

IJM CORPORATION BERHAD

198301008880 (104131-A)

37th AGM Minutes dd 26 August 2021

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EXTRACT of the **MINUTES** of the **37th Annual General Meeting {AGM}** of **IJM CORPORATION BERHAD (“IJM”) 198301008880 (104131-A)** held fully virtual through the online meeting platform via TIIH Online website at <https://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd on Thursday, 26 August 2021, at 10.00 a.m.

DIRECTORS & SECRETARY PRESENT:-

1. Tan Sri Dato’ Tan Boon Seng @ Krishnan, *Non-Executive Chairman*
2. Mr Liew Hau Seng, *Chief Executive Officer (“CEO”) & Managing Director (“MD”)*
3. Mr Lee Chun Fai, *Deputy CEO & Deputy MD*
4. Datuk Lee Teck Yuen, *Senior Independent Non-Executive Director*
5. Datuk Ir. Hamzah bin Hasan, *Independent Non-Executive Director*
6. Mr Goh Tian Sui, *Independent Non-Executive Director*
7. Dato’ David Frederick Wilson, *Independent Non-Executive Director*
8. Tunku Alina Binti Raja Muhd Alias, *Independent Non-Executive Director*
9. Ms Tan Ting Min, *Independent Non-Executive Director*
10. Encik Azhar Bin Ahmad, *Non-Executive Director*
11. Ms Ng Yoke Kian, *Company Secretary*

DIRECTOR ABSENT WITH APOLOGIES:-

1. Mr Pushpanathan a/l S A Kanagarayar (“Ken Pushpanathan”), *Independent Non-Executive Director*

MEMBERS AND PROXIES PRESENT:-

252 members and 29 proxies (excluding Directors and Secretary)

BY INVITATION:-

1. Ms Pauline Ho, *Partner, PricewaterhouseCoopers PLT (“PwC”)*
2. Ms Hew Chooi Yoke, *Partner, PwC*
3. Mr Lee Xian Yang, *Senior Manager, PwC*
4. Ms Jeanie Lim, *AmInvestment Bank Berhad (“AIBB”)*
5. Mr Chang Zhuo Bin, *AIBB*
6. Ms Pao Zhi Qing, *AIBB*
7. Mr Denis Lim, *Mercury Securities Sdn Bhd (“Mercury”)*
8. Ms Melisa Pang, *Mercury*
9. Mr Foo Chun Keong, *Mercury*
10. Ms Ooi Bee Hong, *Rosli Dahlan Saravana Partnership (“RDS”)*
11. Ms Annabel Kok, *RDS*
12. Ms Shera Chuah, *RDS*

The Chairman welcomed all the members and proxies for participating in the Company’s fully virtual AGM. He then introduced himself, the members of the Board of Directors (“Board”), and informed that Mr Ken Pushpanathan had extended his apologies for not being able to attend the AGM as he was in recovery post hospitalisation.

The Chairman further introduced the Company Secretary, the Auditors from PwC, the Poll Administrator from Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) and the Independent Scrutineers from Deloitte Business Advisory Sdn Bhd (“Deloitte”).

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The Chairman informed that the Company would also be considering the proposed disposal of 56.2% equity interest in IJM Plantations Berhad (“IJMP”), hence the representatives of the Principal Adviser, AIBB, the Independent Adviser, Mercury and the Solicitors, RDS for the proposed transaction would also join the AGM.

It was noted that the notice of AGM was given to the members 28 days prior to the meeting. The Chairman called the meeting to order after confirming that the requisite quorum was present.

In order to facilitate an orderly meeting, the Chairman proposed that the CEO&MD would answer all questions relating to the 2021 Audited Financial Statements which were received prior to the AGM upon the completion of his presentation and that any questions raised during the AGM would be addressed after the tabling of all the resolutions, but before voting commences. Should the Board be unable to respond to any of the questions at the AGM, the responses would be provided via e-mail and/or on the Company’s website.

1.0 AUDITED FINANCIAL STATEMENTS

Before receiving the 2021 Audited Financial Statements, the Chairman invited the CEO&MD to present to the meeting a Review of Group Performance for the financial year ended 31 March 2021 and Prospects of the Group. The CEO&MD in his briefing covered the following:-

- a) the Group’s financial and performance review, which included the income statement, statement of financial position and the revenue, earnings before interest, taxes, depreciation, and amortisation (EBITDA) and profit before tax by divisions;
- b) the divisional performance review, namely Construction, Property, Industry, Infrastructure and Plantation, including project highlights such as the West Coast Expressway, building projects in Kuala Lumpur and TRX, Vijayapura-Solapur Tollway in India, The Light City mixed-development project in Penang and the Industrialised Building System (IBS) project at Bestari Jaya, Selangor;
- c) the Group’s strategic focus on the following areas:-
 - (i) building resilience – ensuring financial resilience during the pandemic, continued aggressive paring down of property inventory and disposal of low yielding assets and the adoption of a more proactive stance in capital management;
 - (ii) driving growth through short-term and long-term strategies; and
 - (iii) nurturing capabilities – digital transformation, sustainability roadmap for financial years 2022 to 2024, compliance and risk management and people;
- d) the rationale and effects of the proposed disposal of 56.2% equity interest in IJMP.

The CEO&MD and Chairman also presented accordingly the responses of the Company to questions raised by the Minority Shareholder Watch Group *vide* letter dated 13 August 2021 in relation to the operational, financial and corporate governance matters of the Group (Annexure I), and the CEO&MD also responded to all questions relating to the 2021 Audited Financial Statements received from members and proxies before the AGM (Annexure II).

