



Media Release

For immediate release

IJM Annual General Meeting 2022

IJM's financials in a stronger position post-pandemic and is well-placed to undertake large projects

Petaling Jaya, 25 August 2022 – IJM Corporation Berhad (“IJM” or “the Group”) held its 38th Annual General Meeting (“AGM”) at its headquarters in Petaling Jaya today. Meeting proceedings were broadcasted to shareholders via remote participation and electronic voting on a designated online meeting platform.

All of the resolutions on the agenda were approved at the AGM and the company's audited financial statements for the financial year ended 31 March 2022 (“FY2022”) were adopted. Details of the voting results, presentation from the CEO & Managing Director and questions received, as well as responses provided during the meeting are available on IJM's corporate website at www.ijm.com.

During the meeting, shareholders were given a detailed presentation on the Group's FY2022 performance, driven by the implementation of the Group's strategic priorities, by Mr. Liew Hau Seng, CEO & Managing Director. In his presentation, Mr Liew explained how IJM's Strategic Focus pillars were being deployed and how these efforts have strengthened the Group's financial resilience while positioning it for future growth.

“Throughout the pandemic-induced economic slowdown, we persisted with the implementation of our strategic drivers of building resilience, driving growth and nurturing capabilities; helping us realise our value proposition to stakeholders. We also refocused our business priorities and repositioned the organisation. We paid emphasis on strengthening the Group's balance sheet, building growth drivers for our core businesses, and revitalising key management teams to enable us to forge ahead.” said Mr. Liew.

Highlights of IJM's Strategic Focus – build resilience, drive growth and nurture capabilities

Build resilience

Despite the pandemic year marked by uncertainties and operational disruptions, the Group had been able to demonstrate:

- Resilience in financial and cash flow performance – the Group's core profit before tax in FY2022 rose by 19% to RM477 million against RM399 million the previous year. After adding the impairments made in FY2022, removing the gains on disposals in FY2021 and accounting for unrealised forex movements, the core pre-tax profit of the Group's continuing operations improved year-on-year.
- Improvement in the balance sheet strength and cash position –the Group completed the divestment of its entire 56% stake in IJM Plantations Berhad for a cash consideration of RM1.53 billion last September. With the proceeds, the Group was able to complement its financial resilience by adopting a more proactive stance in capital management. In addition, the Group saw higher cash at bank and lower debt levels than a year ago. This resulted in its net gearing strengthening to 0.26 times at the end of FY2022 compared to 0.44 times in the prior year, further underlining the Group's disciplined approach to managing its balance sheet.
- The cash generative aspects of the Group's businesses remained healthy with cash flows from operating activities recorded at RM1.2 billion in FY2022, staying above RM1 billion for the third consecutive year; a result of the re-prioritising capital expenditure and working capital efficiencies.

Drive growth

Notwithstanding the resilience demonstrated by its businesses, the Group is also mindful of the need to push for growth, setting the scene for an improved outlook in FY2023:

- Having secured RM1.7 billion worth of new construction contracts in FY2022, the Group's Construction Division's outlook is supported by an outstanding construction order book of around

RM4billion, providing good earnings visibility over the next few years. A strong balance sheet also puts the Group in good stead to participate in upcoming large scale public infrastructure projects.

- Market sentiment for the property sector has seen a strong recovery with the Property Division achieving record local sales of RM2.5 billion for FY2022 on the back of encouraging take up of mid-range properties. The Group continued to pare down its completed property inventory to RM865.4 million at end-March 2022 from RM1.15 billion a year ago. The Division has an effective land bank footprint of 3,703 acres with a GDV of RM36.5 billion located in prominent growth corridors in the country. This allows the Division to engage its respective markets with a wide array of products, from landed homes in well-designed townships, sought-after high-rise condominiums to prime waterfront mixed-development projects.
- The Industry Division's performance is expected to continue improving in line with the resumption of construction activities, both domestically and abroad. The Division's balance order book, which is in excess of 1 million tonnes is the highest since 2016 and is expected to underpin its performance in the near term. The latest addition to the Industry Division's portfolio is its industrialised building system (IBS) factory at Bestari Jaya with an annual capacity of 500,000 square metres, commissioned at the end of 2021.
- Performance of the Group's Kuantan Port operations is also expected to improve with the resumption of economic activities. The entry of large investments into Malaysia-China Kuantan Industrial Park (MCKIP) is expected to drive long-term growth prospects of the port. Chinese investors who were previously keen to invest in MCKIP have confirmed their intention to set up their facilities in MCKIP, complemented by existing investors purchasing more land for the expansion of their current facilities.
- Traffic volumes for the Group's Toll operations have fully recovered to pre-pandemic levels and are expected to lead to an improvement in the Division's financial performance. The Group is also in advance talks with the Malaysian government to restructure its highway concessions. While not much details can be shared at this stage, the Group is working on the restructuring terms so that they can be substantially concluded by the end of FY2023. The spirit of the restructuring aims to achieve mutual benefit for all stakeholders, one that is aligned with the government's intention to ease the financial burden of the *rakyat* and reduce the government's annual toll compensation payments, while adhering to capital market principles to protect the interests of investors and bondholders.

