IJM CORPORATION BERHAD

(104131-A)

ANNUAL REPORT 07

Preserving Core Values for Sustainable Growth

Quality Services
With Passion We Deliver Quality
On Time Products

The IJM Mark of Excellence has always stood for our credo: We Deliver

But the questions that always then need to be addressed are: To whom? And, How? Our theme for this year has been selected to address these questions:

To whom? Just as no man is an island, every organisation needs to maintain a symbiotic relationship with its stakeholders.

Each of the four persons on the cover represents a distinct key stakeholder segment - our Customers, our Staff, our Shareholders and our Community.

By depicting them as reaching out and forming a diamond, it highlights that the harmonised working of all segments in tandem, is the key to the success of any organisation.

How? The effective addressing of stakeholder needs can only be based on a set of core values that we hold dear and apply with all due diligence, consistently and constantly... The cover spells out the core values we have adopted:

- Quality products & services that add value to our clients;
- Consideration of our employees' welfare within a work environment of mutual trust and respect;
- Sustainable performance and good corporate governance to create and maximise shareholder value; and
- Good corporate citizenship and responsibility to the society as a whole.

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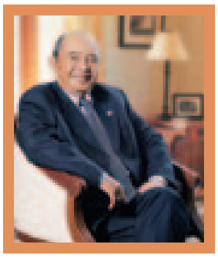
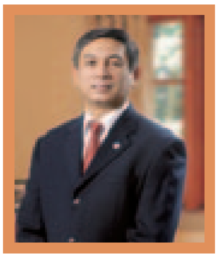




Business Review & Reports

IJM IN THE HEADLINES

IN 2006, THE IJM GROUP CONTINUED MAKING HEADLINES WITH BOTH ITS DOMESTIC AND INTERNATIONAL VENTURES. ITS STANDING AS A CORPORATE BODY OF INTEGRITY AND SOLID FUNDAMENTALS WAS ALSO RECOGNISED. WELL DONE TO ALL MANAGEMENT AND STAFF!

FRAMEWORK & COMMITMENTS

Constant Progress

“IJM has grown exponentially

since its formation in 1984,

becoming a well-favoured

international name backed by

an excellent track record that is

attested to by numerous awards

and landmark projects.”

OUR VISION, MISSION AND CULTURE STATEMENT

our...

...vision To be an internationally competitive Malaysian builder of world-class infrastructure and buildings.

...mission To deliver the highest standards of performance in all our ventures with the IJM Mark of Excellence.

...culture

We strive to:

- uphold the highest standards of professionalism and exemplary corporate governance to maximise the benefits for all stakeholders;
- respect the different cultures, gender, religion, human rights and dignity of our stakeholders;
- ensure the quality of our products and services exceeds our customers' expectations;
- create a conducive environment for team spirit among our employees to work towards a unified workforce; and
- be a responsible and respected corporate citizen with concerns for social, safety, health and environmental issues.

CORPORATE PROFILE

IN 1984, THREE ENTERPRISING LOCAL CONSTRUCTION COMPANIES - IGB CONSTRUCTION SDN BHD, JURUTAMA SDN BHD AND MUDAJAYA SDN BHD - MERGED IN A BID TO COMPETE MORE EFFECTIVELY AGAINST BIGGER FOREIGN RIVALS. THE RESULT WAS IJM - A PROFESSIONALLY MANAGED CONSTRUCTION GROUP THAT GAINED IMMEDIATE MARKET ACCEPTANCE, AND HAD THE FINANCIAL CAPACITY TO COMPETE EFFECTIVELY AGAINST ESTABLISHED FOREIGN PLAYERS.

Since then, IJM has grown in reputation and renown internationally. Its excellent track record is accredited with numerous awards. Recent ones include:

- The Malaysian International Contractor of the Year Award in 2000 and 2005
- The Malaysian Builder of the Year Award in 2001
- The Project Award (Major Building Category) in 2003
- The MITI Excellence Award for Export of Services in 2003

The Company's excellent reputation for professionalism, performance and good governance also saw it being conferred:

- The inaugural Malaysian Business Corporate Governance Award in 2002
- The Asia Money Best Managed Company (Mid Cap) in Malaysia in 2006
- The KLSE Corporate Merit Award (Construction Sector) in 2002 and 2003
- The NACRA Industry Excellence awards in 2003, 2004 and 2006.

IJM's exponential growth over the past two decades is the result of its focus on core competencies, diversifying into related businesses and expanding into new markets. Leveraging on its intrinsic construction expertise, IJM soon ventured into property development and successfully merged its resources to offer quality delivery at great value to the Malaysian market. Today, property development is a major part of the Group's activities.

The demand for building materials fueled further growth. IJM forged another stronghold by creating its Industries Division; expanding internal operations, such as manufacturing of concrete products and quarrying into core activities focused on demand outside the Group. It continues to expand its operations in this sector with strategic acquisitions such as the takeover of Industrial Concrete Products Berhad.

The Group showed great foresight by venturing into plantations in 1985 as a source of steady income to cushion the cyclical nature of construction business. This investment has since paid off handsomely. Now listed on the Main Board of Bursa Malaysia, the Plantations Division has contributed significantly to the Group's earnings over the years and also helped cushion the Group's earnings during difficult times, such as the 1997/98 Asian financial crisis.

Leveraging again on its construction expertise, the Group targeted infrastructure investments to build long-term recurrent income streams. Initial attempts for breakthrough in Malaysia proved difficult and, thus, an overseas focus was then chosen.

Its involvement in overseas infrastructure privatisation (Build-Operate-Transfer) schemes proved tremendously successful. These include investments in major infrastructure projects such as Western Access Tollway in Argentina, Swarna and Rewa tolled highway in India, and the Binh An water treatment concession in Vietnam, among others.

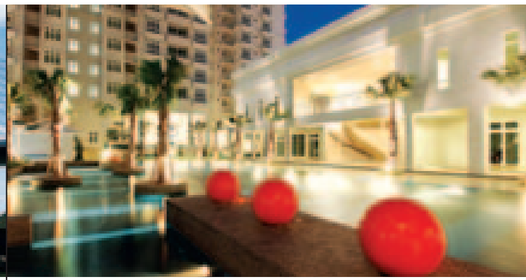
With several concessions under construction in India and, for the first time, an opportunity to participate in Malaysian toll roads, the infrastructure concession business is set to become a major part of the Group's future operations.

In 2007, the acquisition of the Road Builder Group (RBH) made IJM a stronger and larger entity by enhancing its capacity and capability across its three major core business. In addition to a sizeable order book for the construction division, and land banks for the property division; the addition of RBH Toll and Port concessions gives new significance to the Infrastructure Division. This milestone event has enhanced IJM's financial standing significantly.

When it went public in 1986, IJM had a market capitalization of RM66 million and total assets of RM172 million. With the completion of the RBH acquisition, the enlarged Group's market capitalisation and total assets are in excess of RM7 billion and RM10 billion respectively as at 30 April 2007.

Backed by strong fundamentals and strategic foresight; steady growth, uninterrupted profitability and a very international business continues to define IJM today. More importantly, its excellent reputation through the years has made professionalism, performance and good governance become the inimitable trademarks of the Group.

GROUP STRUCTURE as at 30 June 2007



CONSTRUCTION

IJM Construction Sdn Bhd

SUBSIDIARIES
- IJM Building Systems Sdn Bhd
- Insitu Envirotech Pte Ltd
  - Insitu Envirotech (M) Sdn Bhd
  - Insitu Envirotech (S.E. Asia) Pte Ltd
- Jurutama Sdn Bhd
- Prebore Piling & Engineering Sdn Bhd

ASSOCIATES
- Hexacon Construction Pte Ltd
- Integrated Water Services (M) Sdn Bhd

JOINTLY CONTROLLED ENTITY
- Ambang Usaha Sdn Bhd

GR Commerce Sdn Bhd
IJM Construction (Middle East) LLC
Nilai Cipta Sdn Bhd

Road Builder (M) Holdings Bhd

- Road Builder (M) Sdn Bhd
  - RB Trading Sdn Bhd
- RB Construction Sdn Bhd

PROPERTIES

IJM Properties Sdn Bhd

SUBSIDIARIES
- Aqua Aspect Sdn Bhd
- Chen Yu Land Sdn Bhd
- IJM Management Services Sdn Bhd
- IJM Lingamaneni Township Private Limited •
- Jalinan Masyhur Sdn Bhd
- Jelutong Development Sdn Bhd
- Liberty Heritage Sdn Bhd
- Manda'rina Sdn Bhd
- NS Central Market Sdn Bhd
- Sinaran Intisari (M) Sdn Bhd
- Suria Bistari Development Sdn Bhd
- Swarnandhra-IJMII Integrated Township Development Company Private Limited •
- Wedec Sdn Bhd

ASSOCIATES
- Ever Mark (M) Sdn Bhd
- Masscorp-Vietnam Sdn Bhd
- Worldwide Ventures Sdn Bhd
  - Sheffield Enterprise Sdn Bhd

JOINTLY CONTROLLED ENTITIES
- Astaka Tegas Sdn Bhd
- Elegan Pesona Sdn Bhd
- LCL-IJMII International Interiors Private Limited •
- Radiant Pillar Sdn Bhd
- Sierra Selayang Sdn Bhd
- Sierra Ukay Sdn Bhd