Thereafter, the audited financial statements for the year ended 31 March 2021, Directors’ Report and Statement together with the Independent Auditors’ Report thereon were received.

2.0 POLL VOTING

The Chairman informed that all the resolutions to be considered at the meeting would be put to vote by poll via the online remote voting facility provided by Tricor.

3.0 RESOLUTIONS OF THE MEETING

3.1 Re-election of Directors

The Chairman mentioned that Resolutions 1, 2, 3 and 4 were on his re-election and the re-elections of Mr Goh Tian Sui, Tunku Alina Binti Raja Muhd Alias and Ms Tan Ting Min respectively, who were retiring by rotation in accordance with Clause 88 of the Company's Constitution. Resolution 5 was on the re-election of Encik Azhar Bin Ahmad, who was appointed to the Board on 25 November 2020 and was retiring in accordance with Clause 92 of the Company's Constitution. Being eligible for re-election, the Directors had offered themselves for re-election.

It was noted that the performance of each Director who was subject for re-election had been assessed through the Board annual evaluation, and the Board had endorsed the recommendation of the Nomination & Remuneration Committee to re-appoint the Directors.

The Chairman informed that Datuk Ir. Hamzah bin Hasan who was also subject to retirement by rotation in accordance with Clause 88 of the Company's Constitution, did not seek for re-election and would be retiring from the Board at the conclusion of the AGM.

3.2 Re-appointment of Auditors

The Resolution 6 related to the re-appointment of external Auditors. The Chairman informed that PwC had expressed their willingness to continue in office and the Board had endorsed the recommendation of the Audit Committee for PwC to be reappointed as Auditors.

3.3 Directors' Fees

Resolution 7 was to authorise the payment of Directors' fees of RM1,278,166 for the year ended 31 March 2021 to be divided amongst the Directors in such manner as the Directors may determine.

3.4 Directors' Benefits

Resolution 8 was to authorise the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM445,000 for the period from 27 August 2021 until the next AGM.

3.5 Directors' Fees of a Subsidiary

Resolution 9 related to the payment of Directors' fees by a subsidiary, IJMP to several common Directors. The Directors' fees of the subsidiary for the year ended 31 March 2021 was RM418,000.

The Chairman informed that the interested Directors would abstain themselves from voting on Resolutions 7, 8 and 9.

3.6 Authority to Issue Shares under Sections 75 and 76

The Resolution 10 related to Authority to Issue Shares under Sections 75 and 76 of the Companies Act, 2016. The Chairman informed that the Board wished to seek the approval of members and proxies present to renew the mandate to issue not more than 10% of the total number of issued shares of the Company for purposes of funding future investment projects, working capital and acquisitions and/or so forth. The approval was sought to provide flexibility

and avoid any unnecessary delay and cost in convening a general meeting for such issuance of shares should the need arise.

The Company would make an announcement accordingly, of the actual purpose and utilisation of proceeds should there be a decision to issue new shares. The approval of the relevant authorities would be still required before any share could be issued by the Company.

3.7 Proposed Renewal of Share Buy-Back Authority

The Chairman indicated that Resolution 11 was on the Proposed Renewal of Share Buy-Back Authority. The proposed renewal was to enable the Company to purchase its shares from Bursa Malaysia at prices that the Board views as favourable, should the need arise. The Board was of the opinion that the proposed renewal was in the best interest of the Company.

3.8 Proposed Disposal of 494,865,786 Ordinary Shares in IJMP, Representing 56.20% Equity Interest in IJMP to Kuala Lumpur Kepong Berhad (“KLK”) for a Total Cash Consideration of RM1,534,083,936.60 (“Proposed Disposal”)

The Chairman then proceeded with Resolution 12, which related to the Proposed Disposal. He explained that the Proposed Disposal was in line with the Group’s strategic objective of streamlining the Group’s businesses to more synergistic ones moving forward as well as address the conglomerate discount attributed to the share price of the Company. It was also an opportunity for the Company to monetise fully the investment in IJMP at a good premium and accord the minority shareholders an opportunity to monetise their investment in IJMP as well. The Board (save for Encik Azhar Bin Ahmad and Tunku Alina Binti Raja Muhd Alias) was of the opinion the Proposed Disposal was in the best interest of the Company.

Mr Chang Zhuo Bin, representative from AIBB, the Principal Adviser was invited to present an overview of the Proposed Disposal for the benefit of members present at the meeting. The areas covered included the basis and justification for the disposal consideration, utilisation of profits, rationale, risk factors, financial effects, approvals required and estimated timeframe for completion.

Ms Melisa Pang, representative from Mercury, the Independent Adviser then presented the independent evaluation and view in relation to the Proposed Disposal for the benefit of minority members present at the meeting.

Upon the tabling of all the resolutions, the Chairman, the CEO&MD, Deputy CEO & Deputy MD and Chief Financial Officer responded accordingly to all the questions raised by the members and proxies during the AGM and other questions received from members and proxies before the AGM but yet to be answered (Annexure II).

4.0 POLL PROCESS

Prior to the poll voting, a video guide was provided by Tricor to the members and/or proxies on the online remote voting process. The members and/or proxies were advised to cast their votes through the TIIH online system.

Upon the closure of the voting session, the Chairman adjourned the meeting for the verification of poll results by Tricor (as Poll Administrator) and Deloitte (as Independent Scrutineers).

