

Extract of the MINUTES of the 29th Annual General Meeting {AGM} of IJM CORPORATION BERHAD (104131-A) held at the Victorian Ballroom, Level 1, Holiday Villa Hotel & Suites Subang, 9 Jalan SS12/1, 47500 Subang Jaya on Tuesday, 27 August 2013, at 3.05 p.m.

1.0 AUDITED FINANCIAL STATEMENTS

Before considering the 2013 Audited Financial Statements, the Chairman requested the CEO&MD to present to the meeting a brief on the Review of Group Performance and Prospects for the financial year 2013. The CEO&MD in his briefing covered the following:-

- a) the Group's performance review, which included income statement, balance sheet and segmental performance;
- b) the financial performance, project highlights, and market outlook of all the divisions, namely Construction, Property, Industry, Plantation and Infrastructure;
- c) corporate responsibility, covering marketplace, environment, community and workplace; and
- d) key strategies of the Group.

The CEO&MD also presented the responses ([Annexure I](#)) of the Company to questions raised by the Minority Shareholder Watchdog Group *vide* letter dated 20 August 2013 in relation to the strategy and financial performance of the Group and corporate governance issues.

The audited financial statements for the year ended 31 March 2013, Directors' Report and Statement together with the Independent Auditors' Report thereon were received, following the completion of the clarifications to members in connection with the audited financial statements.

2.0 RETIREMENT OF DIRECTOR

The Chairman informed that Dato' Goh Chye Koon ("DGCK"), who was retiring under Article 90 of the Articles of Association, had indicated that he would not be seeking for re-appointment, and he would be retiring from the Board at the conclusion of the meeting.

The Chairman, on behalf of the Board, expressed their sincere appreciation and gratitude to DGCK for his invaluable contributions and services to the Group, particularly the Construction Division.

3.0 POLL VOTING

The Chairman informed that all the resolutions to be considered at the meeting would be put to vote by poll, as stated in Note 7 of the Notice of the AGM dated 30 July 2013, in line with the recommendation of the Malaysian Code on Corporate Governance 2012.

Poll voting on the resolutions would be conducted concurrently by Tricor Investor Services Sdn Bhd, the appointed Official Independent Scrutineers.

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4.0 ELECTION OF DIRECTORS

- 4.1 It was resolved that Tan Sri Abdul Halim bin Ali be reappointed as Director and shall continue in office until the conclusion of next Annual General Meeting in compliance with Section 129(6) of the Companies Act, 1965.

The poll result was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	421,209,148	80.24
Votes AGAINST	103,759,380	19.76
	<u>524,968,528</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 51% (417 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and 13% (104 million shares) against. Members were also informed that the retirement of Tan Sri Abdul Halim bin Ali under Section 129 of the Companies Act, 1965 requires not less than three-fourth of the consent of members present and voting.

- 4.2 It was resolved that Tan Sri Dato' Tan Boon Seng @ Krishnan be reappointed as Director.

The poll result was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	649,951,500	96.56
Votes AGAINST	23,147,437	3.44
	<u>673,098,937</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 79% (642 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and 3% (23 million shares) against.

- 4.3 It was resolved that Mr Pushpanathan a/l S A Kanagarayar be reappointed as Director.

The poll result was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	675,492,717	100.00
Votes AGAINST	-	-
	<u>675,492,717</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 81% (666 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and none against.

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4.4 It was resolved that Datuk Ir. Hamzah bin Hasan be reappointed as Director.

The poll result was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	675,492,717	100.00
Votes AGAINST	-	-
	<u>675,492,717</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 81% (666 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and none against.

4.5 It was resolved that Dato' Soam Heng Choon be reappointed as Director.

The poll result was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	670,862,230	99.31
Votes AGAINST	4,635,487	0.69
	<u>675,497,717</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 81% (661 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and 0.57% (4.635 million shares) against.

5.0 APPOINTMENT OF AUDITORS

It was resolved that PricewaterhouseCoopers be re-appointed as Auditors and that the Directors be authorised to fix their remuneration.

The poll was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	820,799,217	100
Votes AGAINST	-	-
	<u>820,799,217</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 81% (666 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and none against.

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6.0 DIRECTORS' FEES

It was resolved that the Directors' fees of RM603,918 for the year ended 31 March 2013 be approved to be divided amongst the Directors in such manner as they may determine.

The poll result was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	818,395,437	100.00
Votes AGAINST	-	-
	<u>818,395,437</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 81% (666 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and none against.

7.0 AUTHORITY TO ISSUE SHARES UNDER SECTION 132D

It was resolved that the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act 1965, to allot and issue not more than ten percent (10%) of the issued share capital of the Company at any time, upon such terms and conditions and for such purposes as the Directors in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force, and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof.

The poll result was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	509,654,234	76.08
Votes AGAINST	160,241,273	23.92
	<u>669,895,507</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 62% (506 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and 20% (160 million shares) against.

8.0 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

It was resolved 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 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 authorised 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");

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- 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.

The poll result was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	669,893,517	100.00
Votes AGAINST	-	-
	<u>669,893,517</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 81% (666 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and none against.