IJM Australia Pty Ltd

- RB Land Holdings Berhad
  - RB Land Sdn Bhd
  - Shah Alam 2 Sdn Bhd
  - Erms Berhad
  - Emko Properties Sdn Bhd
- NPE Property Development Sdn Bhd
- RB Development Sdn Bhd

Note: Non-operating or dormant companies are not included

- Direct subsidiary / associate / jointly controlled entity of IJM Corporation Berhad.
- Subsidiaries
- Associates
- Jointly Controlled Entities
- Direct subsidiary / associate / jointly controlled entity of Road Builder (M) Holdings Bhd
- ^ 49.5% subsidiary of Styrobilt Sdn Bhd, a wholly-owned subsidiary of IJM Corporation Berhad
- * Associates of IJMII (Mauritius) Limited
- # Associate of IEMCEE Infra (Mauritius) Limited
- • Direct subsidiary / associate / jointly controlled entity of IJM (India) Infrastructure Ltd
- ❋ Wholly-owned subsidiary of RB Port Sdn Bhd, a wholly-owned subsidiary of Road Builder (M) Holdings Bhd



INDUSTRIES

Industrial Concrete Products Berhad

SUBSIDIARIES

- Concrete Mould Engineering Sdn Bhd
- Durabon Sdn Bhd
- Expedient Resources Sdn Bhd
  - Tadmansori Rubber Industries Sdn Bhd
- ICP Investment (L) Limited
  - ICPB (Mauritius) Limited
    - IJM Concrete Products Private Limited
- ICP Jiangmen Co. Ltd
- ICP Marketing Sdn Bhd
- Malaysian Rock Products Sdn Bhd
  - Aggregate Marketing Sdn Bhd
  - Azam Ekuiti Sdn Bhd
  - Global Rock Marketing Sdn Bhd
  - Kuang Rock Products Sdn Bhd
  - Oriental Empire Sdn Bhd
  - Scaffold Master Sdn Bhd
  - Strong Mixed Concrete Sdn Bhd
- Ubon Steel Sdn Bhd

Kamad Quarry Sdn Bhd
Kemena Industries Sdn Bhd
Torsco Sdn Bhd

SUBSIDIARY

- Torsco Overseas Sdn Bhd

ASSOCIATES

Cofreth (M) Sdn Bhd
Metech Group Berhad
Spirolite (M) Sdn Bhd

PLANTATIONS

IJM Plantations Berhad ^

SUBSIDIARIES

- Akrab Perkasa Sdn Bhd
- Ampas Maju Sdn Bhd
- Berakan Maju Sdn Bhd
- Desa Talisai Palm Oil Mill Sdn Bhd
- Desa Talisai Sdn Bhd
- Dynasive Enterprise Sdn Bhd
- Excellent Challenger (M) Sdn Bhd
- Gapas Mewah Sdn Bhd
- Golden Grip Sdn Bhd
- Gunaria Sdn Bhd
- IJM Agri Services Sdn Bhd
- IJM Biofuel Sdn Bhd
- IJM Edible Oils Sdn Bhd
- Kulim Mewah Sdn Bhd
- Laserline Sdn Bhd
- Minat Teguh Sdn Bhd
- Mowtas Bulkers Sdn Bhd
- Rantajasa Sdn Bhd
- Rakanan Jaya Sdn Bhd
- Ratus Sempurna Sdn Bhd
- Sabang Mills Sdn Bhd
- Sijas Plantations Sdn Bhd
- Sri Kilau Sdn Bhd

ASSOCIATES

- Loongsyn Sdn Bhd
- Mowtas Multi-User Jetty Sdn Bhd

INFRASTRUCTURE & OTHERS

IJM International Limited

IJM Overseas Ventures Sdn Bhd

ASSOCIATES

- Earning Edge Sdn Bhd
- Masscorp Namibia Sdn Bhd

IJM Investments (L) Ltd
IJM Investments (M) Limited

SUBSIDIARIES

- IEMCEE Infra (Mauritius) Limited
- IJMII (Mauritius) Limited
  - IJM (India) Infrastructure Ltd
    - IJM (India) Geotechniques Private Limited
    - Roadstar (India) Infrastructure Private Limited
    - Swarnandhra Road Care Private Limited
- IJM Rajasthan (Mauritius) Limited
  - Jaipur - Mahua Tollway Private Limited
- IJM Rewa (Mauritius) Limited
  - Rewa Tollway Private Limited
- IJM Trichy (Mauritius) Limited
  - Trichy Tollway Private Limited

ASSOCIATES

- Gautami Power Limited #
- Pacific Alliance-Stradec Group Infrastructure Company LLC *
- Swarna Tollway Pte Ltd *

ASSOCIATES

Lebuhraya Kajang-Seremban Sdn Bhd
CIDB Inventures Sdn Bhd
Emas Utilities Corporation Sdn Bhd
Grupo Concesionario del Oeste S A
Masscorp-Chile Sdn Bhd

SUBSIDIARIES

- Besraya (M) Sdn Bhd
- New Pantai Expressway Sdn Bhd
- RB Highway Services Sdn Bhd
- Kuantan Port Consortium Sdn Bhd
  - Sukma Samudra Sdn Bhd ❋

ASSOCIATES

- Konsortium Pelabuhan Kemaman Sdn Bhd

THE IJM CHARTER

Our business policy and conduct
continues to be guided
by a strong commitment towards...

Quality Products & Services

Trusted Client Relationships

Safety, Health & Environment

Employee Welfare

Social Responsibility

Good Corporate Governance

Maximising Stakeholder Returns

Ethical Conduct

ORGANISATION & STEWARDSHIP

Driving Passion

“Mindpower is IJM’s greatest asset.

This is the result of visionary

leadership, a focused and

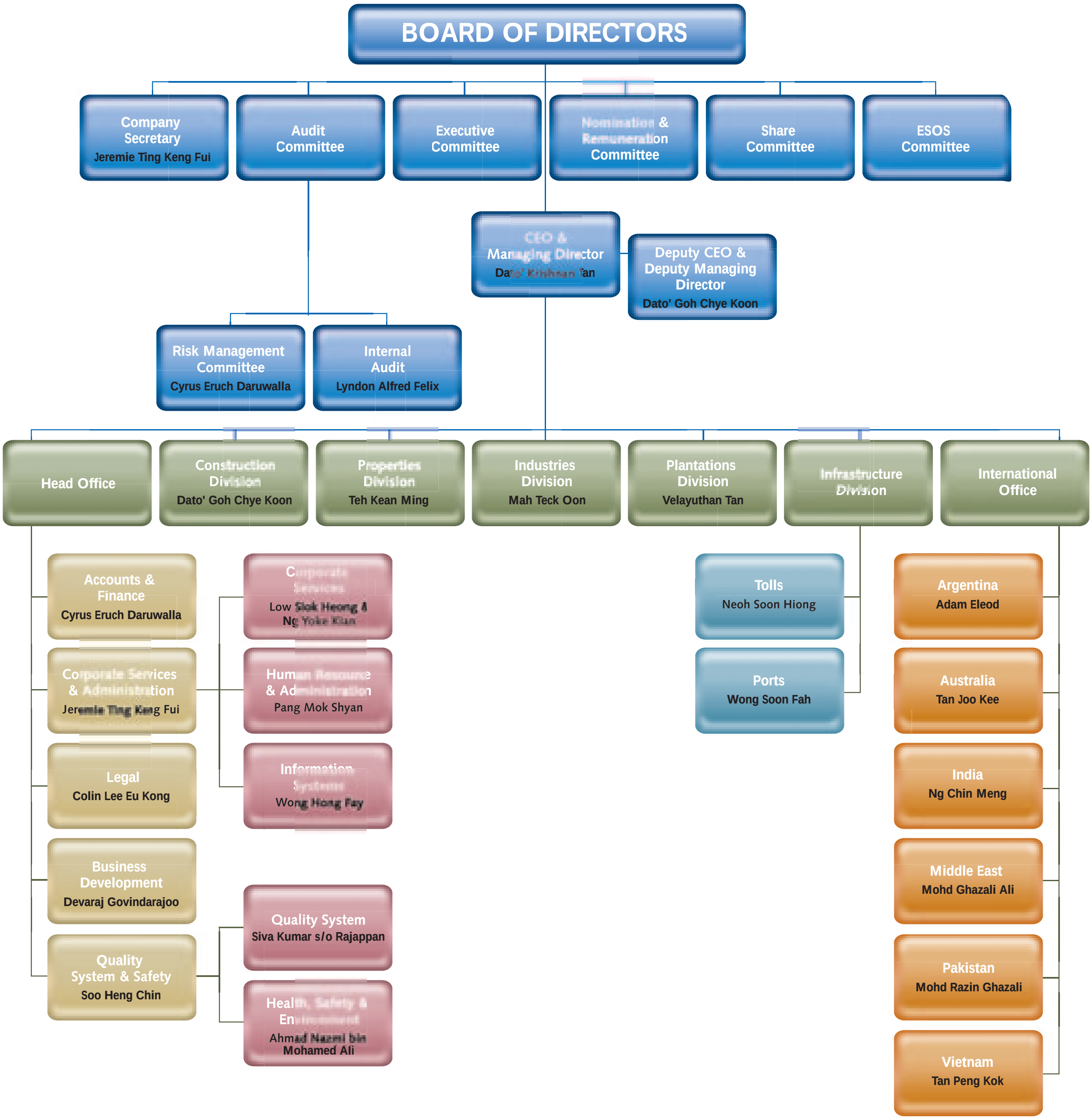
motivated workforce and

a continuous emphasis on maintaining

a work environment of mutual

trust and respect.”