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5.0 POLL RESULTS

The Chairman welcomed the members and proxies back to the virtual meeting. Mr Anthony Tai from Deloitte was invited to announce the results of the poll. Based on the poll results, the Chairman declared that the following Resolutions 1 to 12 were carried:-

5.1 Re-election of Tan Sri Dato' Tan Boon Seng @ Krishnan

<u>Resolution 1</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,415,467,259	98.4092
Voted AGAINST	39,045,764	1.5908
	<u>2,454,513,023</u>	<u>100.0000</u>

(ABSTAINED: 585,780 shares)

It was resolved that Tan Sri Dato' Tan Boon Seng @ Krishnan be re-elected as Director pursuant to Clause 88 of the Company's Constitution.

5.2 Re-election of Mr Goh Tian Sui

<u>Resolution 2</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,453,340,645	99.9500
Voted AGAINST	1,227,178	0.0500
	<u>2,454,567,823</u>	<u>100.0000</u>

(ABSTAINED: 530,980 shares)

It was resolved that Mr Goh Tian Sui be re-elected as Director pursuant to Clause 88 of the Company's Constitution.

5.3 Re-election of Tunku Alina Binti Raja Muhd Alias

<u>Resolution 3</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,390,614,540	97.3946
Voted AGAINST	63,950,283	2.6054
	<u>2,454,564,823</u>	<u>100.0000</u>

(ABSTAINED: 533,980 shares)

It was resolved that Tunku Alina Binti Raja Muhd Alias be re-elected as Director pursuant to Clause 88 of the Company's Constitution.

5.4 Re-election of Ms Tan Ting Min

<u>Resolution 4</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,453,340,645	99.9500
Voted AGAINST	1,227,178	0.0500
	<u>2,454,567,823</u>	<u>100.0000</u>

(ABSTAINED: 530,980 shares)

It was resolved that Ms Tan Ting Min be re-elected as Director pursuant to Clause 88 of the Company's Constitution.

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5.5 Re-election of Encik Azhar Bin Ahmad

<u>Resolution 5</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,437,896,930	99.3209
Voted AGAINST	16,667,893	0.6791
	<u>2,454,564,823</u>	<u>100.0000</u>

(ABSTAINED: 533,980 shares)

It was resolved that Encik Azhar Bin Ahmad be re-elected as Director pursuant to Clause 92 of the Company's Constitution.

5.6 Re-appointment of Auditors

<u>Resolution 6</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,454,459,243	99.9953
Voted AGAINST	114,380	0.0047
	<u>2,454,573,623</u>	<u>100.0000</u>

(ABSTAINED: 525,180 shares)

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

5.7 Directors' Fees

<u>Resolution 7</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,445,506,246	99.9932
Voted AGAINST	165,559	0.0068
	<u>2,445,671,805</u>	<u>100.0000</u>

(ABSTAINED: 9,426,998 shares)

It was resolved that the Directors' fees of RM1,278,166 for the year ended 31 March 2021 be approved and to be divided amongst the Directors in such manner as they may determine.

5.8 Directors' Benefits

<u>Resolution 8</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,445,413,626	99.9896
Voted AGAINST	255,179	0.0104
	<u>2,445,668,805</u>	<u>100.0000</u>

(ABSTAINED: 9,429,998 shares)

It was resolved that the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM445,000 for the period from 27 August 2021 until the next Annual General Meeting be approved.

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5.9 Directors' Fees of a Subsidiary

<u>Resolution 9</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,444,197,146	99.9897
Voted AGAINST	250,559	0.0103
	<u>2,444,447,705</u>	<u>100.0000</u>

(ABSTAINED: 10,651,098 shares)

It was resolved that the payment of Directors' fees of RM418,000 for the year ended 31 March 2021 by a subsidiary to several common Directors be approved.

5.10 Authority to Issue Shares under Sections 75 and 76

<u>Resolution 10</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	1,695,799,867	69.0731
Voted AGAINST	759,280,956	30.9269
	<u>2,455,080,823</u>	<u>100.0000</u>

(ABSTAINED: 17,980 shares)

It was resolved that the Directors be and are hereby authorised, pursuant to Sections 75 and 76 of the Companies Act 2016, to allot and issue not more than 10% of the total number of issued shares 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.

5.11 Renewal of Share Buy-Back Authority

<u>Resolution 11</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,454,459,472	99.9892
Voted AGAINST	265,251	0.0108
	<u>2,454,724,723</u>	<u>100.0000</u>

(ABSTAINED: 374,080 shares)

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 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)

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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.

5.12 Proposed Disposal

<u>Resolution 12</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	1,145,485,254	99.9967
Voted AGAINST	38,271	0.0033
	<u>1,145,523,525</u>	<u>100.0000</u>

(ABSTAINED: 1,309,575,278 shares)

It was resolved that, subject to the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Company to dispose of 494,865,786 ordinary shares in IJMP (“Sale Shares”), representing 56.20% equity interest in IJMP to KLK for a total cash consideration of RM1,534,083,936.60 (based on RM3.10 per Sale Share), to be satisfied entirely in cash upon the terms and conditions of the Share Sale and Purchase Agreement dated 11 June 2021 entered into between the Company and KLK

that the Board be and is hereby authorised to utilise the proceeds from the Proposed Disposal as set out in Section 3 of the circular to shareholders dated 28 July 2021 and that, subject to the prevailing laws, rules and regulations issued by the relevant authorities, the Board be authorised with full powers to vary the purpose of the utilisation of such proceeds in such manner as the Board shall deem fit, necessary, expedient and/ or appropriate and in the best interest of the Company

and that the Board be and is hereby authorised to do all such acts, deeds and things as may be required to give full effect to the Proposed Disposal with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating to the Proposed Disposal.

