

**THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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  
CORPORATION  
BERHAD**

198301008880 (104131-A)

**SHARE BUY-BACK STATEMENT**

**in relation to the**

**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

**and**

**EXTRACT OF NOTICE OF ANNUAL GENERAL MEETING**

The above proposal will be tabled as special business at the 36<sup>th</sup> Annual General Meeting (“AGM”), which will be held fully virtual through live streaming and online remote voting from the broadcast venue at the Multipurpose Hall, 3<sup>rd</sup> Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 22 September 2020, at 10.00 a.m.

The Notice of the AGM, Form of Proxy, Administrative Guide, Annual Report 2020 and this Statement, are published at the Company’s website at [www.ijm.com/investor/agm](http://www.ijm.com/investor/agm). Please follow the procedures provided in the Administrative Guide for 36<sup>th</sup> AGM in order to register, participate and vote remotely.

A member who appoints proxy may deposit the duly executed Form of Proxy in a hard copy form or by electronic means in the following manner before **10.00 a.m. on 21 September 2020:-**

- (a) In hard copy form  
submit to the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, 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> (applicable to individual members only) by following the procedures provided in the Administrative Guide for the 36<sup>th</sup> AGM.

The lodging of the Form of Proxy will not preclude you from participating and voting remotely at the 36<sup>th</sup> AGM should you subsequently wish to do so.

This Statement is dated 24 August 2020

## DEFINITIONS

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

|                         |   |
|-------------------------|---|
| Act                     | Companies Act, 2016, as amended from time to time and any re-enactment thereof  |
| AGM                     | Annual General Meeting  |
| Board or Directors      | Directors of IJM  |
| Bursa Securities        | Bursa Malaysia Securities Berhad 200301033577 (635998-W)  |
| Code                    | Malaysian Code on Take-Overs and Mergers, 2016  |
| EPS                     | Earnings per share  |
| IJM / the Company       | IJM Corporation Berhad 198301008880 (104131-A)  |
| IJM Group / Group       | IJM and its subsidiaries  |
| Listing Requirements    | Main Market Listing Requirements of Bursa Securities including any amendment thereto that may be made from time to time   |
| Major Shareholder       | means a person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is –<br><br>(a) 10% or more of the total number of voting shares in the Company;<br>or<br>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. |
| NA                      | Net assets  |
| Proposed Share Buy-Back | Proposed purchase by IJM of its own Shares up to a maximum of 10% of its total number of issued shares  |
| Purchased Shares        | Shares purchased pursuant to the Proposed Share Buy-Back  |
| RM and sen              | Ringgit Malaysia and sen respectively   |
| Share(s)                | Ordinary share(s) in IJM  |
| Substantial Shareholder | Shall have the meaning given in Section 136 of the Act  |
| Treasury Shares         | The purchased shares which are retained by the Company and shall have the meaning given under Section 127 of the Act  |

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## **SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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### **1. INTRODUCTION**

At the AGM held on 28 August 2019, the Board obtained the shareholders' approval for the renewal of the Proposed Share Buy-Back. The approval for the renewal of the Proposed Share Buy-Back shall lapse at the conclusion of the forthcoming AGM, which has been scheduled to be held on 22 September 2020 unless the approval is renewed.

The Company had on 12 August 2020 announced that the Board proposes to seek from the shareholders the approval for the renewal of the Proposed Share Buy-Back.

The renewal of the Proposed Share Buy-Back will allow the Company to purchase its own Shares up to a maximum of 10% of its total number of issued shares from the open market.

### **2. DETAILS OF THE PROPOSED SHARE BUY-BACK**

On 28 August 2019, the Board obtained shareholders' approval for the Company to purchase its Shares up to a maximum of 10% of its total number of issued shares, subject to the prevailing laws, orders, requirements, guidelines, rules and regulations issued by the relevant authorities at the time of purchase. The Shares will be purchased through the stock exchange of Bursa Securities.

The Purchased Shares will be treated as Treasury Shares, which may be resold through the stock exchange of Bursa Securities or distributed to shareholders as dividends or transferred or cancelled and/or in any other manner as prescribed by the Act, and the relevant rules, regulations and/or requirements, as may be determined from time to time by the Directors.

The Board now proposes to seek your approval for a renewal of the authority to undertake the Proposed Share Buy-Back at the forthcoming AGM to be held on 22 September 2020.

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

- (a) the conclusion of the next AGM of IJM;
  - (b) the expiration of the period within which the next AGM is required by law to be held; or
  - (c) revoked or varied by ordinary resolution of the shareholders in a general meeting,
- whichever occurs first.

