

IJM CORPORATION BERHAD

198301008880 (104131-A)

Extract of 39th AGM Minutes dd 29 August 2023

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EXTRACT of the **MINUTES** of the **39th Annual General Meeting {AGM}** of **IJM CORPORATION BERHAD (“IJM”) 198301008880 (104131-A)** held virtually through live streaming from the broadcast venue at the Multipurpose Hall, 3rd Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 29 August 2023, at 10.00 a.m.

DIRECTORS & SECRETARY PRESENT:-

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

MEMBERS AND PROXIES PRESENT:-

250 members and 36 proxies (excluding Directors and Secretary)

BY INVITATION:-

1. Ms Pauline Ho, *Partner, PricewaterhouseCoopers PLT (“PwC”)*
 2. Mr Mahesh Ramesh, *Partner, PwC*
 3. Mr Lee Xian Yang, *Director, PwC*
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The Chairman welcomed all the members and proxies participating in the Company’s virtual AGM. He then introduced himself, the members of the Board of Directors (“Board”), the Company Secretary, the Auditors from PwC, the Poll Administrators from Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) as well as the Independent Scrutineers from Coopers Professional Scrutineers Sdn Bhd (“CPS”) who were in attendance.

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 informed that the CEO&MD would answer all questions 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 2023 Audited Financial Statements, the Chairman invited the CEO&MD to present to the meeting an overview of the overall business landscape and the performance of the Group in financial year 2023. The CEO&MD in his briefing covered the following:-

- a) the Group performance for the financial year ended 31 March 2023 (“FY2023”) and prospect; and
- b) the Group’s strategic focus areas for FY2023 to FY2025 which covered building resilience, driving growth and nurturing capabilities as follows:-

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Build Resilience	Drive Growth	Nurture Capabilities
<ul style="list-style-type: none">• Optimise execution capabilities to adapt to the new operating environment;• Maintain healthy gearing and ensure liquidity across all business divisions;• Enhance balance sheet strength by prioritising capital expenditure and working capital management;• Drive cost optimisation; and• Monetise low-yielding assets.	<ul style="list-style-type: none">• Brownfield expansion of our infrastructure asset; to grow recurring income• Develop new ventures complementary to the Group core businesses;• Regional expansion; and• Enhance growth through strategic merger and acquisitions.	<ul style="list-style-type: none">• Continue the digital transformation journey, embrace innovation and Industry 4.0;• Enhance sustainability best practices across the Group;• Foster workplace agility and build future-ready competencies that are responsive to market changes;• Drive robust risk management; and• Enhance accountability and performance-based culture.

The CEO&MD also presented the responses of the Company to questions raised by the Minority Shareholder Watch Group (“MSWG”) *vide* letter dated 4 August 2023 (Annexure I), as well as the responses to other questions received from members and proxies before the AGM (Annexure II).

Thereafter, the audited financial statements for the year ended 31 March 2023, 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

The Chairman briefed the members and proxies on all the resolutions to be considered at the meeting, as follows:-

3.1 Re-election of Directors

Resolutions 1, 2, and 3 were on the re-elections of himself, Mr Lee Chun Fai and Encik Azhar Bin Ahmad respectively, who were retiring by rotation in accordance with Clause 88 of the Company’s Constitution. Being eligible for re-election, they had offered themselves for re-election.

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

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3.2 Re-appointment of Auditors

The Resolution 4 related to the re-appointment of external Auditors. 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 for FY2023

Resolution 5 was to authorise the payment of Directors' fees of RM1,871,400 for the year ended 31 March 2023 to be divided amongst the Non-Executive Directors in such manner as the Directors may determine.

3.4 Directors' Fees for the period from 1 April 2023 until next AGM

Resolution 6 related to the payment of Directors' fees to the Non-Executive Directors for the period from 1 April 2023 until the next AGM.

The payment of Directors' fees would be made on a quarterly basis, upon the discharge of responsibilities and rendering of services by the Non-Executive Directors, based on the fee structure as reflected in the Notice of AGM.