GROUP ORGANISATION CHART



Group Support Services

Top (left to right)
- Soo Heng Chin
- Jeremie Ting Keng Fui
- Cyrus Eruch Daruwalla
- Lee Chun Fai
- Colin Lee Eu Kong
- Pang Mok Shyan
- Devaraj Govindarajoo

Bottom (left to right)
- Low Siok Heong
- Ng Yoke Kian
- Tan Peng Kok
- Wong Hong Fay
- Siva Kumar s/o Rajappan
- Lyndon Alfred Felix
- Ahmad Nazmi bin Mohamed Ali

Seated (left to right) : Datuk Lee Teck Yuen
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor
Dato' Tan Boon Seng @ Krishnan
Tan Sri Dato' (Dr) Wan Abdul Rahman bin Wan Yaacob
Dato' Goh Chye Koon
Datuk Yahya bin Ya'acob
Soo Heng Chin

BOARD OF DIRECTORS & SECRETARY

Standing (left to right) : Tan Gim Foo
Hasni bin Harun
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad
Tan Sri Abdul Halim bin Ali
Datuk Oh Chong Peng
Ayyaril Karikulath Feizal Ali
Dato' David Frederick Wilson
Teh Kean Ming
Jeremie Ting Keng Fui *Secretary*

Y. BHG. TAN SRI DATO' (DR) WAN ABDUL RAHMAN BIN WAN YAACOB

INDEPENDENT NON-EXECUTIVE CHAIRMAN

PSM, SPMT, DPMT, JSM, AMN, *D.Eng.(h.c.) B'ham, FASc, FIEM, FICE, FIHT, FCIOB, P.Eng., C.Eng.*

Nomination & Remuneration Committee • Audit Committee

Y. Bhg. Tan Sri Dato' Wan Abdul Rahman, born in June 1941, joined the Board on 1 July 1996. He was appointed the Chairman of IJM on 28 February 2003.

He obtained a Diploma in Civil Engineering from the Technical College, Kuala Lumpur in 1963, Diploma in Civil & Structural from Brighton College of Technology, United Kingdom in 1965, and attended the Advanced Management Programme of Harvard Business School, Boston, Massachusetts, USA in 1993. He was conferred a Honorary Doctor of Engineering by University of Birmingham, United Kingdom in 1994. He was with the Ministry of Works for 32 years, having served the last six (6) years as the Director General of the Public Works Department before his retirement in 1996.

He is presently the Chairman of the Malaysian Standard & Accreditation Council and The Road Engineering Association of Malaysia (REAM). He is a Council member of The Road Engineering Association of Asia & Australia (REAAA) and an Ex-Officio member of the Institution of Highways and Transportation (Malaysia Branch). He is at present the Vice-President of the Kuala Lumpur Lawn Tennis Association and Malay Cricket Association.

His directorships in other public companies include Lingkaran Trans Kota Holdings Berhad (Chairman), Lysaght Galvanized Steel Berhad (Chairman), Bank of America Malaysia Berhad, Malaysian Industrial Development Finance Berhad, MMC Corporation Berhad, NCB Holdings Berhad, Saujana Consolidated Berhad and SIME UEP Properties Berhad.

Y. BHG. DATO' TAN BOON SENG @ KRISHNAN

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR
SMS, DSPN, *B.Econs(Hons), CPA(M), CA, MBA*
Executive Committee • Share Committee

Y. Bhg. Dato' Tan, born in December 1952, joined IJM as Financial Controller in 1983 and joined the Board as an Alternate Director on 12 June 1984, Director on 10 April 1990 and Deputy Managing Director on 1 November 1993. He was appointed Group Managing Director on 1 January 1997. He was redesignated Chief Executive Officer & Managing Director on 26 February 2004.

He qualified as a Certified Public Accountant in 1978 after graduating with a Bachelor of Economics (Honours) degree from University of Malaya in 1975, and holds a Master's degree in Business Administration from Golden Gate University, San Francisco, USA. Prior to joining IJM, he was with Kumpulan Perangsang Selangor Berhad for seven (7) years, his last position was Group Financial Controller of the Group.

His directorships in other public companies include IJM Plantations Berhad, Industrial Concrete Products Berhad, Malaysian South-South Corporation Berhad and Grupo Concesionario del Oeste S.A., Argentina. He is also the President of COBRA (Combined Old Boys Rugby Association) since 1995, and a Trustee of Perdana Leadership Foundation since 2003.

PROFILE OF DIRECTORS (cont'd)

Y. BHG. DATO' GOH CHYE KOON

DEPUTY CHIEF EXECUTIVE OFFICER & DEPUTY MANAGING DIRECTOR

KMN, DSPN, JMN, *B.Eng.(Civil)(Hons), MIEM, P.Eng.*

Executive Committee • Share Committee • ESOS Committee

Y. Bhg. Dato' Goh, born in June 1949, has been the Deputy Group Managing Director of IJM since 1 January 1997. He was redesignated Deputy Chief Executive Officer & Deputy Managing Director on 26 February 2004.

He graduated with a Bachelor of Engineering (Honours) degree from University of Malaya in 1973, and served as an engineer in the Ministry of Works for 11 years and was its Superintending Engineer prior to joining IJM as Senior Engineer in 1984. He was promoted as General Manager (Central Region) in 1986 and was made Alternate Director on 25 July 1995 before assuming his present position. He is also a Director of IJM Plantations Berhad and Road Builder (M) Holdings Bhd.

He is presently the Chairman of the Building Industry Presidents' Council, and a member of the Technical Resource Group on Human Resource of the National Productivity Corporation. He was the President of the Master Builders Association Malaysia for session 2004/2006, and was its Deputy President for session 2002/2004, Vice President from 1990 to 2002 and Deputy Secretary General from 1988 to 1990. He was also a member of the Construction Industry Development Board, Malaysia (2004 - 2006), Construction Consultative Panel of the National Productivity Corporation (2003 - 2006) and Presidential Consultative Council of the Board of Engineers, Malaysia (2002 - 2004).

SOO HENG CHIN

SENIOR GENERAL MANAGER & EXECUTIVE DIRECTOR

B.Eng.(Civil)(Hons), MIEM, MBA

Executive Committee • Share Committee • ESOS Committee

Mr Soo, born in January 1955, was appointed an Alternate Director on 12 June 1998 and subsequently a Group Executive Director on 17 May 2001. He was redesignated Senior General Manager & Executive Director with effect from 26 February 2004. He heads the Construction Services at Head Office overseeing the Contracts, Purchasing & Store, Plant & Workshop, Technical, Project Control and Quality System & Health, Safety and Environment departments.

He graduated with a Bachelor of Engineering (Honours) degree from University of Malaya in 1978, and holds a Master's degree in Business Administration from Golden Gate University, San Francisco, USA. Prior to joining IJM in 1979 as an engineer in Mudajaya Construction Sdn Bhd, he was an engineer with the Drainage and Irrigation Department, Pahang.

Y. BHG. TAN SRI DATO' (DR) HAJI MURAD BIN MOHAMAD NOOR

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

PSM, DSDK, JMN, PMK, SMK, KMN, *BA (Hons)(Mal), Dip.Ed.(Mal), Dip.Ed.Admin (Reading UK), Hon.D.Litt (Reading UK), Hon.D.Ed (USM Penang), Hon.D.Ed.Ph (IIU), Hon.D.Ed (UPSI)*

Nomination & Remuneration Committee • Audit Committee • ESOS Committee

Y. Bhg. Tan Sri Murad, born in April 1930, was appointed to the Board on 25 July 1985. He was appointed as the Senior Independent Non-Executive Director on 16 May 2001.

He graduated with a Bachelor of Arts (Honours) degree and Diploma in Education from University of Malaya in 1955 and 1956 respectively, and Diploma in Education & Administration from University of Reading, United Kingdom in 1961. He was conferred the Honorary Doctor of Letters in 1990 by University of Reading, and Honorary Doctor of Education by University of Sains Malaysia in 1992.

His past positions include Director General of Education (1976-1985), Chairman of the Urban Development Authority (1985-1988), Chairman of the Forest Research Institute of Malaysia (1985-1990), Chairman of Majlis University Sains Malaysia (1985-1992), and Vice President of International Islamic University (1992-1995).

Y. BHG. TAN SRI ABDUL HALIM BIN ALI

INDEPENDENT NON-EXECUTIVE DIRECTOR

PMN, PJN, SPMS, SIMP, DGSM, DHMS, DSDK, JSM, KMN, *BA (Hons), University of Malaya*

Y. Bhg. Tan Sri Abdul Halim, born in July 1943, was appointed Director on 25 April 2007.

He graduated with a Bachelor of Arts (Honours) degree from University of Malaya in 1966. He joined the Ministry of Foreign Affairs and served in the Malaysian Diplomatic Service from 1966 to 1996. During this period, he served in several diplomatic missions overseas, including ambassadorial appointments in Vietnam and Austria. He was appointed the Chief Secretary to the Government of Malaysia in 1998 and retired in 2001. After his retirement, he was made the Chairman of the Employees Provident Fund Board until January 2007.

His directorships in other public companies include Malaysia Building Society Berhad (Chairman), Malakoff Corporation Berhad, Minority Shareholders Watchdog Group (Chairman), ESSO Malaysia Berhad, LCL Corporation Berhad and Zelan Berhad (Chairman).