6.0 CONCLUSION

On behalf of the Board, the Chairman recorded his appreciation to Datuk Ir. Hamzah bin Hasan for all his services rendered to the Company and the Group during his tenure of service as Director of the Company.

There being no other business, the meeting concluded at 12.58 p.m. with a vote of thanks to the Chair.

Reply to the enquiries from Minority Shareholder Watch Group *vide* letter dated 13 August 2021

Operational & Financial Matters

Q1: Covid-19

- (a) As the Covid-19 pandemic continues to spread, what is the expected impact of the pandemic on the Group's operations and financial position in FY2022? How is the Board planning to mitigate the impact of the pandemic on the Group's overall business activities in the countries in which it operates?

A1(a): Despite the resilience demonstrated by our businesses in FY2021, the stringent lockdown has had an adverse impact on most of the Group's business segments in the first half of FY2022.

Given that revenue and profits of the Construction and Property Divisions are dependent on progress recognition, the duration of the stringent lockdown during MCO3.0 is likely to have an adverse impact on the financial performance of these Divisions in the first half of FY2022. Likewise, as part of the construction supply chain, the Industry Division's financial performance is also expected to be affected until the lifting of lockdown measures. The Group's Port and Toll operations, which are classified as essential activities, have been able to operate, although at lower capacities due to reduced business activities and lockdown restrictions affecting their customers. Nevertheless, the Plantation Division continues to operate in a good CPO price environment and is expected to contribute positively to the Group's financial performance until its disposal.

Despite the abovementioned operating challenges, the Group's financial performance in the first half of FY2022 is, however, expected to be bolstered by a sizeable one-off gain from the disposal of IJM Plantations. The financial performance of the Construction, Property, Industry and Infrastructure Divisions should recover in the second half of FY2022 when operational activities are recommencing.

Mitigation measures in response to the pandemic are part of our Group Strategic Focus and are explained in 1(b).

- (b) The pandemic held several lessons. And they helped shape the execution of the IJM Group Strategic Blueprint 2021-2023 that is currently driving the Group forward (Page 24 of the Annual Report 2021).

How has the pandemic helped shape the execution of the IJM Group Strategic Blueprint 2021-2023?

A1(b): When the Group formulated its 3-year Strategic Focus in FY20, it was a comprehensive plan to address the Group's wider business parameters. At the onset of the pandemic, the Group's priorities had to be adjusted with greater emphasis placed on the *Build Resilience* pillar to immediately address cost containment, prudent capital management and cash preservation.

In FY2021, the Group also had to activate its Business Continuity Plan to overcome the challenges posed by the pandemic, in particular, mitigating the health risk to our workforce, rearranging workflows, enabling work-from-home arrangements and leveraging on digital technology to engage our customers. Furthermore, considerable efforts were made to minimise business disruptions and proactively position ourselves for quick (and safe) resumption of work activities.

In keeping with our vision for longer term value creation, the execution of our 3-year Strategic Focus also included initiatives under the *Drive Growth* and *Nurture Capabilities* pillars.

Further details of the Group Strategic Focus can be found on pages 63-65 of the Annual Report 2021.

Q2: Joint Ventures

- (a) IJM recorded a share of profits of joint ventures of RM12,996,000 in FY2021 which is lower by 57.1% compared to a share of profits of RM30,272,000 recorded in FY2020 (Page 194 of the Annual Report 2021).

What are the main reasons for the lower share of profits of joint ventures in FY2021? What is the outlook for the joint ventures in FY2022?

A2(a): The share of profits of joint ventures in FY2021 was lower than in FY2020 due to the profits recognised upon the finalisation of accounts in respect to the Pahang-Selangor Raw Water Transfer project in the previous year.

Given the relative size of current joint venture projects, the Group does not expect significant contributions from joint ventures in FY2022.

- (b) There is an allowance for Impairment of amounts owing by joint ventures of RM27,286,000 recorded in FY2021(FY2020: Allowance for Impairment of RM6,063,000) (Page 255 of the Annual Report 2021).

- i. Are the amounts owing by joint ventures recoverable? If so, what is the expected recoverability amounts in FY2022?

A2(b)(i): Based on financial projections of the projects, we expect that the amounts owing by joint ventures, net of impairment, are recoverable.

The projects are at various stages of implementation. Recoverability may vary as and when the developments are progressively monetised.

- ii. Have any of these amounts owing by joint ventures been recovered to date?

A2(b)(ii): Given the long term nature of property development projects, the Division expects to recover the amounts owing by these joint ventures towards the later part of these ongoing projects.

Q3: Construction Division

- (a) What is the current progress of the Group's existing construction projects? Are the projects on schedule?

A3(a): The progress of the Division's construction projects are at various stages of completion and have been delayed due to the lockdowns imposed. Some projects have, however, obtained extensions of completion schedules from respective clients. Keeping the health and safety of its workforce a priority, the Division has recently resumed work upon the lifting of the MCO3.0 lockdown conditions for the construction sector.

- (b) What is the latest the Division's order book and targeted order book replenishment in the next two financial years?

A3(b): The Division's outstanding order book as at 31 March 2021 was RM4.0 billion. Thus far, the Division has secured three projects amounting to RM586 million in FY2022. The target is to replenish the order book by about RM2 billion a year. This will hinge on the revival of infrastructure spending as part of the Malaysian and Indian Government's economic recovery plans.