3.5 Directors' Benefits for the period from 30 August 2023 until next AGM

Resolution 7 was on payment of Directors' benefits to the Non-Executive Directors for the period from 30 August 2023 until the next AGM, which consists of meeting allowance of RM1,500 per person for each meeting attended and other benefits of up to an amount of RM375,500.

3.6 Directors' Fees of Subsidiaries for FY2023

Resolution 8 was to authorise the payment of Directors' fees of RM96,000 to several Non-Executive Directors by the subsidiaries, namely IJM Land Berhad and IJM Construction Sdn Bhd for the year ended 31 March 2023.

3.7 Directors' Fees of Subsidiaries for the period from 1 April 2023 until next AGM

Resolution 9 was on payment of Directors' fees of RM48,000 each person per annum to several Non-Executive Directors by the subsidiaries, namely IJM Land Berhad and IJM Construction Sdn Bhd for the period from 1 April 2023 until the next AGM.

The payment of Directors' fees would be made by the subsidiaries on a quarterly basis, upon the discharge of responsibilities and rendering of services by the Non-Executive Directors.

3.8 Directors' Meeting Allowance of Subsidiaries for the period from 30 August 2023 until next AGM

Resolution 10 was to authorise the payment of meeting allowance of RM1,000 per person for each meeting attended, to several Non-Executive Directors by subsidiaries during the period from 30 August 2023 until the next AGM.

The interested Directors would abstain themselves from voting on Resolutions 5 to 10.

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3.9 Proposed Renewal of Share Buy-Back Authority

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.

Upon the tabling of all the resolutions, the Chairman and the CEO&MD responded accordingly to the questions raised by the members and proxies during the AGM (Annexure II). The questions raised during the AGM were made visible to all participants at the AGM, other than the similar questions which had already been addressed under the responses to MSWG and other shareholders pre and during AGM.

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 CPS (as Independent Scrutineers).

5.0 **POLL RESULTS**

The Chairman welcomed the members and proxies back to the virtual meeting. Mr Chuah Poo Sian from CPS was invited to announce the results of the poll. Based on the poll results, the Chairman declared that the following Resolutions 1 to 11 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	2,507,358,652	96.4815
Voted AGAINST	91,438,531	3.5185
	<u>2,598,797,183</u>	<u>100.0000</u>

(ABSTAINED: 84,891,203 shares)

It was resolved that Tan Sri Dato' Tan Boon Seng @ Krishnan, who is retiring by rotation in accordance with Clause 88 of the Company's Constitution, be re-elected as Director of the Company.

5.2 Re-election of Mr Lee Chun Fai

<u>Resolution 2</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,587,015,785	99.5449
Voted AGAINST	11,827,301	0.4551
	<u>2,598,843,086</u>	<u>100.0000</u>

(ABSTAINED: 84,845,300 shares)

It was resolved that Mr Lee Chun Fai, who is retiring by rotation in accordance with Clause 88 of the Company's Constitution, be re-elected as Director of the Company.

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5.3 Re-election of Encik Azhar Bin Ahmad

<u>Resolution 3</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,671,015,137	99.5281
Voted AGAINST	12,665,617	0.4719
	<u>2,683,680,754</u>	<u>100.0000</u>

(ABSTAINED: 7,632 shares)

It was resolved that Encik Azhar Bin Ahmad, who is retiring by rotation in accordance with Clause 88 of the Company's Constitution, be re-elected as Director of the Company.

5.4 Re-appointment of Auditors

<u>Resolution 4</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,670,351,084	99.5032
Voted AGAINST	13,332,670	0.4968
	<u>2,683,683,754</u>	<u>100.0000</u>

(ABSTAINED: 4,632 shares)

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

5.5 Directors' Fees for FY2023

<u>Resolution 5</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,474,870,231	92.5873
Voted AGAINST	198,143,385	7.4127
	<u>2,673,013,616</u>	<u>100.0000</u>

(ABSTAINED: 10,674,770 shares)

It was resolved that the Directors' fees of RM1,871,400 for the year ended 31 March 2023 be approved to be divided amongst the Non-Executive Directors in such manner as they may determine.