### **3. FUNDING FOR THE PROPOSED SHARE BUY-BACK**

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 of the Company based on the audited financial statements for the year ended 31 March 2020.

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 funds to repay the borrowings 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 2020, the retained profits of the Company stood at RM900.74 million. The Board will ensure that the total amount of retained profits of the Company will be sufficient to effect the Proposed Share Buy-Back. The number of issued shares of the Company as at 30 July 2020 was 3,641,119,020 (inclusive of 9,836,700 Treasury Shares).

The actual number of Shares to be purchased, the total amount of funds to be utilised, 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).

#### **4. RATIONALE FOR THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back would enable IJM to utilise its surplus financial resources to purchase Shares at prices which the Board views as favourable. It may stabilise 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 through the stock exchange of Bursa Securities with the intention of realising a potential gain without affecting the total issued share 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 IJM.

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 IJM 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 IJM arising from the consequent increase in EPS.

#### **5. 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 the shareholders of the Company in implementing the Proposed Share Buy-Back and/or any subsequent resale.

#### **6. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK**

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

##### **6.1 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 share capital of IJM. 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 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.

##### **6.2 Net Assets**

The effects of the Proposed Share Buy-Back on the NA of IJM 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.

##### **6.3 Working Capital**

The Proposed Share Buy-Back is likely to reduce the working capital of the IJM 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 are subsequently resold on Bursa Securities, the working capital of the Group will increase if the Company realises a gain from the resale.

#### 6.4 Earnings Per Share

The effects of the Proposed Share Buy-Back on the earnings of the IJM 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 2021.

#### 6.5 Dividends

For the financial year ended 31 March 2020, IJM had declared the following dividends:-

- (i) a single tier first interim dividend of two (2) sen per share which was paid on 27 December 2019 to the entitled members; and
- (ii) a single tier second interim dividend of one (1) sen per share which was paid on 21 August 2020 to the entitled members.

The Proposed Share Buy-Back will have the effect of increasing the effective dividend rate of the Company as dividends will be paid on the remaining issued capital of IJM (excluding Purchased Shares). The Proposed Share Buy-Back may have an impact on the Company's dividend policy for the financial year ending 31 March 2021 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.

#### 7. SHAREHOLDING SPREAD

As at 30 July 2020, the public shareholding spread of the Company was approximately 69.88%. The public shareholding spread would be reduced to approximately 66.62% 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 Board undertakes that the purchase of Shares will be conducted in compliance with the 25% public shareholding spread as required by the Listing Requirements.

#### 8. IMPLICATIONS RELATING TO THE CODE

The Board does not anticipate any implications relating to the Code arising from the Proposed Share Buy-Back. It is the intention of the Company to implement the Proposed Share Buy-Back in a manner that will not result in any of the shareholders of the Company having to undertake a mandatory offer pursuant to the Code.

#### 9. PURCHASE OF SHARES AND RESALE, TRANSFER OR CANCELLATION OF TREASURY SHARES

The Company has not purchased any Shares in the previous 12 months preceding the date of this Statement. As at 30 July 2020, a total of 9,836,700 Shares were being held as Treasury Shares. The Company has not resold, transferred or cancelled any Treasury Shares in the preceding 12 months.

#### 10. HISTORICAL SHARE PRICES

The following table sets out the monthly highest and lowest prices of the Shares traded on Bursa Securities for the past 12 months from August 2019 to July 2020:-

| Year | Month     | High (RM) | Low (RM) |
|------|-----------|-----------|----------|
| 2019 | August    | 2.38      | 2.16     |
|      | September | 2.30      | 2.17     |
|      | October   | 2.30      | 2.11     |
|      | November  | 2.24      | 2.05     |
|      | December  | 2.22      | 1.93     |
| 2020 | January   | 2.30      | 2.12     |
|      | February  | 2.33      | 1.86     |
|      | March     | 2.06      | 1.15     |
|      | April     | 1.82      | 1.55     |
|      | May       | 1.99      | 1.60     |
|      | June      | 2.02      | 1.74     |
|      | July      | 1.83      | 1.55     |

(Source : Bloomberg)

The last transacted price of the Shares on 30 July 2020, being the latest practicable date prior to the printing of this Statement was RM1.60.

