

a) How has the Group's Property Development's sales progressed, to-date?

A5. a) We recorded RM320 million of property sales in 1QFY2021. Post the MCO period, we have seen improved take-up rates, especially for mid-range products.



MSWG Questions & Answers

Strategic & Financial Matters

Q5. With fewer new launches and improved sales, the value of unsold residential units dropped to RM18.82 billion in 2019 compared to RM19.86 billion a year earlier (Page 77 of the Annual Report 2020).

- b) What is the targeted reduction in value of unsold residential units for FY2021?
What are the measures taken to achieve this target?



MSWG Questions & Answers

Strategic & Financial Matters

A5. b) The following concerted efforts have been made to ramp up sales:

- Launched the 'Now You Can' homeownership campaign, with features such as low-instalment packages, interest subsidies, and various incentives to prospective homebuyers
- Financial coverage is also provided to aspiring homebuyers in the event of a loss of employment or salary cut
- Boosting sales leads via digital engagements with customers, promoting referral schemes and improving overall customer experience
- Offering flexible and customised plans and solutions to suit individual buyer's needs

From the above measures, we expect to see a reduction in unsold residential units.



MSWG Questions & Answers

Strategic & Financial Matters

Q6. The Plantation Division incurred an LBT of RM50.47 million compared to RM43.31 million in FY2019. Despite the net unrealised foreign exchange losses and fair value losses, the impact from higher FFB production coupled with improved commodity prices have contributed to an improved EBITDA of RM122.65 million compared to RM118.99 million in FY2019 (Page 92 of the Annual Report 2020).

a) What is the outlook for the Plantation Division's business in FY2021?



MSWG Questions & Answers

Strategic & Financial Matters

A6. a) The Division's performance is largely influenced by the commodity price, weather patterns and foreign exchange volatility.

However, the increase in crop production growth from our young mature areas in the Indonesian operations and the current favourable commodity price of around RM3000 per ton of CPO bode well for the Division's prospects.



MSWG Questions & Answers

Strategic & Financial Matters

Q6. The Plantation Division incurred an LBT of RM50.47 million compared to RM43.31 million in FY2019. Despite the net unrealised foreign exchange losses and fair value losses, the impact from higher FFB production coupled with improved commodity prices have contributed to an improved EBITDA of RM122.65 million compared to RM118.99 million in FY2019 (Page 92 of the Annual Report 2020).

b) Does the Board expect the Division to continue to record losses but with improved EBITDA in FY2021?

A6. b) Barring unforeseen circumstances as explained in Question 6(a), the Board is optimistic for the Plantation Division to turn a profit in FY2021.



MSWG Questions & Answers

Strategic & Financial Matters

Q7. Despite the challenges and uncertainties that the toll concessionaires are currently facing, the Division will be proactive in its engagement and will work with the Government to achieve a win-win outcome for the country and its stakeholders (Page 97 of the Annual Report 2020).

What is the latest update on the Division's engagement with the Government?

A7. The Company has been actively engaging with the Government. Presently, a decision by the Government is still pending.



MSWG Questions & Answers

Strategic & Financial Matters

Q8. Group Strategic Focus: Moving Forward FY2021-FY2023 (Page 66 of the Annual Report 2020)

a) 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.

What are the targets (KPIs) set for each of the abovementioned steps for FY2021-FY2023?



MSWG Questions & Answers

Strategic & Financial Matters

A8 a) The Board and Management have gone through strategic visioning sessions and established the Group's priorities into three pillars – Build Resilience, Drive Growth and Nurture Capabilities. The five focus areas, under “Build Resilience”, have been translated into various goals and targets for the Group's core businesses, with substantial weightage on commercial outcomes.



MSWG Questions & Answers

Strategic & Financial Matters

Q8. Group Strategic Focus: Moving Forward FY2021-FY2023 (Page 66 of the Annual Report 2020)

b) Nurture Capabilities:

- Continue IJM's digital transformation journey, embrace innovation and Industry 4.0.
- Foster workforce agility and build future-ready competencies that are responsive to market changes.

i. What is the budget requirement for IJM's 'digital transformation journey, embrace innovation, and Industry 4.0' for FY2021-FY2023?



MSWG Questions & Answers

Strategic & Financial Matters

A8. b) i. The Board has approved RM40 million over the next 5 years for the Group's digital transformation journey that involves strengthening the information system backbone, data integration and analytics. Besides this, operations-specific Industry 4.0 initiatives are assessed separately as part of Divisional capital expenditure spending and may involve specialist vendors and consultants.