5.6 Directors' Fees for the period from 1 April 2023 until next AGM

<u>Resolution 6</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,474,790,181	92.5843
Voted AGAINST	198,223,435	7.4157
	<u>2,673,013,616</u>	<u>100.0000</u>

(ABSTAINED: 10,674,770 shares)

It was resolved that the payment of Directors' fees to the Non-Executive Directors for the period from 1 April 2023 until the next Annual General Meeting based on the following structure be approved:-

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Fees per person	Board (RM/annum)	Audit Committee (RM/annum)	Audit Committee (India Operations) (RM/annum)	Nomination & Remuneration Committee (RM/annum)
Chairperson	300,000	75,000	60,000	37,500
Member	150,000	56,600	-	28,700

5.7 Directors' Benefits for the period from 30 August 2023 until next AGM

<u>Resolution 7</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,672,732,001	99.9895
Voted AGAINST	279,615	0.0105
	<u>2,673,011,616</u>	<u>100.0000</u>

(ABSTAINED: 10,676,770 shares)

It was resolved that the payment of Directors' benefits to the Non-Executive Directors for the period from 30 August 2023 until the next Annual General Meeting be approved as follows:-

- (i) meeting allowance of RM1,500 per person for each meeting attended; and
- (ii) other benefits of up to an amount of RM375,500.

5.8 Directors' Fees of Subsidiaries for FY2023

<u>Resolution 8</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,683,413,509	99.9900
Voted AGAINST	269,545	0.0100
	<u>2,683,683,054</u>	<u>100.0000</u>

(ABSTAINED: 5,332 shares)

It was resolved that the payment of Directors' fees of RM96,000 for the year ended 31 March 2023 by subsidiaries to several Non-Executive Directors be approved.

5.9 Directors' Fees of Subsidiaries for the period from 1 April 2023 until next AGM

<u>Resolution 9</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,477,562,147	92.3199
Voted AGAINST	206,108,307	7.6801
	<u>2,683,670,454</u>	<u>100.0000</u>

(ABSTAINED: 17,932 shares)

It was resolved that the payment of Directors' fees of RM48,000 each per annum for the period from 1 April 2023 until the next Annual General Meeting by subsidiaries to several Non-Executive Directors be approved.

5.10 Directors' Meeting Allowance of Subsidiaries for the period from 30 August 2023 until next AGM

<u>Resolution 10</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	2,683,464,838	99.9923
Voted AGAINST	205,616	0.0077
	<u>2,683,670,454</u>	<u>100.0000</u>

(ABSTAINED: 17,932 shares)

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It was resolved that the payment of Directors' meeting allowance of RM1,000 per person for each meeting attended during the period from 30 August 2023 until the next Annual General Meeting, by subsidiaries to several Non-Executive Directors be approved.

5.11 Renewal of Share Buy-Back Authority

<u>Resolution 11</u>	<u>Number of Shares</u>	<u>%</u>
Voted FOR	1,383,739,518	51.5631
Voted AGAINST	1,299,845,154	48.4369
	<u>2,683,584,672</u>	<u>100.0000</u>

(ABSTAINED: 103,714 shares)

It was resolved that the Directors be and are hereby authorised to purchase the ordinary shares of the Company through 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.

6.0 CONCLUSION

There being no other business, the meeting concluded at 12.08 p.m. with a vote of thanks to the Chair.

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Q1: With the substantial decline in net gearing from about 50% before the disposal of IJM Plantations to 25.8% as of 31 March 2023, coupled with strong cashflow with net operating cashflow exceeding RM1 billion for the past four years, the Group is directing its endeavours towards enhancing its existing core businesses, as well as exploring new geographical markets and adjacent business verticals to broaden its sources of income (Page 67 of Annual Report FY2023).

(a) Which new geographical markets is the Group eyeing?

A1(a): The Group is keenly focused on expansion and has identified promising opportunities overseas where we have an existing presence as well as in new markets. India, the United Kingdom, Indonesia and East Malaysia have emerged as highly attractive destinations where the Group is able to build on our strong track record, introduce innovative products and capitalise on growing infrastructure needs.

(b) With lower net gearing and strong cash flow, does the Board intend to increase the dividend payout ratio compared to the previous dividend payout before the disposal of the plantation division?