Y. BHG. DATUK OH CHONG PENG

INDEPENDENT NON-EXECUTIVE DIRECTOR

PJN, JSM, *FCA*

Audit Committee

Y. Bhg. Datuk Oh, born in July 1944, was appointed Director on 12 April 2002.

He undertook his accountancy training in London and qualified as a Chartered Accountant in 1969 and is a Fellow of the Institute of Chartered Accountants of England and Wales. He is also a member of the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants.

He joined Coopers & Lybrand in London in 1969 and in Malaysia in 1971. He was a senior partner of Coopers and Lybrand (now known as PricewaterhouseCoopers), Malaysia from 1974 until his retirement in 1997. He was also a Government appointed Committee Member of the Kuala Lumpur Stock Exchange from 1990 to 1996, and a past President (1994 to 1996) and Council Member (1981 to 2002) of the MICPA.

His directorships in other public companies include Land & General Berhad (Chairman), Malaysian Plantations Berhad (Chairman), British American Tobacco (Malaysia) Berhad, IJM Plantations Berhad, Star Publications (Malaysia) Berhad and Rohas-Euco Industries Berhad. He is also a Trustee of Huaren Education Foundation and UTAR Education Foundation; and a Government appointed Member of the Labuan Offshore Financial Services Authority and the Malaysian Accounting Standards Board.

Y. BHG. DATUK YAHYA BIN YA'ACOB

INDEPENDENT NON-EXECUTIVE DIRECTOR

PJN, DIMP, JSM, KMN, SMP, PBS, *B.A. (Hons), D.P.A. (Malaya), M.B.M. (Philippines)*

Nomination & Remuneration Committee • Audit Committee

Y. Bhg. Datuk Yahya, born in January 1944, was appointed Director on 31 March 1999.

He graduated with a Bachelor of Arts (Honours) degree and Diploma in Public Administration from University of Malaya in 1967 and 1970 respectively, and obtained a Master's degree in Business Management from the Asian Institute of Management in 1976.

He was in the Malaysia Administrative and Diplomatic service for more than 32 years, having served the last five (5) years as the Secretary General of the Ministry of Works before his retirement in 1999. His other postings include Secretary General of the Ministry of Information (1991-1994), Secretary of the Contracts Division, Ministry of Finance (1988-1991), Deputy Director of the Implementation & Coordination Unit, Prime Minister's Department (1986-1988), and Deputy Secretary of the Finance Division, Ministry of Finance (1976-1986).

His directorships in other public companies include Emas Kiara Industries Berhad, LBI Capital Berhad, UDA Holdings Berhad and Pelaburan Johor Berhad.

Y. BHG. DATO' (DR) MEGAT ABDUL RAHMAN BIN MEGAT AHMAD

NON-EXECUTIVE DIRECTOR

DSDK, *Bachelor of Commerce, FCA (AUST)*

Y. Bhg. Dato' Megat, born in August 1939, was appointed Director on 31 October 2005 and is a representative of Zelan Berhad.

He holds a Bachelor of Commerce degree from University of Melbourne, Australia. He is a fellow member of the Institute of Chartered Accountants in Australia, a member of the Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants. He also holds an Honorary Doctorate degree in Business Administration from Universiti Kebangsaan Malaysia. He was awarded the "Anugerah President" by MICPA in June 2004 for exceptional contributions to the Institute, the accountancy profession and society.

He started out with Institute Technology MARA as a lecturer from 1962 to 1966 and became the Head of School and Dean of Academic Affairs in 1969. He had his professional accountancy experience with Coopers & Lybrand, Sydney, Australia from 1966 to 1969.

His previous appointments include Partner of KPMG and Managing Partner of KPMG, Desa, Megat & Co. from 1973 to 1983. He was the Executive Director and Director of Finance in Kumpulan Guthrie Berhad from 1983 to1994. He was also the past President (1980 to 1983) of MICPA.

His directorships in other public companies include Press Metal Berhad (Chairman), Boustead Holdings Berhad, Integrated Rubber Corporation Berhad, Royal & Sun Alliance Insurance (M) Berhad, Zelan Berhad and UAC Berhad. He is also a Trustee of Yayasan Tenaga Nasional.

AYYARIL KARIKULATH FEIZAL ALI

NON-EXECUTIVE DIRECTOR

MBA (Finance), B.Sc (Acc), B.Comm

Encik Feizal Ali, born in May 1961, was appointed Director on 5 January 2007 and is a representative of Zelan Berhad.

He graduated with a Master's degree in Business Administration (Finance) from University of Santa Clara, California, USA, and has a Bachelor of Science degree in Business Administration (Accounting) from Menlo College, California, USA and a Bachelor of Commerce degree from University of Kerala, India.

He started his career in Accounting and Finance in the US banking industry from 1985 to 1989 and subsequently worked in the Middle East for five years from 1989 to 1994. He joined MMC Corporation Berhad ("MMC") as the Special Advisor to the Chairman in September 2001 and assumed the post of Group Chief Financial Officer of MMC in December 2001. He was promoted to the post of Group Chief Operating Officer in March 2004 before assuming the role of Acting Group Chief Executive. In September 2006, he was appointed as Group Chief Executive of MMC. Prior to joining MMC, he was the Vice President - Finance of Commerce Dot Com Sdn Bhd (1999 - 2001), Chief Financial Officer of Pelabuhan Tanjung Pelepas Sdn Bhd (1996 - 1999) and Finance General Manager of Prolink Development Sdn Bhd (1994 - 1996).

His directorships in other public companies include Malakoff Berhad, Malakoff Corporation Berhad, MMC Corporation Berhad, MMC Engineering Group Berhad, Johor Port Berhad and Zelan Berhad.

PROFILE OF DIRECTORS (cont'd)

Y. BHG. DATUK LEE TECK YUEN
NON-EXECUTIVE DIRECTOR
PJN, *B.Sc. (Civil Eng. & BA)(Hons)*

Y. Bhg. Datuk Lee, born in August 1956, was appointed Director on 30 May 2007.

He graduated with a Bachelor of Science (Honours) degree in Civil Engineering and Business Administration from University of Leeds, United Kingdom in 1978.

His directorships in other public companies include Road Builder (M) Holdings Bhd (Executive Vice Chairman), RB Land Holdings Berhad (Executive Vice Chairman), Malaysian South-South Corporation Berhad (Executive Director) and TT Resources Bhd. He is also currently the President of Malaysian Water Ski Federation, Honorary Secretary of Malaysian South-South Association and the Honorary Consul of the Republic of Colombia.

Y. BHG. DATO' DAVID FREDERICK WILSON
NON-EXECUTIVE DIRECTOR
DIMP, *MA (Mech.Sc), BA (Mech.Sc)*

Y. Bhg. Dato' David, a British citizen, born in March 1945, was appointed Director on 30 May 2007.

He holds a Master of Arts degree in Mechanical Sciences from Cambridge University, United Kingdom. He is a Fellow of the Institution of Civil Engineers, United Kingdom and the Institution of Highways and Transportation, United Kingdom.

He worked on various infrastructure and development projects in United Kingdom, Africa, Central America, the Caribbean and the Middle East before coming to Malaysia in 1980 as the Chief Resident Engineer for the construction of the Kuala Lumpur-Seremban Expressway and the implementation of the first highway toll systems in Malaysia.

In 1986, he joined United Engineers (Malaysia) Berhad as General Manager - Technical Services and was Managing Director of Kinta Kellas plc from 1990 to 1994 during which time he was responsible for the management of the construction of the North-South Expressway. Subsequent appointments included Managing Director of Renong Overseas Corporation Sdn Bhd (1995 - 2002), Managing Director of Crest Petroleum Berhad (1998 - 2000) and President of the Construction and Engineering Division of the Renong Group (1998 - 2002).

He is also a Director of Road Builder (M) Holdings Bhd.

TEH KEAN MING ALTERNATE DIRECTOR TO DATO' GOH CHYE KOON

PKT, *B.E (Civil), P.Eng., MIEM*

Mr Teh, born in April 1955, was appointed Alternate Director to Dato' Goh Chye Koon on 16 August 2006. He was the Alternate Director to Dato' Goh Chye Keat on 1 September 2005 to 16 August 2006. He is the Managing Director of IJM Properties Sdn Bhd since 1 January 2005 and heads the Properties Division of IJM.

He graduated with a Bachelor of Engineering degree from University of New South Wales, Australia in 1981.

He was a Resident Civil & Structural Engineer of Dayabumi Phase 3 Project (1981-1983) and Malayan Banking Berhad (1983-1987) and Engineer/Site Manager of Antah Biwater J.V. Sdn Bhd (1987-1989) prior to joining IJM Construction Sdn Bhd as Project Manager (1989-1993), Senior Manager (Project) (1994-1997) and Project Director (1998-2001). He was the Group General Manager of IJM Corporation Berhad from 1 April 2001 to 31 December 2004.

He is also a Director of Metech Group Berhad.

TAN GIM FOO ALTERNATE DIRECTOR TO MR SOO HENG CHIN

B. Eng. (Civil) (Hons), P.Eng., MIEM

Mr Tan, born in June 1958, was appointed Alternate Director to Mr Soo Heng Chin on 1 September 2005. He is the Executive Director of IJM Construction Sdn Bhd since 1 January 2005 and heads the construction Project Units in Malaysia. He is also the head of the Project Unit 1 since 8 March 2003, overseeing the construction projects in the Central Region.