- (c) A key challenge faced by the Division is the uncertainty of new order book replenishment (Page 70 of the Annual Report 2021).

How does the Division intend to address the key challenge of the uncertainty of the new order replenishment?

A3(c): The economic outlook and the reorganisation of the government may lead to delays in the launches of some government infrastructure projects, which will in turn limit IJM's ability to replenish its order book. Given the competing priorities of Government finances, we anticipate that PFI-type infrastructure spending will have to increase to revitalise the economy. In that context, the Group's strong balance sheet, track record and experience in successfully developing PFI projects, enables IJM to be well-placed to participate in a recovering economy. In addition, we plan to leverage on our established track record to participate in India following the Indian Government's recently announced USD1.35 trillion infrastructure plan to boost the economy.

Q4: Property Division

- (a) What is the current take-up rate for the Division's property projects in Malaysia and India?

A4(a): The average take-up rate of the Division's projects launched in FY2021 was 75%.

- (b) What is the Division's current value of unsold properties? What is the targeted value of the unsold properties to be cleared in the next two financial years?

A4(b): As shown on page 337 of the Annual Report 2021, completed buildings, which includes unsold bumiputera units, accounted for RM1,154.53 million of the Group's inventory as at 31 March 2021, compared with RM1,526.26 million a year ago. Notwithstanding the addition of new inventory that may arise from future launches, the Group aims to substantially reduce the level of its unsold properties over the coming two years, in line with its Group Strategic Focus.

Q5: Industry Division

- (a) What is the current capacity utilisation rate for piles and quarry operations and expected utilisation rate in FY2022?

A5(a): The capacity utilisation rate for the piles and quarry operations in FY2021 were both at 58%. The Division expects these utilisation rates to improve in FY2022, mainly supported by an improving export market.

- (b) During this period of uncertainty, the Division disposed of various low-yielding assets while operations were streamlined to be leaner and more efficient (Page 82 of the Annual Report 2021).

Are there any plans for monetisation of low-yielding assets in FY2022? If so, which assets?

A5(b): The Division has substantially monetised most of its low yielding assets, barring two more assets that have been earmarked for disposal.

- (c) What is the Division's current order book? To keep production at an optimum capacity to achieve economies of scale, what is the targeted orderbook replenishment in the next two financial years?

A5(c): As at 31 March 2021, the Division's balance orders was over six months or one million tons. Given the recovery in the export market and the anticipated restarting of construction activity in the country, the outlook for the Division's order book replenishment is encouraging.

Q6: Infrastructure Division

What is the outlook for the Division's tolled highways performance in Malaysia and abroad and port operations in FY2022?

A6: Traffic volume at the Group's toll highways are expected to rebound in tandem with the gradual reopening of economic activities while the performance of the port operations are expected to be steady, supported by resilient cargo throughput volume.

Corporate Governance Matters

Practice 4.5 of the Malaysian Code on Corporate Governance (MCCG) states that the board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

IJM has departed from applying Practice 4.5 of MCCG and explained that the Board will attempt to meet the 30% women director's requirement as soon as practicable pursuant to the Board Diversity Policy.

The Board continues to source for suitable women candidates for appointment to the Board (Page 22 of the Corporate Governance Report).

What is the timeframe set by the Board to meet the 30% women directors' requirement, if any?

While the Board seeks to improve gender diversity, it is guided by the principle that the appointment of a new Board member shall not be based solely on gender. In evaluating candidates for appointment to the Board, the Board will always evaluate and match the criteria of the candidate based on experience, skill, competency, knowledge, potential contribution and boardroom diversity (including gender, ethnicity and age). The Board also takes into account the diverse perspective and insights that the candidate may bring to the Company. Nevertheless, given the anticipated Board vacancies, the Board shall endeavour towards meeting this requirement when evaluating future candidates.

Pertinent Questions and Answers (“Q&As”), and Comments at the Annual General Meeting (“AGM”)

Pre-AGM

Q&As related to Financial Statements

Q1 IJM had stopped equity accounting for its share of losses from LEKAS and Gautami Power, which has been fully accounted for up to its cost of investment (page 95 and 99).

(a) Does this mean these two concessions have been making losses all these years that its carrying value is now written to zero?

A1(a) Yes, these two (2) concessions (LEKAS and Gautami) have been making losses and their carrying value have been written down to zero.

(b) What is the total invested amount in both of these concessions?

A1(b) The Group’s equity investment in Gautami and LEKAS are RM99 million and RM50 million respectively.

(c) Why are these concessions ending up losing all its invested amount?

A1(c) Gautami Power has been incurring losses due to the plant’s inability to obtain a constant and reliable supply of gas while the low traffic volume at the LEKAS highway has, over the years, resulted in persistent financial losses.

The Group has, to-date, already fully recognised its accumulated share of losses from both Gautami Power and LEKAS to the extent of its equity investments in these entities.

(d) Will it still required cash flow injection in the future?

A1(d) The Group does not expect to invest further capital into Gautami Power.

Barring the continued restrictions in interstate border travels, the Group does not expect to inject further capital into LEKAS.

Q2 Referring to Note 37 (page 337),

(a) What is the difference between completed buildings under “At Cost” amounting to RM777 million and completed buildings under “At net realisable value” amounting to RM376 million?

A2(a) Our completed buildings inventories are segregated into two (2) categories. Completed inventories which have been impaired are classified under “at net realisable value” whereas completed inventories where realisable value is above the cost are classified under “at cost”. Therefore, inventories are carried in the books at either the lower of cost or net realisable value.