A1(b): As stated in the Chairman's Statement, the Board recognises the need to fill the earnings gap that was previously contributed by IJM Plantations. While dividends serve as a means to reward shareholders for their investments, directing resources toward new growth avenues is essential for the Group's enduring competitiveness and value creation in the years to come. As such, the Board is committed to the payment of dividends annually upon judicious consideration of the Group's financial performance, availability of funds and investment needs.

Q2: The property division achieved its highest ever sales of RM2.7 billion in FY2023, despite a rising interest rate environment. Which were the top three property projects that contributed to the strong property sales in FY2023? What are the target property launches and property sales for FY2024?

A2: As presented in the CEO's presentation, land bank sales amounted to RM870 million, consisting mainly of industrial land at Bandar Rimbayu and MCKIP, and commercial land in Kuala Lumpur. In addition, property launches were well received in FY2023, with the top three (3) projects, by sales, being the Uptown and Ikon commercial property phases at Bandar Rimbayu and S2 Heights, respectively, and the Riverind Diamond condominium in Kuching.

Q3: The Group also expects the financial performance of its Toll operations to markedly improve in the coming year following the nonrecurrence of sizeable one-off items that affected its performance in FY2023 (Page 68 of Annual Report FY2023). The division recognised RM133.5 million in expected credit losses pursuant to a financial instrument related to West Coast Expressway (Page 98 of Annual Report FY2023). What is the affected financial instrument and what is the reason for the expected credit losses?

A3: Part of the capital funding structure of the West Coast Expressway concession included the subscription of Redeemable Unsecured Murabahah Stocks ("RUMS") by its shareholders. As at 31 March 2023, IJM's investment in the RUMS had a gross carrying amount of RM376.4 million, before the impairment.

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The expected credit loss of RM133.5 million arose primarily due to the lower present value of cash flows that the Group expects to receive over the remaining life of the RUMS, mainly as a result of delays in the commencement of full tolling of the highway.

Q4: All five key divisions of the group reported a significant increase in employee turnover rates in FY2023. These turnover rates are the highest in the past three years, as shown on Page 189 of the Annual Report 2023. What are the probable factors that contributed to the jump in employee turnover rates? Is the Group facing challenges in recruiting and retaining staff?

A4: The increase in employee turnover rate was mainly attributable to the maiden inclusion of the Group's India operations in the scope of reporting of the Sustainability Statement in FY2023. The increase in the employee turnover rate in India was due to the completion of the construction of the Solapur-Bijapur project during the year, the Group's largest project in India to-date, as well as non-renewals of the employment contracts of property staff in India. The higher turnover rate at the Group's Toll Division was mainly on account of toll operators seeking other employment opportunities as the economy reopened post-pandemic. Adjusting for these factors, the Group's employee turnover rate of 11.7% in FY2023 was comparable to 10.5% recorded in FY2022.

Furthermore, the Group's average employee turnover rate of 12.9% for its Malaysian operations also fared favourably when compared against the Country's average of 14.9% in 2022.

IJM CORPORATION BERHAD**198301008880 (104131-A)**Extract of 39th AGM Minutes dd 29 August 2023**Questions and Answers (Q&As) and Comments at the Annual General Meeting (“AGM”)****PRE-AGM**

Q1 How does the Company ensures that its investment in Pestech International Berhad (“PESTECH”) is a successful one and does not end up like the Scomi investment. In an “Edge Interview”, the CEO mentioned about risk management to manage this. Can the CEO further elaborate on this?

A1 IJM believes that its investment will strengthen PESTECH’s business proposition while the Group’s construction operation derives synergies in rail related projects. PESTECH’s expansion of its high voltage transmission lines to Cambodia and the region also complements IJM’s regional expansion strategy.

In addition to the due diligence performed and fair price offered for the 44.8% equity stake in PESTECH, IJM as the single largest shareholder, intends to fortify the governance framework and practices of PESTECH. IJM will introduce more robust risk management, internal control systems, balance sheet management and alignment of country risk exposures.

IJM also believes that it can accelerate the growth of PESTECH by decoupling PESTECH’s balance sheet limitations from its growth potential via strategically collaborating on sizeable projects. PESTECH will focus on contracting works for energy transmission, rail electrification and signaling projects instead of deferred payment or concession-based projects.