# 11. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

The direct and indirect shareholdings of the Directors and Substantial Shareholders as at 30 July 2020 are set out as follows:-

| Name of Directors                      | Number of Shares |                      | % of Issued Shares |
|--|------------------|----------------------|--------------------|
|  | Direct           | Indirect             |                    |
| Tan Sri Dato' Tan Boon Seng @ Krishnan | 6,493,066        | 421,972 <sup>1</sup> | 0.190%             |
| Liew Hau Seng                          | 959,600          | -                    | 0.026%             |
| Lee Chun Fai                           | 752,000          | 250,000 <sup>1</sup> | 0.028%             |
| Datuk Lee Teck Yuen                    | 11,764,692       | -                    | 0.324%             |
| Datuk Ir. Hamzah bin Hasan             | -                | -                    | -                  |
| Pushpanathan a/l S A Kanagarayar       | -                | -                    | -                  |
| Goh Tian Sui                           | -                | 10,000 <sup>1</sup>  | <i>negligible</i>  |
| Dato' David Frederick Wilson           | -                | -                    | -                  |
| Tunku Alina Binti Raja Muhd Alias      | -                | -                    | -                  |
| Tan Ting Min                           | -                | -                    | -                  |

*Note:*

<sup>1</sup> Through a family member

| Name of Substantial Shareholders                     | Number of Shares |          | % of Issued Shares |
|--|------------------|----------|--------------------|
|  | Direct           | Indirect |                    |
| Employees Provident Fund Board                       | 583,129,818      | -        | 16.059%            |
| AmanahRaya Trustees Berhad – Amanah Saham Bumiputera | 252,790,700      | -        | 6.961%             |
| Urusharta Jamaah Sdn Bhd                             | 228,366,100      | -        | 6.289%             |
| Kumpulan Wang Persaraan (Diperbadankan)              | 327,470,200      | -        | 9.018%             |

# 12. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS IN THE PROPOSED SHARE BUY-BACK

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

# 13. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the renewal of the Proposed Share Buy-Back, is of the opinion that the renewal of the Proposed Share Buy-Back is in the best interest of IJM. Accordingly, they recommend that you vote in favour of the resolution pertaining to the renewal of the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

# 14. FURTHER INFORMATION

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

**FURTHER INFORMATION**

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Statement has been seen and approved by the Board of Directors and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

**2. DOCUMENTS 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 Statement up to the date of the AGM:-

- a) the Constitution of IJM; and
- b) the audited financial statements of IJM for the past two (2) financial years ended 31 March 2019 and 2020.



## EXTRACT OF NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 36<sup>th</sup> Annual General Meeting (“AGM”) of IJM CORPORATION BERHAD [198301008880 (104131-A)] will be held fully virtual through live streaming from the broadcast venue at the Multipurpose Hall, 3<sup>rd</sup> Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia (“Broadcast Venue”) on Tuesday, 22 September 2020, at 10.00 a.m. to transact the following matters:-

5. As special business to consider and pass the following resolutions:-

e) **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 Note 4*

By Order of the Board

Ng Yoke Kian  
Company Secretary  
CCM PC No. 202008000554  
MAICSA 7018150

Petaling Jaya  
24 August 2020

## IMPORTANT NOTICE

### A. VIRTUAL MEETING

In view of the Covid-19 pandemic and as part of the Company's precautionary measures, the 36<sup>th</sup> AGM of the Company will be held fully virtual through live streaming and online remote voting via the Remote Participation and Voting (“RPV”) Facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) which are available on its TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Guide for the 36<sup>th</sup> 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 **14 September 2020** 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 21 September 2020:-**
    - (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
    - (b) By electronic form  
lodge via TIIH Online website at <https://tiih.online> (applicable to individual members only) by following the procedures provided in the Administrative Guide for the 36<sup>th</sup> AGM; and
  - (vi) a member who has appointed a proxy or authorised representative to attend and vote at the 36<sup>th</sup> AGM via RPV must request his/her proxy or authorised representative to register himself/herself for RPV at **TIIH Online** website at <https://tiih.online>. Please follow the procedures in the Administrative Guide for the 36<sup>th</sup> AGM.
- C. The Annual Report, Share Buy-back Statement, Form of Proxy and Administrative Guide are available for viewing and/or downloading at [www.ijm.com/investor/agm](http://www.ijm.com/investor/agm).

## EXPLANATORY NOTES ON ORDINARY/SPECIAL BUSINESS

### 4. SHARE BUY-BACK AUTHORITY

The details of the proposal are set out in the Share Buy-Back Statement dated 24 August 2020, which is published at the Company's website at [www.ijm.com/investor/agm](http://www.ijm.com/investor/agm).