MSWG Questions & Answers

Strategic & Financial Matters

Q8. b) ii. What sort of competencies does the Group intend to build for its workforce?
How much does IJM intend to invest to ensure that IJM's workforce has future-ready competencies?



MSWG Questions & Answers

Strategic & Financial Matters

A8. b) ii. We have identified a set of leadership competencies that form the basis of the Group's developmental programmes, namely (1) Strategic Visioning (2) Intrapreneurial Orientation (3) Taking Ownership (4) Drive for Results (5) Building Effective Teams.

We have also consciously tailored the Learning & Development programmes, incorporating a combination of “hard” and ‘soft” skills training, to meet the needs of the future i.e. for the workforce to become digital-ready.

About 60% of the learning & development budget for the Group is allocated to develop a future-ready workforce.



MSWG Questions & Answers

Corporate Governance Matters

Q1. Practice 5.1 of Malaysia Code on Corporate Governance (MCCG) states that "For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations".

The Company in its Corporate Governance Report has stated that it has applied Practice 5.1 of MCCG.

Based on the IJM's explanation on the application of Practice 5.1 (Pages 24-25 of the Corporate Governance Report), IJM has not applied the Practice as the Board has not engaged independent experts periodically to facilitate objective and candid board evaluations.

Does the Board intend to engage such independent experts periodically in the future? If so, when is the next such engagement?



MSWG Questions & Answers

Corporate Governance Matters

A1. The Practice 5.1 of the Malaysian Code on Corporate Governance 2017 (“MCCG”) is reproduced as follows:-

“The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.”

con’t...



MSWG Questions & Answers

Corporate Governance Matters

... con't

A1. The Company applies Practice 5.1 of the MCCG as the Company has undertaken a formal and objective annual evaluation for the financial year ended 31 March 2020 to determine the effectiveness of the Board, its Committees and each individual Director. As indicated on page 25 of the Corporate Governance Report, the Board has engaged an independent external expert to review and facilitate the Board evaluation of the Company for the current financial year ending 31 March 2021.

The Board will continue to evaluate the engagement of independent experts periodically in the future.



Pre-AGM Questions & Answers



Pre-AGM Questions & Answers

Q1. Any vouchers please?

A1. The Board values active participation by all shareholders at our AGMs and their contribution to the future success of the Company. We take note of the request by certain shareholders for e-vouchers to be given to shareholders who participate in the AGM. Consistent with the conduct of the Company's past AGMs, no vouchers will be provided.



Pre-AGM Questions & Answers

Q2. Referring to plantation net foreign exchange losses (YTD RM87.1 mil), will you change your forex management policy?

A2. The Plantation Division undertook USD denominated borrowings to embark on a long term expansion programme in Indonesia:

- the USD borrowings serve as a natural hedge against crude palm oil revenues that are intrinsically referenced to USD as a commodity
- Bank Negara does not allow Ringgit borrowings for use in foreign territories
- borrowings in Rupiah attract very high interest rates

con't...



Pre-AGM Questions & Answers

... con't

A2. To mitigate against USD exposure, the Division refinanced some of its USD borrowings with Japanese Yen in FY2019.

It should be noted that the foreign exchange losses recorded are unrealised in nature and had substantially reversed in the first quarter of FY2021. Hedging against currency fluctuations would also prove exceedingly costly as the period of borrowings is meant for the long term.



Pre-AGM Questions & Answers

Q3. Can elaborate on Argentina's credit losses on the toll compensation?

A3. Background

The Concessionaire commenced negotiations with the Argentinian Government before the conclusion of the concession and made claims for compensation for past scheduled toll hikes and inflation adjustments for toll rates that were not granted previously. Via a settlement agreement dated July 2018, the Argentinian Government agreed to a compensation of USD247 million and this to be paid to the Concessionaire in the form of toll collections until the earlier of year 2030 or until the amount of USD247 million (plus interest) has been collected.

con't...



Pre-AGM Questions & Answers

... con't

A3. Expected credit losses

The expected credit losses relate to an impairment made of the amount due the Concessionaire arising from the following reasons:

- The deferment in toll hike imposed by the Government of Argentina in 2019
- The revised projection of lower traffic volume
- Increase in the overall country risks in Argentina and the devaluation of the Argentine Peso against USD

It is worth noting that in FY2019, the Group's share of profits from this tollway was RM141 million. In FY2020, the Company received RM28.4 million in dividends from this concession.



Thank You