DURING AGM

Q1 Please give door gifts or e-vouchers. Thank you.

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

Q2 How much does the Company spend on this virtual AGM?
May I know when the Company is going back to physical AGM? Please advise.

A2 The cost of the virtual AGM is around RM65,000.
The Company will deliberate on the appropriate timing to revert to physical AGM.

Q3 On the National Energy Transition Roadmap (“NETR”), is there opportunities for IJM? If yes, what is the concrete plan to contribute and eventually obtain a reasonable return of investment?

A3 As the plan has just been recently announced, we are keen to explore and capitalise the opportunities under the NETR. We hope to provide some updates sometime in the future.

Q4 How the Company continues to be profitable in the long run?

A4 As explained during the CEO's presentation this morning, the Group's Strategic Focus has been our overarching driver to guide the Company forward. The “Build Resilience” pillar ensures enduring profitability, healthy cash flow and balance sheet strength, while the “Driving Growth” pillar ensures our businesses continue to thrive in the evolving landscape. The “Nurturing Capabilities” pillar keeps us focused on ensuring that IJM is prepared to drive the first two (2) pillars.

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- Q5 What is the average gross profit margin for the current on-going construction projects?
- A5 The gross profit margin for the current construction projects is in the high single digit, about 7%.
- Q6 What is the status of PESTECH acquisition?
- A6 The acquisition is still in the process of fulfilling the condition precedents including obtaining regulatory approvals and lenders' support. It is also subject to the shareholders' approval of PESTECH and SC's approval for the mandatory take-over offer exemption.
- Q7 Does the Group still have any unsold property units in the earlier development project(s) which is more than a year?
- A7 The Group has successfully reduced its buildings inventory from about RM1.5 billion in FY2020 to RM719 million in FY2023.
- Q8 When was dividend paid?
- A8 Dividend had been paid on 21 July 2023 and the next interim dividend would be payable after the six (6) months' financial results.
- Q9 How much is the Auditor fees? Don't engage expensive Auditor so as to allow budget for e-refreshment.
- A9 The audit fees of the Group in relation to the statutory audit for FY2023 was about RM4 million.
- Q10 Does the board members entitled any allowance for attending this meeting? If yes, should there be a gratitude door gift be given to the shareholders who spent their time and effort for attending this meeting?
- A10 The Board of Directors are not entitled to any allowance for attending AGM.
- Q11 What is the status of PESTECH Directors' court case?
- A11 PESTECH's Directors were discharged and acquitted from all charges on 17 July 2023.
- Q12 How many new projects are secured and how many in tender stage?
- A12 *The question has been addressed in CEO's presentation. - The presentation is made available at <https://www.ijm.com/investor/extract-minutes-of-general-meetings>.*
- Q13 How the Company benefited from the Government's Johor Forest City project?
- A13 Although IJM does not have a direct exposure to the Forest City project, the Forest City project together with the surrounding infrastructure projects like the Rapid Transit System may benefit the Group from the infrastructure development that needs to be constructed, new piling requirements as well as spurring the property demand for our property projects in Johor.
- Q14 Infrastructure Division recognised RM133.5 million in expected credit losses related to a financial instrument of the West Coast Expressway (Page 98 of the Annual Report 2023). Please explain what this financial instrument is, and why the Company is required to make a provision for it? Are there any chances to recover this amount?
- A14 *The question has been addressed in the Company's response to MSWG. – Please refer A3 of Annexure I.*

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Q15 What is the current tender book?

A15 We are currently in the midst of tendering for various infrastructure projects, industrial and commercial building projects.

Q16 When will Besraya (M) Sdn Bhd (“Besraya”) concession ends?

A16 The tollway concession of Besraya was recently extended under the concession restructuring exercise of Besraya and it would end in year 2046.

Q17 IJM is planning to acquire 44.83% of PESTECH’s stake and become the single largest shareholder in PESTECH.

(a) As at March 2023, PESTECH debt is high at more than RM1.3 billion. Will IJM be liable to these debts if PESTECH has difficulty paying them in the future?

(b) Will IJM need to further inject capital into PESTECH? If so, how much?