He graduated with a Bachelor of Engineering (1st Class Honours) degree from University of Malaya in 1983, and holds a Master's degree in Business Administration from Charles Stuart University, New South Wales, Australia.

He started out as a Site Engineer of Mudajaya Construction Sdn Bhd (1983-1986) prior to joining IJM as Planning & Design Engineer (1986-1988), Project Manager (1988-1994), Senior Manager (1994-1997) and Project Director since 1998.

HASNI BIN HARUN ALTERNATE DIRECTOR TO ENCIK A K FEIZAL ALI

B. Accs (Hons), CA, MBA

Encik Hasni, born in June 1957, was appointed alternate Director to Encik A.K. Feizal Ali on 9 May 2007.

He graduated with a Bachelor of Accounting (Honours) degree from the University of Malaya in 1978, and holds a Master's degree in Business Administration from United States International University, San Diego, California, USA. He is also a member of the Malaysian Institute of Accountants.

He is presently the Group Chief Operating Officer of MMC Corporation Berhad ("MMC"). Prior to joining MMC, he was the Group Chief Financial Officer of DRB-Hicom Berhad (2006 - 2007), Managing Director of RHB Asset Management Sdn Bhd (2001-2006), and Senior General Manager of the Investment Department at the Employees Provident Fund Board (1994 - 2001). He had held several senior positions in the Accountant General's Office (1980 - 1994).

His directorship in other public companies include EON Capital Berhad, EON Bank Berhad, EONCAP Islamic Bank Berhad, Johor Port Berhad, Malakoff Corporation Berhad (formerly known as Nucleus Avenue (M) Berhad), Malaysian International Merchant Bankers Berhad, Mardec Berhad, Uni.Asia General Insurance Berhad, Uni.Asia Life Assurance Berhad, and Zelan Berhad.

Note:

1. There are no family relationship between the Directors and/or major shareholders of the Company.
2. All Directors are Malaysian except for A K Feizal Ali who is a permanent resident of Malaysia and Dato' David Frederick Wilson who is a British.
3. None of the Directors has any financial interest in any business arrangement involving the Group.
4. All Directors maintain a clean record with regard to convictions for offences.

PROFILE OF SENIOR MANAGEMENT



left to right:
Mah Teck Oon, Dato' Soam Heng Choon and Velayuthan A/L Tan Kim Song

MAH TECK OON *B.Eng. (Hons), P.Eng., MIEM*

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR (INDUSTRIAL CONCRETE PRODUCTS BERHAD)

Mr Mah, born in November 1952, has been the Head of IJM Industries Division since 1 July 1998, and the Chief Executive Officer & Managing Director of Industrial Concrete Products Berhad since 20 September 2004.

He graduated with a Bachelor of Engineering (Honours) degree from University of Malaya in 1976.

He was with the Hong Leong Group Malaysia for 15 years. In the first 10 years he was the General Manager of two of its ceramic tile companies. Subsequently, he became the Senior General Manager of the Concrete Products Division of Hume Industries (M) Berhad prior to joining IJM in 1995 as Group General Manager (Industries Division).

DATO' SOAM HENG CHOON *B.Sc. (Civil Eng)(Hons)*

MANAGING DIRECTOR (RB LAND HOLDINGS BERHAD)

Dato' Soam, born in August 1959, is the Managing Director of RB Land Holdings Berhad since 2006. He is also the Executive Director of RB Land Sdn Bhd since 1998 and Road Builder (M) Sdn Bhd since 1995.

He graduated from the University of Strathclyde, United Kingdom with a Bachelor of Science (1st Class Honours) in civil engineering. He was with the Ministry of Works for 10 years prior to joining Road Builder (M) Holdings Bhd Group in 1989.

He is a Professional Engineer and a member of the Institution of Engineers, Malaysia. He is the Chairman of the Real Estate and Housing Developers Association (REHDA), Negeri Sembilan branch and a National Council Member of REHDA Malaysia.

VELAYUTHAN A/L TAN KIM SONG *M.MIN, D.DIV (India & USA)*

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR (IJM PLANTATIONS BERHAD)

Mr Vela Tan, born in May 1954, has been the Head of IJM Plantations Division since 25 August 1997, and the Chief Executive Officer & Managing Director of IJM Plantations Berhad ("IJMP") since 26 February 2004.

He completed a Diploma in Management from the Malaysian Institute of Management in 1985. He served Multi-Purpose Holdings Berhad for five (5) years and was its Assistant Manager before joining IJM in 1985 as Project Officer of Desa Talisai Sdn Bhd. He was promoted to Plantation Manager in 1987 and then Senior Manager in 1990. He was appointed Group General Manager in 1994 before being appointed Executive Director in 1997 and Managing Director of IJMP in 2003. He was the Group Executive Director of IJM from 17 May 2001 to 21 May 2003.

He is also a Council Member of Malaysian Palm Oil Association ("MPOA"), alternate Board Member to Malaysian Palm Oil Board ("MPOB") and President (2003-2005) of the Sabah Rugby Union.




Top (left to right):
Ng Chin Meng
Neoh Soon Hiong

Bottom (left to right):
Tong Wai Yong
Wong Soon Fah

NG CHIN MENG *B.Eng., MIEM, P.Eng., MIE Australia, CP Eng.*
COUNTRY DIRECTOR (INDIA)

Mr Ng, born in October 1956, graduated with Bachelor of Engineering (Civil) degree from Australia in 1982.

Upon graduation, he worked for Australian Road Board for 1½ years before coming back to Malaysia to work in various Malaysian consulting firms. He was involved in the construction of the North-South Expressway and many other heavy civil engineering projects.

He joined IJM (Industries) in 1994 as Senior Manager on Road Projects. From March 1997, he was sent to spearhead the Group's Indian operations. He is currently the Executive Director of IJM (India) Infrastructure Limited.

NEOH SOON HIONG *MBA*
MANAGING DIRECTOR (TOLL DIVISION)

Mr Neoh, born in July 1956, was appointed the Managing Director of New Pantai Expressway Sdn Bhd ("NPE") and Besraya Sdn Bhd ("BSB") on 1 November 2006.

He graduated from Paris Graduate School of Management, France with a European Masters Degree in Business Administration.

He worked for Public Works Department for more than 10 years and subsequently joined PLUS Expressways Berhad as an engineer of its Maintenance Management Department in 1990. In 1995, he was transferred to Metramac Corporation Sdn Bhd and served as its engineer until he joined BSB as Project Manager in 1997. His subsequent appointments included Head of Operations of BSB (1999 - 2000), General Manager of BSB and NPE (2001 -2004) and Executive Director of Toll Division of BSB and NPE (2004 - 2006).

TONG WAI YONG *B.Eng. (Civil Eng)(Hons)*
EXECUTIVE DIRECTOR, ROAD BUILDER (M) SDN BHD

Mr Tong, born in April 1958, has been the Executive Director of Road Builder (M) Sdn Bhd ("RBM") since 20 November 2006 and heads the Construction Division of RBM in Malaysia. He is also the Director-in-charge of the Road Builder (M) Holdings Bhd Group's trading company.

He graduated with Bachelor of Engineering (Honours) degree from University of Malaya in civil engineering. He started his career as a Project Engineer with the Ministry of Works (1982 - 1984) and subsequently worked as the Site Agent for Syarikat Pembinaan Raya Sdn Bhd (1984 - 1989). He was the Chief Operating Officer of Pati Sdn Bhd (1989 - 2003) prior to joining RBM as the Director for Special Projects in 2003.

He is a Fellow Member of the Institution of Engineers, Malaysia and a Registered Professional Engineer.

WONG SOON FAH *MCIT*
MANAGING DIRECTOR (PORT DIVISION)

Mr Wong, born in October 1950, has been the Managing Director of Kuantan Port Consortium Sdn Bhd ("KPC") since 2004.

He was with the Port Authority (Klang and Kuantan) for 28 years, having served the last eight (8) years as Operations and Commercial Manager for Kuantan Port Authority before joining KPC as the General Manager Operations in 1998. He was the General Manager Marketing (2000 - 2004) of KPC before assuming his present position.

He is a member and has a professional qualification from the Chartered Institute of Transport, United Kingdom.

PROFILE OF SENIOR MANAGEMENT (cont'd)



left to right:
Jeremie Ting Keng Fui, Loy Boon Chen and Cyrus Eruch Daruwalla

JEREMIE TING KENG FUI *FCIS, MBA*
COMPANY SECRETARY

Mr Jeremie Ting, born in September 1957, joined IJM in 1982 and was appointed Company Secretary on 1 July 1994. He heads the Corporate Services, Human Resource & Administration and Information Systems Departments.

He is also the Company Secretary of Industrial Concrete Products Berhad and IJM Plantations Berhad.

He completed the examinations of The Institute of Chartered Secretaries and Administrators in 1981, after obtaining a Diploma in Foundations of Administration from Chelmer Institute of Higher Education, Chelmsford, Essex, England in 1979; and holds a Master's degree in Business Administration from Golden Gate University, San Francisco, USA.

He is currently a Council Member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and was MAICSA President for 2004 and Council Member for 1994-2004. He was the recipient of the ROC-MAICSA Company Secretary Award 2000 (Listed Company Category).

LOY BOON CHEN *MBA, CPA(M)*
IJM REPRESENTATIVE IN KUMPULAN EUROPLUS BERHAD AND TALAM CORPORATION BERHAD

Mr Loy, born in October 1951, is the representative of the Company in Kumpulan Europlus Berhad and Talam Corporation Berhad.