9.0 PROPOSED AWARD TO DATO' SOAM HENG CHOON

The following resolution was not approved:-

“That the Directors be and are hereby authorised to offer options to subscribe for ordinary shares of RM1.00 each in IJM Corporation Berhad (“IJM Shares”) and grant IJM Shares to Dato’ Soam Heng Choon (“DSHC”), the Deputy Chief Executive Officer & Deputy Managing Director of the Company, in any event for an amount not exceeding ten percent (10%) of the IJM Shares from time to time available under the Company’s Long Term Incentive Plan (“the LTIP”) and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the by-laws of the LTIP.”

The poll result was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	325,124,482	48.73
Votes AGAINST	342,066,411	51.27
	<u>667,190,893</u>	<u>100.00</u>

The interested Director, DSHC, had abstained from voting in respect of his shareholdings on the resolution. Prior to voting on the resolution, members were informed that 39% (321 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and 42% (342 million shares) against.

10.0 TERMINATION

There being no other business, the meeting was terminated at 5.00 p.m. with a vote of thanks to the Chair.



Questions & Answers

Questions from





Question 1

As stated on page 57 of the Annual Report under the Chairman's Statement, the Construction Division's profits were weighed down due to slower progress of its operations in India. Could the Board shed some light on this issue and what steps would be taken to improve the situation?



Reply 1

As of 31 March 2013, IJM's outstanding order book in India stood at RM118 million and consisted solely of the Vijayawada-Chilikaluripet Tollway project in Andhra Pradesh. The construction progress was hindered due to several site challenges including sporadic and inconsistent availability of land to work on.

Given the challenging economic environment in India, the Construction Division has taken a view to reduce its exposure in India at this juncture. Coupled with a positive construction outlook for Malaysia, this is also in line with our strategy to focus our efforts and resources in the Malaysian market. As such, we anticipate that Division profits will be driven by the Malaysian operations.



Question 2

On the Company's plantation division output efficiency for FY2013 we noted a drop in extraction rates for CPO (from 45.4% to 45.2%) and PK (from 49.7% to 46.3%). Please elaborate on the reasons for the decline and the mitigating factors to overcome them.



Reply 2

Average CPO extraction rates of our Plantation Division improved to 20.7% in FY2013 as compared to 20.6% last year, as detailed on page 76 of our Annual Report.

The decline in extraction rates for crude palm kernel oil (“CPKO”) and palm kernel expellers (“PKE”) is referred to on page 78 of our Annual Report. The decrease was mainly due to crushing activities at the Division’s kernel crushing plant being reduced in light of the softening palm kernel oil market in the year thereby affecting plant efficiency levels.



Question 3

Could the Board explain what would be the projected toll revenues and profits going forward arising from the construction of the Besraya Eastern extension and what was the reason for the deferment earlier and would there be any accompanying cost increase for the project?



Reply 3

Toll revenues are expected to increase upon the commencement of tolling once construction of the Besraya Eastern Extension is completed in early-2014. Profits, however, are expected to be adversely affected in the initial few years due to amortisation and expensing of interest cost.



Question 4

The recent depressed value in Rupee is anticipated to place a dampening effect on the profit repatriation from the Company's Indian toll road operations. What is being done to mitigate this situation?



Reply 4

Three of the Group's toll concessions in India are currently still in early stages of tolling operations and are, as to be expected, facing immature traffic profiles and relatively high debt costs. The financing covenants permit repatriation of profits subject to discharge of financing obligations and as such, the Group does not expect any repatriation of profits in the near term.



Question 5

On Kuantan Port's proposed expansion plan to upscale its operations through the building of a new deep water terminal, how much capex was spent to date and what would be the return on investment therefrom?



Reply 5

The development of the New Deep Water Terminal (“NDWT”) at Kuantan Port has yet to be finalised and as such no significant capex has been incurred. We anticipate the construction cost of the NDWT to be approximately RM3 billion and the terms of the new concession are being negotiated with the Government.



Question 1

It was stated on page 79, that the Company has overall commitment towards nurturing sustainability for the Company's plantation division. Please elaborate on the outcome of the initiatives that were taken in terms of KPI's achieved such as the extent of soil and water conservation, reduction in wastes from by-products and reduction in emission of smoke from zero-burning practice measures adopted?



Reply 1

The Plantation division is audited and certified under the MPOB Code of Practices (CoP) annually covering its supply chain from nursery, estates, mills and kernel plant where criteria and indicators as KPIs has to be met. In this respect, the Division has been successful in fulfilling the principles and criteria of the audits and recertification with no major non-compliances.

In addition, the Group's research arm, Quality, Training and Research Centre (QTRC) is the custodian of the best management practices and carries out agronomic and technical advisory as well as field audits. The Group continues to sustain best management practices while introducing new and cost effective sustainable practices and technologies.

Additional information pertaining to Nurturing Sustainability initiatives in the Plantation Division are covered more extensively under the Statement and Report on Corporate Responsibility (pages 50-63) in the IJM Plantations Berhad 2013 Annual Report.



Question 2

Gender Diversity

Addressing and formalising the approach to gender diversity and actions taken to meet the target of 30% women directors and also to disclose it in the Annual Report.



Reply 2

When appointing a Director, the Nomination and Remuneration Committee and the Board will evaluate and match the criteria of the candidate to the Board based on experience, skill, competency, knowledge and potential contribution, whilst gender will also be given due consideration for boardroom diversity.