A17 As PESTECH is a separate legal entity, IJM’s acquisition of the 44.83% stake would not result in IJM being liable for PESTECH’s liabilities. The high debt level in PESTECH was arising from its long-term deferred payment contracts. IJM’s commitment would be as per our proposed investment, which is around RM124 million for the 44.83% stake in PESTECH.

Q18 Does the Board aware of any specific reason(s) that the Company's share price is on a downward trend?

A18 As depicted in the “Information to Investors” on Page 59 of the Annual Report 2023, IJM's share price has declined by 9%, which is in line with the overall market. However, since early August 2023, the share price has increased by 15% on the back of positive news flow momentum from contract wins such as the RM654 million Shah Alam International Logistics Hub construction job, joint venture (“JV”) in a logistics development with FMM Elmina Sdn Bhd, JV with Network Rail in London and the proposed investment in PESTECH.

Q19 How the minimum wage affects the Company?

A19 Two (2) divisions under the Group, namely the Toll and Port divisions are more exposed to the minimum wage increase. However, the overall impact of the minimum wage increase has not been material to the Group’s financial results.

Q20 Kuantan Port has been implementing a new port tariff since end of FY2023 (Page 104 of the Annual Report 2023).

(1) How much is the average increase of the port tariff rate compared to the previous rate?

(2) What is the expected revenue growth from Kuantan Port in FY2023 based on the new tariff?

A20 (1) The average increase in port tariff rate was about 14%.

(2) The revenue is estimated to increase by 25% mainly due to tariff increase as well as expected growth in volume throughput.

Q21 When is Kuantan project targets to complete?

A21 Under the Malaysia-China Kuantan Industrial Park project, almost all of the land of about 3,000 acres had been disposed of and currently the investors are in the midst of obtaining the Government’s approval prior to commencement of the construction at the project site.

As for Kuantan Port, it is a long-term project to be developed in phases, highly dependent on the demand for requirements of capacity by the port users, and the Company will invest according to their timelines.

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Q22 The Company has spent much of the proceeds from the sale of IJM Plantations Berhad to buy-back its own shares.

- (1) How much has been spent in share buy-back in FY2023?
- (2) What is the limit in terms of the number of shares that can be bought back?
- (3) What is ratio between amount spent for share buy-back and dividends paid to shareholders in FY2023?

- A22 (1) Total amount spent for the shares bought back was about RM35 million in FY2023.
 (2) The share buy-back authority mandate allows us to buy-back shares up to 10% of the total number of issued shares of the Company.
 (3) The ratio between amount spent for share buy-back as compared to the dividends paid to shareholders in FY2023 was about 16.5%.

Q23 How much has the Company's recent acquisitions contributed to the current year's earnings and also its future earnings going forward relative to the extra financial costs of these acquisitions?

A23 The Group's recent acquisitions that had contributed to the earnings of FY2023 were the 40% of Bandar Rimbayu Sdn Bhd ("BRSB") via Radiant Pillar Sdn Bhd and 60% of Globalcomm Solutions Sdn Bhd ("GSSB"). The acquisition of 40% of BRSB's earnings was consolidated in February 2023 upon the completion of the transaction, hence it has a minimal contribution impact to profit after tax and minority interests (PATMI) for FY2023 since it was only for one (1) month. The acquisition of 60% of GSSB was consolidated from 1 September 2022 with the profit before tax (PBT) contribution of about RM4 million. Management believes that both these acquisitions would be earnings accretive to the bottom line of the Group moving forward.

Q24 IJM acquired 40% equity interest in Radiant Pillar Sdn Bhd ("RPSB") from WCE Holdings Berhad for RM494 million in cash.

- (a) What valuation, in terms of price-earnings (P/E) ratio and price-to-book (P/B) ratio, does this transaction based on?
- (b) What is RPSB business plan and please explain the rationale for this transaction?

A24 The acquisition was a related party transaction and the purchase consideration was arrived at on a willing-buyer and willing-seller basis after taking into consideration on an open market valuation of the properties conducted by professional valuers.

RPSB owns 100% of BRSB which develops the Group's flagship township in Klang Valley known as Bandar Rimbayu.