He is also a non-executive Director of Guangdong Provincial Expressway Development Co. Limited, China.

He was the Finance Director of IJM since 1998 and was the head of the Finance & Accounts Department before his retirement in 2006.

He qualified as a Certified Public Accountant in 1978 and holds a Master's degree in Business Administration from Golden Gate University, San Francisco, USA. He served Ernst & Young for seven (7) years prior to joining Chong Kok Lin & Sons Berhad in 1980 as Accountant cum Secretary for a year. In 1981, he joined Mudajaya Construction Sdn Bhd as Chief Accountant before being appointed Group Financial Controller of IJM in 1994. He was a member of the Accounting Standards Sub-Committee of the Federation of Public Listed Companies Berhad (1998-2006).

CYRUS ERUCH DARUWALLA *ACCA, B. Commerce*
CHIEF FINANCIAL OFFICER

Mr Daruwalla, born in January 1962, joined IJM in September 2006 as Chief Financial Officer, heading the Finance & Accounts Department for the overall Group.

He is an Executive Director for several of the Group's overseas entities as well as an Alternate Director to Dato' Goh Chye Koon on the Board of Road Builder (M) Holdings Bhd.

He graduated with a Bachelor of Commerce (Honours) degree from University of Bombay in 1982, and was admitted as an associate member of the Chartered Association of Certified Public Accountants, United Kingdom in 1993.

Upon graduation he completed his audit articleship with Ernst & Young, London, UK prior to joining Addmoss Taylor & Partners, London, before being appointed as Senior Accountant for Portlands of Blackheath Ltd., UK in 1987. In Malaysia, he worked as Head of Professional Programmes for Emile Woolf Far East Sdn Bhd, before being appointed as Group Financial Controller for the Sri America Group of Companies. In 1999, he joined PricewaterhouseCoopers, Malaysia as Manager before assuming the position of Executive Director in 2003.

SHAREHOLDER SUMMARY OF INFORMATION

Ensuring Excellence

"IJM's Mark of Excellence

is a testament of our commitment

to all stakeholders.

We are committed to realise

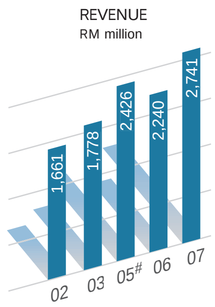
outstanding quality

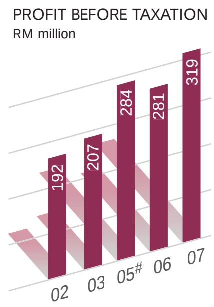
in all our business activities;

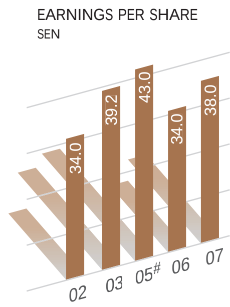
across all divisions;

in everything we do."

GROUP FINANCIAL HIGHLIGHTS

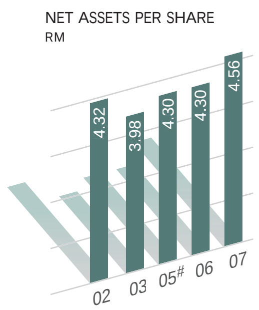


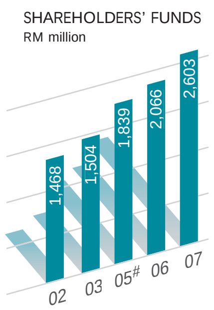


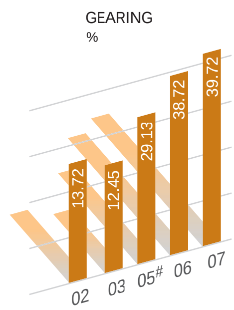


		2007	2006	2005#	2003	2002
OPERATING REVENUE (N1)	RM'000					
Construction		**1,126,246**	816,142	1,172,157	1,132,274	1,120,670
Property Development		**499,594**	517,224	478,842	204,378	160,652
Industries		**715,600**	538,970	513,595	222,847	192,818
Plantation		**302,816**	270,877	157,030	152,383	130,569
Infrastructure		**63,188**	60,876	60,493	34,675	35,118
Investment and Others		**33,144**	36,309	43,922	31,012	20,685
		2,740,588	2,240,398	2,426,039	1,777,569	1,660,512
PROFIT BEFORE TAX	RM'000					
Construction		**120,425**	103,102	110,784	101,596	104,605
Property Development		**77,177**	95,619	88,001	35,774	19,728
Industries		**73,740**	49,406	57,491	20,889	8,253
Plantation		**57,106**	52,122	32,065	34,853	29,761
Infrastructure		**(22,946)**	(14,214)	(2,668)	4,526	30,700
Investment and Others		**13,427**	(4,536)	(1,864)	9,162	(1,277)
		318,929	281,499	283,809	206,800	191,770
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	RM'000	**194,336**	160,433	185,486	145,724	122,543
ISSUED SHARE CAPITAL	RM'000	**570,327**	479,931	458,654	382,276	363,937
SHAREHOLDERS' FUNDS	RM'000	**2,602,922**	2,066,052	1,838,579	1,504,453	1,468,389
TOTAL ASSETS	RM'000	**6,038,809**	4,609,596	3,449,455	2,562,484	2,615,188
EARNINGS PER SHARE (Basic)	Sen	**38.0**	34.0	43.0	39.2	34.0
GROSS DIVIDEND PER SHARE	Sen	**15.0**	15.0	15.0	15.0	12.0
CAPITAL DISTRIBUTION	Sen	**–**	–	–	37.0	–
NET ASSETS PER SHARE	RM	**4.56**	4.30	4.30	3.98	4.32
RETURN ON TOTAL ASSETS	%	**3.22**	3.48	5.38	5.69	4.69
RETURN ON EQUITY	%	**7.47**	7.77	10.09	9.69	8.35
GEARING (Net Debt/Equity)	%	**39.72**	38.72	29.13	12.45	13.72
SHARE PRICE						
High	RM	**9.50**	5.55	5.15	5.35	6.00
Low	RM	**5.15**	4.10	4.36	3.98	3.94
Closing	RM	**8.65**	5.10	4.80	4.66	5.10
WARRANT 2005/2010 & 2000/2004* PRICE						
High	RM	**4.600**	0.835	2.16*	2.50*	2.96*
Low	RM	**0.685**	0.250	1.60*	1.26*	1.24*
Closing	RM	**3.860**	0.685	N/A*	1.76*	1.91*

N1 Including share of associate and joint venture's revenue
\# Represents 15 months ended 31 March 2005



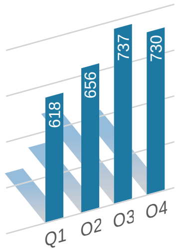




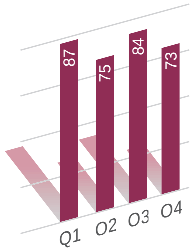
GROUP FINANCIAL HIGHLIGHTS (cont'd)

GROUP QUARTERLY PERFORMANCE

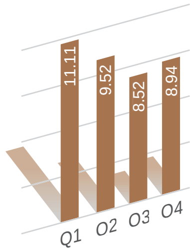
REVENUE
RM million



PROFIT BEFORE TAXATION
RM million



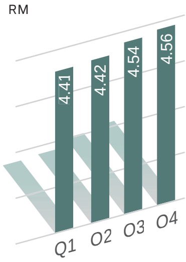
EARNINGS PER SHARE
SEN



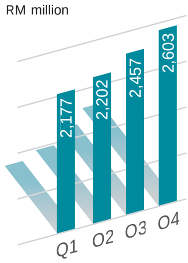
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
OPERATING REVENUE (N1)	RM'000				
Construction		260,832	264,502	292,253	308,659
Property Development		104,067	104,143	151,375	140,009
Industries		174,028	181,591	162,322	197,659
Plantation		56,085	77,002	100,504	69,225
Infrastructure		15,727	15,690	20,182	11,589
Investment and Others		7,029	12,898	9,902	3,315
		617,768	655,826	736,538	730,456
PROFIT BEFORE TAX	RM'000				
Construction		34,917	31,536	20,746	33,226
Property Development		18,320	7,843	33,085	17,929
Industries		20,020	19,981	15,984	17,755
Plantation		7,582	14,663	27,836	7,025
Infrastructure		(2,630)	(5,353)	(12,963)	(2,000)
Investment and Others		9,146	5,973	(359)	(1,333)
		87,355	74,643	84,329	72,602
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	RM'000	54,301	47,181	43,242	49,612
ISSUED SHARE CAPITAL	RM'000	493,285	498,414	540,732	570,327
SHAREHOLDERS' FUNDS	RM'000	2,177,442	2,201,504	2,456,841	2,602,922
TOTAL ASSETS	RM'000	4,227,589	5,036,177	5,448,938	6,038,809
EARNINGS PER SHARE (Basic)	Sen	11.11	9.52	8.52	8.94
GROSS DIVIDEND PER SHARE	Sen	–	10.00	–	5.00
NET ASSETS PER SHARE	RM	4.41	4.42	4.54	4.56
RETURN ON TOTAL ASSETS (Annualised)	%	5.14	3.75	3.17	3.29
RETURN ON EQUITY (Annualised)	%	9.98	8.57	7.04	7.62
SHARE PRICE					
High	RM	6.40	6.40	7.60	9.50
Low	RM	5.15	5.60	5.95	7.30
Close	RM	5.60	6.20	7.35	8.65
WARRANT 2005/2010 PRICE					
High	RM	1.540	1.420	2.530	4.600
Low	RM	0.685	0.995	1.270	2.440
Close	RM	1.120	1.350	2.450	3.860