(b) What is the total amount of completed but unsold properties? Can you provide the breakdown by aging and amount?

A2(b) The total amount of completed but unsold properties amount to RM1.15 billion, of which about 63% are below two (2) years.

(c) How many percent of these unsold completed properties are “bumi lot”? Normally how long will it take before it can be released to free market?

A2(c) “Bumi” units accounts for approximately 35% of the unsold completed properties in Malaysia. The timing of release of “bumi” units vary for the different states that we operate in. Generally, it takes between two (2) to three (3) years from the date of completion for all “bumi” units to be fully released.

Q&As on other issues

Q1 When will IJM Corp reward shareholders from the latest sale of IJM Plantations to KLK? When we will have special dividends and how much?

A1 As disclosed in the table of Utilisation of Proceeds on page 15 of the Circular to Shareholders dated 28 July 2021, RM800 million or approximately 52% of the proceeds has been earmarked for capital management activities such as declaring a special cash dividend amounting to RM542 million and the share buy-back programme, which is expected to span up to 24 months.

Barring unforeseen circumstances, the Board is in favour of declaring a special dividend to shareholders to coincide with the release of IJM’s financial results for the quarter ending 30 September 2021.

Q2 How is the progress of IJM conducting a Highway Trust Fund? Has IJM obtained approval from MOF? How IJM reward shareholders?

A2 Given the Malaysian Government’s stated preference for the restructuring of highway concessions in the country, the Company wishes to advise that it is and will continue to explore various proposals or initiatives, including the setting up of corporate structures such as a Highway Trust, in our pursuit to enhancing shareholders’ value.

Where appropriate, the Company will disclose any material information to its investors in accordance with Bursa Malaysia’s disclosure guidelines in a timely manner.

Q3 Dear BOD - Kindly give us some e-vouchers, food vouchers or e-wallet (no discount vouchers please) for being loyal shareholders and attending this meeting. Times are bad now. Please be considerate to us shareholders during these trying times. TQ

A3 The Board appreciates and values active participation by all shareholders at our AGMs and their contribution to the future success of the Company, and takes note of the request by certain shareholders for e-vouchers to be given to shareholders who participate in the AGM. However, consistent with the conduct of the Company’s past AGMs, no vouchers will be provided. The Board will instead consider a better reward for the shareholders with a bigger “ang pao” which is in tandem with the issuance of a special dividend as mentioned earlier, particularly for the shareholders who have been riding this journey with the Company.

Q4 Has construction progress at company's construction sites and properties been affected by lockdowns and Covid-19 infections. How many cases have been detected to date and is the company part of PIKAS.

A4 The first question has been addressed in the Company's response to MSWG.

While the Group has undertaken extensive measures to mitigate the spread of the virus, there have been a number of positive cases recorded among the Group's workforce. The Covid-19 transmissions are now prevalent in the community, as apparent in the number of daily positive infections around the country. As such, the Group has been supporting the Government's efforts by organising vaccinations among its workforce and supply chain. In addition to the Group's business Divisions participating in the PIKAS, CiVac, PPVIN and rural outreach programmes with the respective ministries and the Ministry of Health, IJM has also just concluded its Mobile Vaccination Programme with the administering of the second dose of the Covid-19 vaccination on 15 August 2021 where nearly 900 staff, their dependents, workers and construction supply chain were vaccinated. Additionally, IJM also contributed 200 vaccination slots to the community. To-date, a sizeable portion of our staff and supply chain have been fully vaccinated and efforts are on-going.

Q5 For the property division, how much is the sales target for FY2022 and how much has been achieved to date.

A5 The sales target for FY2022 is around RM1.7 billion, similar to what was achieved in the previous financial year. Sales achieved for the quarter ended 30 June 2021 was RM700 million.

Q6 What is the current traffic level at the Company's highway compared to pre-covid/pre-lockdown level. Is it sufficient to cover the sukuk/loan/bond interest/repayment.

A6 Since the relaxation of lockdown measures on 16 August 2021, the Average Daily Traffic (ADT) for the Group's Malaysian highways are around 40% below pre-Covid ADT levels compared to 60% below for the month of June and July 2021 (during the MCO3.0 lockdown).

The Group's tollways in India are also seeing a recovery in traffic flow. The ADT in July 2021 was around 6% below normal levels compared to being 21% lower during the second wave of the Covid-19 pandemic between April to June 2021.

All the Group's highway concessions are able to meet their short term debt repayment obligations. LEKAS, however, has opted for a debt repayment moratorium to ease its short term cash flow commitments.

Q7 What is the concession end date for each of the 8 toll roads concessions, Kuantan Port and Power Plant in India? Thank you.

Concession	End Year
New Pantai Expressway	2030
Besraya Highway	2040
LEKAS Highway	2039
West Coast Expressway	2063
Chikaluripet-Vijayawada	2025
Dewas Bypass	2042
Vijayapura-Solapur	2037
Western Access Tollway	2030
Kuantan Port	2045
Gautami Power	2023

Q8 Jeffrey Cheah of Sunway has talked to Krishnan Tan about possible merger, can you please update on the progress? What will us IJM shareholders get from the proposed merger?

A8 There was neither any conversation between Tan Sri Jeffrey Cheah and Tan Sri Krishnan Tan nor has any specific merger proposal been received by the Company from Sunway. Thus, no comment can be provided for now. As mentioned in the past, the Board will evaluate various proposals and initiatives especially if there is any proposal that merits a consideration, such as the proposal from Kuala Lumpur Kepong Berhad to acquire IJM Plantations Berhad. The Company will disclose relevant information to Bursa Malaysia accordingly, if any.