Q25 Besraya and Lebuhraya Kajang-Seremban Sdn Bhd (LEKAS)'s concession periods were extended under the supplemental agreements signed with the Government (Page 99 of the Annual Report 2023).

- (1) Are there similar on-going negotiations for New Pantai Expressway Sdn Bhd ("NPE") for similar extension of concession period with revised toll rates?
- (2) What are the future plans to enhance the performance of these toll concessions?

A25 The restructuring of NPE is at the final negotiations with the Government which was expected to conclude by the end of FY2024.

As for the future plans of the toll concessions, IJM always believes that we should monetise some of our assets after the assets are developed and reached certain maturity. However, the monetisation of such toll concessions would be dependent on approvals from the Government, for example a potential trust structure to put the concessions together in order to lighten the balance sheet of the Group.

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- Q26 Virtual meeting no need so many Board members to attend so as to allow budget for e-refreshment.
- A26 The Board members are not being paid to attend this virtual AGM, thus does not contribute to the cost of the virtual AGM.
- Q27 As a long-term shareholder, I would like to request for IJM worker T-shirt for purpose of daily wear. It is because I love the Company so much and I will wear the T-shirt every day.
- A27 The IJM T-shirt is the Company's uniform. We are unable to provide it for daily wear.
- Q28 West Coast Expressway - is it progressing on time or delayed? When will it be fully completed? What could be the expected contribution?
- A28 We are expecting to open another four (4) sections of the West Coast Expressway before the end of the year and the balance in early 2025. Similar to all greenfield toll concessions, the highway is expected to make losses in the initial years due to high interest expense and amortisation as traffic builds up.
- Q29 IJM has a subsidiary, Globalcomm Solutions Sdn Bhd under the Infrastructure Division.
(1) What are the principal activities of this subsidiary?
(2) Will this be a new area of growth identified by the Group?
- A29 Globalcomm Solutions Sdn Bhd is a sub-contractor of telecommunication and surveillance systems projects, which includes laying of fibre optics. This is a new area of business for the Group in the search for new businesses to expand our skill sets and to derive better business margins.
- Q30 Which highway toll collection is not performing?
- A30 The Malaysian toll operations have actually recovered to higher than the pre-Covid levels. The losses of the Group's toll operations were mainly due to the impairment of investment in the Redeemable Unsecured Murabahah Stocks ("RUMS") of West Coast Expressway Sdn Bhd (the concession holder of the West Coast Expressway) amounting to RM133.5 million and major overlay cost of Vijayawada Highway amounting to RM116 million.
- Q31 Any plan to dispose the landbanks?
- A31 As part of our normal business routine and to lighten the Group's balance sheet, we are constantly reviewing our land banking strategy in line with business direction and market conditions. Land sales of RM870 million in FY2023 demonstrate the Group's intention to churn our land bank in a faster manner.
- Q32 Following IJM Corporations Berhad's announcement to buy 45% stake in PESTECH, now fresh concerns have cropped up. Malaysia Airports Holdings Berhad ("MAHB") has terminated PESTECH's aerobridge project at KLIA. Will this affect the purchased stake? Yes and no, why?
- A32 PESTECH is seeking legal redress on the matter and hopes to reach an amicable resolution with MAHB. IJM is paying close attention to these developments and will take the appropriate course of action, that is in the best interest of our shareholders.

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Q33 When will West Coast Expressway from Banting to Taiping complete and start collecting toll. How much total toll from south to north?

A33 The completion timeline has been answered earlier. The toll rates for different vehicle class are available on the website at <https://wce.com.my/toll-rates/>, of which one can worked out the rate based on their travelling distance.

Q34 We got plenty of free sunlight and rain water, hence diversify to solar power like Solarvest and Pekat or Samaidan.

A34 The Board noted the observation by the shareholder. The Group is adopting rooftop solar power in most of its operating locations such as its property sales galleries, pile factories, toll offices and port buildings. As shown on Page 178 of the Annual Report 2023, the Group harvested 16,000 m³ of rainwater in FY2023 or 1.3% of its total water consumption.

Q35 What is the container throughput growth for Kuantan Port for this financial year?

A35 For FY2024, the container throughput growth for Kuantan Port is expected to be about 10%.