N1 Including share of turnover of associates and joint ventures

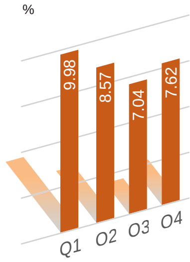
NET ASSETS PER SHARE
RM



SHAREHOLDERS' FUNDS
RM million



RETURN ON EQUITY
%



STATEMENT OF VALUE ADDED AND DISTRIBUTION

	2007 RM'000	2006# RM'000
Value added:		
Revenue	2,311,234	1,910,489
Purchases of goods & services	(1,694,268)	(1,394,813)
Value added by the Group	616,966	515,676
Share of profits of associated companies	13,085	7,062
Share of (losses)/profits of jointly controlled entities	(6,485)	6,360
Other investment income	137	131
Total value added	623,703	529,229
Distribution:		
To employees		
- Salaries & other staff costs	156,211	117,379
To Governments		
- Taxation	78,820	80,167
To providers of capital		
- Dividends	83,400	17,223
- Finance costs	72,289	54,066
- Minority interest	45,773	40,899
Retained for future reinvestment & growth		
- Depreciation and amortisation	76,274	76,285
- Retained profits	110,936	143,210
Total Distributed	623,703	529,229

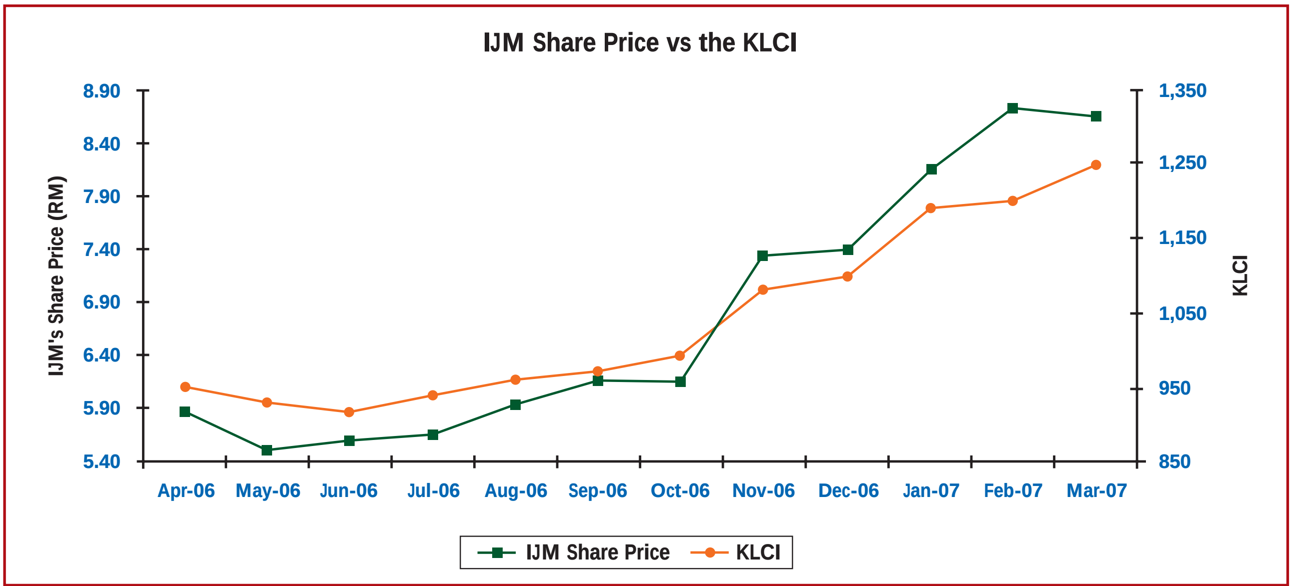
Value added is a measure of wealth created. The above statement shows the Group's value added for 2007 and 2006 and its distribution by way of payments to employees, governments and capital providers, with the balance retained in the Group for future reinvestment and growth.

Reconciliation	2007 RM'000	2006# RM'000
Profit for the year	194,336	160,433
Add: Depreciation and amortisation	76,274	76,285
Finance costs	72,289	54,066
Staff costs	156,211	117,379
Taxation	78,820	80,167
Minority interest	45,773	40,899
Total value added	623,703	529,229

Restated to incorporate the consolidation of IJM Plantations Berhad.

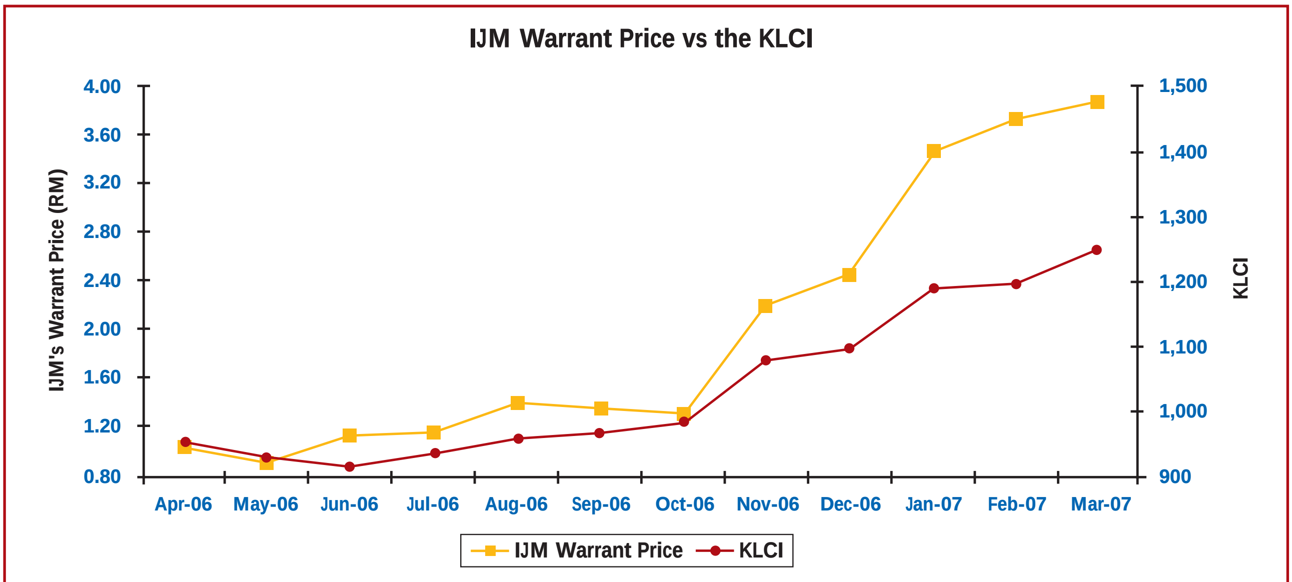
A. IJM Share Price

IJM's share price (stock code: 3336) started the first half of the financial year on a cautious note by trading within a narrow band in tandem with the overall market as foreign investors remained on the sidelines pending the rollout of infrastructure projects under the Ninth Malaysia Plan (9MP) and the unveiling of the Malaysian Budget by the Government. The announcement of the 9MP and the Malaysian Budget in September provided the impetus for a wave of mergers and acquisitions (M&A) activities and the return of foreign investors into the equity market. IJM also announced its proposed acquisition of Road Builder (M) Holdings Berhad in October and was promptly thrust into the limelight of investors' interest as IJM's share price outperformed the benchmark index (KLCI) in November with strong buying support from foreign funds who were impressed with IJM's professional management and strong fundamentals. This momentum continued till the end of the financial year as IJM's share price closed the year at RM8.65, registering an increase of 69.6% from RM5.10 a year ago.



B. IJM Warrant 2005/2010 Price

IJM's warrant price (stock code: 3336wb) became one of the top-performing stocks in the Bursa Malaysia stock exchange during the financial year and was consistently on an upward trend since November. Generally, its performance during the year mirrored that of its mother share. At the end of the financial year, IJM's warrant price closed at RM3.86, recording an increase of 463.5% from RM0.685 a year ago and a return of 7,620% over its issue price of RM0.05.



C. IJM Medium Term Notes 2005/2010

As a further endorsement to IJM's strong financial position, MARC has reaffirmed IJM's corporate debt rating as "A+" in its latest annual review in March 2007.

Details of the medium term notes are disclosed in Note 18 to the financial statements.