During AGM

Q1 LEKAS is making losses for the past years, what are IJM plans?

A1 The Group is exploring a restructuring of the LEKAS concession with the Government and engagements have been carried out for quite some time and are still in progress. The Group hopes to get a positive response from the Government in the near future.

Q2 What is the specific details on the RM78 million write down on inventory? Majority is from which inventory?

A2 The RM78 million write-down was in respect of the previous financial year 2020. The decision was made in response to the market uncertainties brought about by the Covid-19 pandemic on some of the projects undertaken at that time.

Q3 How did construction manage to get good margin amidst the higher material price and Covid-19 additional cost?

A3 The profit before tax margin of the Construction Division actually decreased as operations were adversely affected by the numerous lockdowns. However, we managed to contain our cost through the measures undertaken via the cost optimisation exercise. Fortunately, most of the building projects have also past the structural stage and were not affected by the increase in material prices.

Q4 How does IJM balances the need to reward employees vs return to shareholders? I understand IJM gave handsome bonuses to employees amidst pandemic uncertain trying times.

A4 The Company has always been mindful of the need to balance between shareholder returns and rewarding employees. Management would always take proactive measures in anticipation of economic crisis such as implementation of salary cut. However, the salaries of the staff will be reinstated when the economy returns to normal and the Group's performance is stabilised. Appropriate bonuses will also be paid to staff subject to performance of the Group and the staff. The staff of IJM Group had actually taken salaries cut earlier and increments were also frozen in anticipation of the challenging market and economic conditions.

The Group's pre-tax profit in FY2021 of RM779 million was 50% higher than the last financial year despite the pandemic. Given the circumstances, it is only appropriate that staff be rewarded accordingly. Similarly, a higher dividend was also paid to shareholders.

Q5 On sustainability ESG part, what has IJM been doing as industry leader to ensure foreign workers welfare are well taken care off, including IJM supply chain workers.

A5 First and foremost, the Group adheres to all applicable laws and regulations pertaining to the treatment and welfare of foreign workers. The Group also supports the industry efforts to improve their working and living conditions. In addition, in light of the pandemic, the Group has also extended its vaccination drive to include its supply chain to mitigate the risk of worksite spread. Foreign workers form a very important part of our value chain and it is in our interest to make sure that their welfare is well taken care of so that they can be a productive participant in our business.

Q6 To Audit committee Chairman: Will the company consider implementing audit firm rotation policy.

A6 The Group's current practice is to rotate Audit Partners instead of the Audit Firm pursuant to the MIA by-laws. The current Audit Firm has been able to provide good services to the Group and is reputationally strong. At the moment, the Group does not have any immediate plans to rotate the Audit Firm.

Q7 How does the increase in steel and material price affect the profit margin of the company?

A7 The Group recognises the higher building material prices currently. We continue to undertake our stringent cost control measures, leverage on our economies of scale and drive project efficiencies to mitigate the cost impact to our margins.

Q8 How many projects are infra, how many are condo. How many are landed property.

A8 As at 31 March 2021, the outstanding order book consisted of 58% building works, 4% infrastructure and 38% road jobs.

Q9 Consultant always over design, get someone who work in architect office for more than 10 year and work at site for more than 5 years to check through all the drawings to save cost. Can save up to few millions.

A9 We take note of your suggestion. Be rest assured that our people are pretty competent in going through the consultants' work in detail.

Q10 How many shareholders and proxy attend this virtual meeting.

A10 There are more than 200 attendees at this AGM.

Q11 Please provide what is your KPI or profit target for next financial year in response to your requested directors fees and benefits of more than 1m.

A11 The Nomination & Remuneration Committee, the Board together with Management have spent extensive time to ascertain the KPI based on the Balanced Scorecard which comprehensively addresses the aspects of commercial, operational efficiencies, stakeholder and also with an added emphasis on the development of our people. The KPI covers all the major aspects of the Group's various businesses. Extensive measures are undertaken to make sure that the Group produces the returns which will be satisfactory to the shareholders even under the current trying circumstances.

Q12 Any bonus issue, increased of dividends and quarterly payments.

A12 There is no bonus issue as of now and the Group's current practice is to declare dividends twice annually. If the proposed disposal of IJM Plantations Berhad is approved, a special dividend will be declared together with the next half yearly dividend.

Q13 Please share with shareholders more light with regards to the first quarter of FY 2022 results which was just announced few days ago as it surge from 2m to 65m.

A13 Revenue and profits were better in the first quarter of FY 2022 compared to the first quarter of FY 2021 mainly due to fewer operational disruptions arising from Covid-19 movement control restrictions. During the first quarter of FY 2021, the Group was affected by about two (2) months of operational disruptions whereas during the first quarter of FY 2022 the Group was only affected about one (1) month. Therefore, there was a stark improvement in the profitability as well as the performance.

Q14 Did IJM get any grants, benefit, help from government covid19 stimulus package?

A14 Yes, IJM did benefit from the wage subsidy programme as part of the Government's Covid relief programme.

Q15 With the disposal of IJM Plantation which is a major contributor how will the Company maintain or improve the profitability in the forthcoming years?