Q36 During the presentation, the Company expects higher profit margin for the infrastructure segment. Do you mind to share the targeted profit margin and what is last year's profit margin level? What are the factors leading to the higher profit margin? At Group level, what is the projected profit margin for the year? Will it higher or lower versus last year? Why?

A36 As explained earlier, the infrastructure segment recorded losses for this financial year due to impairment of RUMS in West Coast Expressway Sdn Bhd and major overlay cost in Vijayawada Highway. As such, the margin is expected to normalise in the coming year, backed by recoveries of traffic for toll roads and port operations in Kuantan Port.

Q37 Don't worry about share price drop, we won't sell the shares if dividend is good.

A37 The Board noted the statement by the shareholder.

Q38 My congratulations to the Board of Directors for an improved performance for the last financial year and improved dividends paid out. My congratulations to Mr Lee Chun Fai for his appointment as CEO and MD in April 2023.

I have a question on a property in Subang Jaya that appears to have been left vacant for a long time while in the eyes of residents. Is the property earmarked for monetisation? If not, what is being planned for redevelopment of use to enhance the value of the property?

A38 The property located in Subang Jaya, namely Holiday Villa Hotel is earmarked for redevelopment into a wellness product that will complement the mature neighbourhood and proximity to the Subang Jaya Medical Centre.

Q39 In terms of governance, will the Company Secretary of PESTECH be represented by the Company when all the conditions precedents for the investment are met? And, how many Board representatives in PESTECH is the Company allocated?

A39 PESTECH will be an associate of the Group upon completion. As a separate entity, the Company Secretary of PESTECH will remain as it is. IJM is entitled to two (2) board seats on the board of PESTECH. As stated in the reply to MSWG, IJM intends to instill better governance framework and practices in PESTECH upon becoming its major shareholder.

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Q40 What are the lessons that the Board learned from the troubled major developer in China?

A40 The Company has always exercised strict financial prudence in its land banking strategy.

**REPLY TO QUESTIONS UNABLE TO
RESPOND DURING THE
ANNUAL GENERAL MEETING**

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Reply to Questions Unable to Respond during the Annual General Meeting

Q1 Project at TRX, is on time or delayed?

A1 TRX residence project is on time.

Q2 Did Pestech International Berhad (“PESTECH”) secure the Malaysia Airports Holdings Berhad (“MAHB”) project?

A2 As reported in the media and through PESTECH's announcement to Bursa Malaysia Securities Berhad (“Bursa”), MAHB has terminated the aerotrain contract. PESTECH is seeking legal redress but is hoping to reach an amicable resolution with MAHB.

Q3 Deputy CEO post has been vacant for some period. Any candidate for the position?

A3 The position of the Deputy CEO will be left vacant until otherwise determined by the Nomination & Remuneration Committee and the Board.

Q4 Is there a good status regarding PESTECH and IJM Airport's contract?

A4 As reported in the media and through PESTECH's announcement to Bursa, MAHB has terminated the aerotrain contract. PESTECH is seeking legal redress but is hoping to reach an amicable resolution with MAHB.

Q5 What is the value you derived from New Pantai Expressway Sdn Bhd (“NPE”) within your portfolios?

A5 For FY2023, NPE's contributed 20% of the Infrastructure Division's revenue.

Q6 (1) Do you mind to share with us on the update relating to restructuring of highway business with Malaysian government?

(2) West Coast Expressway Sdn Bhd (“WCE”) and Lebuhraya Kajang-Seremban Sdn Bhd (“LEKAS”) still in the loss due to low traffic volumes. Is the company considering to divest stake or what are the plans and action plans the company has to boost the profitability of these highways?

A6 The Group has restructured its Besraya (M) Sdn Bhd and LEKAS concessions while the restructuring of the NPE concession is on-going.

WCE is presently deriving revenue from sectional tolling until its full opening in 2025. As a greenfield toll concession, it is expected to incur losses in its early years of operations due to high interest and amortisation costs as traffic build up.

The LEKAS concession has been restructured to extend its concession period until 2064, which increases the viability of the concession. Notably, the traffic of LEKAS has improved markedly since the economic reopening post-pandemic.