Nurture capabilities

Given the rapidly evolving demands of the business landscape, the Group reiterated the need to nurture capabilities in the areas of digitalisation, sustainability, corporate governance and performance management culture that are vital to its long-term success.

- During the year, key focus innovation areas for FY2023 to FY2025 were identified – housed under three innovation pillars, namely: enhancing process automation and workplace modernisation; increasing digital insights and analytics; and developing business competitive advantage.
- An example of this is the development of a mobile application, *MyIJM*, by the Construction Division that eases construction updates from project sites in real-time by consolidating data on safety, inspection, site productivity, work log and defect management.
- Efforts on the sustainability front also gained traction with the establishment of the Group Sustainability Roadmap FY2023 – FY2025, covering the four pillars of Marketplace, Environment, Workplace and Community. The roadmap also puts in place key building blocks for the Group to build climate resilience and reduce carbon emissions.

First quarter FY2023 profit before tax higher by 8.9%

IJM released its FY2023 first quarter financial performance a day before the AGM on 24 August. Highlights include:

- Marked improvement of 60.0% in the pre-tax profits of 1Q FY2023 compared to 1Q FY2022, after stripping out the one-off forex losses.
- Strong performance by the Industry Division in the quarter, positive momentum ahead supported by balance orders in excess of 1 million tonnes.
- Outstanding Construction order book of RM3.94 billion and unbilled Property sales of RM2.2 billion to underpin near term earnings visibility.
- Strong cash reserves and healthy net gearing ratio of 0.28 times provides resilience and head room to undertake large scale projects.

In closing, Mr Liew commented: “The Group is in a financially strong position and we are working hard on our growth drivers. We remain watchful of the unfolding macroeconomic developments and will continue to employ our three strategic pillars of building resilience, driving growth and nurturing capabilities to drive the Group forward.”

– end –

Photos and captions:



The Board of Directors at IJM 38th Annual General Meeting (“AGM”).



From left, Mr. Lee Chun Fai, Deputy CEO & Deputy Managing Director, Tan Sri Dato’ Krishnan Tan, Non-Executive Chairman and Mr. Liew Hau Seng, CEO & Managing Director of IJM Corporation Berhad.

About IJM Corporation Berhad

IJM Corporation Berhad (“IJM”), formed in 1983, is today one of Malaysia’s leading construction groups and is listed on Bursa Malaysia. Its business activities encompass construction, property development, manufacturing and quarrying and infrastructure concessions.

Headquartered in Selangor, its operations are located in seven countries, with primary focus in Malaysia, and India. The Group presently has a market capitalisation of around RM6.4 billion and as of March 2022, the Group employed around 3,000 employees and had total assets of RM21.0 billion.

The Group’s belief in a shared destiny with its employees remains pivotal to its growing success while its reputation for professionalism, performance and good governance is acknowledged by customers and investors alike from its numerous corporate and industry accolades. IJM is committed to ethical business conduct and subscribes to the principles of good corporate citizenship for sustainable growth and development.

For more information, visit www.ijm.com

For media enquiries, please contact:

Ms. Mandy Chen, Corporate Communications, at mandychen@ijm.com or + 60 12 607 6121

Mr. Shane Guha Thakurta, Investor Relations, at shanethakurta@ijm.com or + 60 3 7985 8041