A15 It is undeniable that the disposal of IJM Plantations Berhad particularly at this point of time when the crude palm oil prices are very good will have an impact on the bottom line of the Group. Nevertheless, the Company will have a substantial one-off gain that will be recognised in the results of the Company for the current financial year. There will be an impact in the medium term and the Group will be looking for ways to improve the order book and also explore potential investments with businesses that the Group is familiar with in order to improve the earnings gap. However, the Board is cognisance of the fact that unless the Group can attain any brownfield acquisitions or any new outright contracts that will immediately enhance earnings, the impact cannot be immediately fully recovered. One (1) of the reasons for the share buy-back of the Company is also to address the expected earnings gap, so that there will still be an enhancement of earnings per share for the shareholders. The Board is definitely focusing in finding ways to fill up the earnings gap. This is an opportune time for the Company to sell IJM Plantations Berhad and there may not be another attractive proposal if the Company does not seize this opportunity.

Q16 Why no EGM is required for the disposal of IJM Plantation?

A16 An EGM is usually held to deliberate upon matters that cannot be deferred until the next scheduled AGM. Since the approval of the Circular to Shareholders for the proposed disposal of IJM Plantations Berhad was procured timely from the authority, the Board decided to include the proposed disposal as a Special Business at the AGM instead of calling for a another EGM. This will save time and effort, and is well within the regulatory requirements.

Q17 Domestic IJM construction activities in terms of %, is it in full capacity or still under some restrictions?

A17 Due to the MCO 3.0, works have stopped for two (2) months and the restrictions have now been easing slowly since 16 August 2021. With further easing of the restrictions, works are expected to be ramped up and going full scale for all the projects on hand.

Q18 The Net Gearing of the Group after the disposal of IJM Plantations is expected to reduce from 0.44 times to 0.22 times. (1) How borrowings in RM is reduced from the deconsolidation of IJM Plant's borrowings from IJM Corp Group levels? (2) Based on the expected amount of borrowings deconsolidated, how much interest savings per annum is expected after the exercise is completed?

A18 (1) Based on Note 29 to the financial statements for the FY 2021 of IJM Plantations Berhad, the loan amount of RM697 million will be deconsolidated from the Group.

(2) Based on Note 7 to the financial statements for the FY 2021 of IJM Plantations Berhad, the finance cost of RM22 million will also be deconsolidated from the Group.

In addition, there will also be savings from the cash proceeds received by IJM at group level post distribution of dividends.

Q19 Can Tan Sri Chairman share his thoughts over the continuing Buying-Back of the shares, which deemed IJM not being able to generate better returns and enhancing future value? Is there a limit to the Buy-Back initiative?

A19 It is anticipated that the market situation post pandemic will remain challenging although the Group will try very hard to enhance the Company's performance. To create better value for the shareholders in terms of improved earnings per share, the Company views the share buy-back as a viable option. The Company would utilise part of the sale proceeds of IJM Plantations Berhad for share buy-back purposes. Based on the current and post disposal net asset value per share of the Company of about RM2.50 and RM2.79 respectively, the shares of the Company are pretty much undervalued at the current trading price of around RM1.90 per share. It is certainly a good initiative to use some cash now to buy back some of the Company's shares to improve earnings per share and return on equity.

Q20 May I suggest the board to offer virtual AGM as an option even after the pandemic? It is time saving and convenient at least for some shareholders. Besides virtual meetings is already a new norm.

A20 Thank you for your suggestion and we will certainly look into this. However, there may be some shareholders who still prefer the interaction that a face-to-face AGM provides. Nevertheless, we take note of the suggestion.

Q21 The 2020 Annual Report wrote that "The Group ventured into oil palm plantations in 1985 as a source of steady income to cushion the cyclical nature of its core construction business.". With the disposal of IJM Plantation, albeit at a good price, does it mean future earnings for the remaining core business will be more volatile? Will The Group in due course get into another diversification to stabilize its earnings?

A21 Historically, the contributions from IJM Plantations Berhad have always been quite substantial in particularly during the crisis periods. Nevertheless, with the volatility in CPO prices and the foreign exchange movements in recent years, the earnings contribution to IJM Group has been even more erratic than the core businesses. The holding of the plantation business with such optimum size will not be in the interest of the Company especially with the many challenges faced by the plantations industry, in particularly ESG issues. Therefore, the disposal of the plantation business is in fact the most strategic in an overall situation that is expected to reduce the Group's earnings volatility. The situations in 1985 until about many years later was very much different compared to the new realities of the current businesses which required the Group to focus on core businesses and new interest of shareholders.

Q22 Is there a possibility of IJM to utilise the proceeds from IJM Plantation to invest in another plantation company?

A22 The disposal was a strategic decision to exit the plantation sector as a whole and also to reduce the conglomerate discount that is ascribed to the share price of the Company. As such, it would be very unlikely that the Group will invest into another plantation company.

Q23 What is the latest unbilled sales? Thank you.

A23 The unbilled sales as at 31 March 2021 stood at RM1.4 billion.

Q24 Have the rising of building material cost impacted IJM's margin in the existing construction and properties projects? Will IJM be able to pass on the rising cost to customers?

A24 The question on profit margin has already been addressed in the AGM earlier. Depending on the nature of the contract entered into, there may be some cost components that we may be able to pass on to our clients and there are also contracts entered into on a fixed price basis. At this moment, as most of our building projects have past the structural stage, therefore the impact of the increase in building material prices within the Group is manageable.

Q25 Pandemic may have hit construction sector, is IJM Corp considering M&A on smaller rivals to pursue growth?

A25 The Board will be on the lookout for any compelling acquisitions that may be valuable to the Company. Where appropriate, the Company will disclose any material information to its investors in accordance with Bursa Malaysia's disclosure guidelines in a timely manner.