FINANCIAL CALENDAR

Financial Year End		31 March 2007
Announcement of Results	1st quarter	16 August 2006
	2nd quarter	15 November 2006
	3rd quarter	27 February 2007
	4th quarter	30 May 2007
Notice of Annual General Meeting		31 July 2007
Annual General Meeting		29 August 2007
Payment of Dividends		
First Interim	Declaration	15 November 2006
	Book closure	19 January 2007
	Payment	9 February 2007
Second Interim	Declaration	30 May 2007
	Book closure	31 July 2007
	Payment	17 August 2007

INVESTORS SERVICE

The Group maintains a dynamic website (http://www.ijm.com) which provides detailed information on the Group's operations and latest developments. For further details, you may contact:-

Mr Jeremie Ting Keng Fui
Company Secretary
Tel : +603-79858130 Fax: +603-79521200
E-mail : jt@ijm.com

I. ANALYSIS OF SHAREHOLDINGS

as at 30 June 2007

Authorised Share Capital	:	RM3,000,000,000
Issued & paid-up Capital	:	RM851,786,924
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights		
On show of hands	:	1 vote
On a poll	:	1 vote for each share held

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	Number of Shares	Percentage of Issued Capital
Less than 100	186	5,724	0.00%
100 - 1,000	2,384	1,855,954	0.22%
1,001 - 10,000	3,097	10,895,815	1.28%
10,001 - 100,000	709	23,692,516	2.78%
100,001 to less than 5% of issued shares	463	546,341,280	64.14%
5% and above of issued shares	4	268,995,635	31.58%
	6,843	851,786,924	100.00%

REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Number of Shares		
	Direct	Deemed Interests	Percentage of Issued Capital
1. Employees Provident Fund Board	95,737,690	–	11.240%
2. JPMorgan Chase & Co	57,986,300	–	6.808%
3. The Capital Group Companies, Inc.	–	69,009,334	8.102%
4. Zelan Berhad	82,334,362	–	9.666%

THIRTY LARGEST SHAREHOLDERS

	Number of Shares	Percentage of Issued Capital
1. ZELAN BERHAD	82,334,362	9.67%
2. EMPLOYEES PROVIDENT FUND BOARD	75,611,040	8.88%
3. HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)	66,784,983	7.84%
4. HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR J.P. MORGAN BANK LUXEMBOURG S.A.	44,265,250	5.20%
5. CARTABAN NOMINEES (ASING) SDN BHD - SSBT FUND HG22 FOR SMALLCAP WORLD FUND, INC.	20,840,000	2.45%
6. AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD - SKIM AMANAH SAHAM BUMIPUTERA PERMODALAN NASIONAL BERHAD	19,998,444	2.35%
7. HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HBFS-I CLT ACCT)	18,235,600	2.14%
8. HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.A.E.)	17,251,047	2.03%
9. HSBC NOMINEES (ASING) SDN BHD - TNTC FOR SAUDI ARABIAN MONETARY AGENCY	16,000,000	1.88%
10. HSBC NOMINEES (ASING) SDN BHD - BBH AND CO BOSTON FOR GMO EMERGING MARKETS FUND	15,407,340	1.81%
11. HSBC NOMINEES (ASING) SDN BHD - BNY BRUSSELS FOR JF ASEAN FUND	9,787,000	1.15%
12. PERMODALAN NASIONAL BERHAD	9,636,700	1.13%
13. CARTABAN NOMINEES (ASING) SDN BHD - GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION PTE LTD FOR GOVERNMENT OF SINGAPORE (C)	8,815,871	1.03%
14. SBB NOMINEES (TEMPATAN) SDN. BHD. - EMPLOYEES PROVIDENT FUND BOARD	8,663,350	1.02%
15. HSBC NOMINEES (ASING) SDN BHD - TNTC FOR FIDELITY INTERNATIONAL DISCOVERY FUND (FID INV TST)	8,525,300	1.00%

THIRTY LARGEST SHAREHOLDERS (cont'd)

	Number of Shares	Percentage of Issued Capital
16. CITIGROUP NOMINEES (ASING) SDN BHD - EXEMPT AN FOR AMERICAN INTERNATIONAL ASSURANCE COMPANY LIMITED	8,092,650	0.95%
17. HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR DEUTSCHE WERTPAPIERSERVICE BANK AG (DRESDNER BK AG)	7,928,500	0.93%
18. AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD - AMANAH SAHAM WAWASAN 2020 PERMODALAN NASIONAL BERHAD	7,534,900	0.88%
19. HSBC NOMINEES (ASING) SDN BHD - BBH (LUX) SCA FOR FIDELITY FUNDS ASEAN	7,338,900	0.86%
20. CARTABAN NOMINEES (ASING) SDN BHD - INVESTORS BANK AND TRUST COMPANY FOR ISHARES, INC.	7,338,000	0.86%
21. HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.K.)	6,967,550	0.82%
22. MINISTER OF FINANCE	6,095,250	0.72%
23. HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR J.P. MORGAN BANK (IRELAND) PUBLIC LIMITED COMPANY	6,042,750	0.71%
24. CITIGROUP NOMINEES (ASING) SDN BHD - CBNY FOR DFA EMERGING MARKETS FUND	5,964,800	0.70%
25. HSBC NOMINEES (ASING) SDN BHD - BBH (LUX) SCA FOR FIDELITY FUNDS MALAYSIA	5,772,950	0.68%
26. VALUECAP SDN BHD	5,544,500	0.65%
27. CITIGROUP NOMINEES (TEMPATAN) SDN BHD - CMS DRESDNER ASSET MANAGEMENT SDN BHD FOR EMPLOYEES PROVIDENT FUND	5,014,000	0.59%
28. HSBC NOMINEES (ASING) SDN BHD - MORGAN STANLEY & CO. INTERNATIONAL PLC (FIRM A/C)	4,955,550	0.58%
29. CITIGROUP NOMINEES (ASING) SDN BHD - EXEMPT AN FOR MELLON BANK (MELLON)	4,308,419	0.51%
30. CARTABAN NOMINEES (ASING) SDN BHD - SSBT FUND HG19 FOR GLOBAL SMALL CAPITALISATION (AM FUNDS INS SR)	4,165,000	0.49%
	515,220,006	60.51%

II. ANALYSIS OF WARRANTHOLDINGS

as at 30 June 2007

Warrants 2005/2010 : RM28,650,401 outstanding

DISTRIBUTION OF WARRANTHOLDINGS

Range of Warrantholdings	Number of Warrantholders	Number of Warrants	Percentage of Outstanding Warrants
Less than 100	8	290	0.00%
100 - 1,000	809	459,356	1.60%
1,001 - 10,000	465	1,732,125	6.05%
10,001 - 100,000	156	5,602,050	19.55%
100,001 - to less than 5% of issued warrants	42	11,252,520	39.28%
5% and above of issued warrants	5	9,604,060	33.52%
	1,485	28,650,401	100.00%

THIRTY LARGEST WARRANTHOLDERS

	Number of Warrants	Percentage of Outstanding Warrants
1. HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HBFS-I CLT ACCT)	2,811,000	9.81%
2. GENERAL TECHNOLOGY SDN BHD	2,264,700	7.90%
3. HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)	1,549,360	5.41%
4. RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LEE TECK YUEN (MLK)	1,500,000	5.24%
5. WONG KOK HOI	1,479,000	5.16%
6. VAST UPTREND COMPANY SDN BHD	1,175,500	4.10%

THIRTY LARGEST WARRANTHOLDERS (cont'd)

	Number of Warrants	Percentage of Outstanding Warrants
7. RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR SOW GEK PONG (MLK)	1,000,000	3.49%
8. RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR BRYAN NICHOLAS LEE MUN HEI	700,000	2.44%
9. JERNEH INSURANCE BHD	580,600	2.03%
10. HSBC NOMINEES (ASING) SDN BHD - BNY BRUSSELS FOR PACIFIC BASIN EQUITY FUND	500,000	1.75%
11. TAN BOON SENG @ KRISHNAN	479,100	1.67%
12. LOW HONG IMM	474,600	1.66%
13. LEE SEAN LOON	450,000	1.57%
14. CITIGROUP NOMINEES (ASING) SDN BHD - CB SPORE GW FOR NTUC INCOME INSURANCE CO-OPERATIVE LTD (LIFEPAR)	380,000	1.33%
15. SOO HENG CHIN	270,000	0.94%
16. GLENDALE CORPORATION SDN BHD	269,400	0.94%
17. KE-ZAN NOMINEES (ASING) SDN. BHD. - KIM ENG SECURITIES PTE. LTD. FOR EXQUISITE HOLDINGS LIMITED	258,000	0.90%
18. CITIGROUP NOMINEES (ASING) SDN BHD - CBHK FOR KUWAIT INVESTMENT AUTHORITY (FUND 208)	248,200	0.87%
19. LOY BOON CHEN	230,700	0.81%
20. KE-ZAN NOMINEES (TEMPATAN) SDN. BHD. - KIM ENG SECURITIES PTE. LTD. FOR WONG YUE JEEN	220,000	0.77%
21. HSBC NOMINEES (ASING) SDN BHD MORGAN STANLEY & CO. INTERNATIONAL PLC (FIRM A/C)	219,000	0.76%
22. LAU WATT HONG	204,100	0.71%
23. AMANAH RAYA BERHAD - SBB STRATEGIC EQUITY FUND	203,400	0.71%
24. OSK NOMINEES (TEMPATAN) SDN BERHAD - PLEDGED SECURITIES ACCOUNT FOR RAVINDRAN A/L SIVASUBRAMANIAM	200,100	0.70%
25. HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	200,000	0.70%
26. MALAYSIAN ASSURANCE ALLIANCE BERHAD - AS BENEFICIAL OWNER (GROWTH FUND) EQUITY INVESTMENTS DEPT	200,000	0.70%
27. MAYBAN NOMINEES (TEMPATAN) SDN BHD - MAYBAN TRUSTEES BERHAD FOR BALANCED RETURNS FUND (N14011980060)	200,000	0.70%
28. HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.A.E.)	184,220	0.64%
29. TM ASIA LIFE MALAYSIA BHD. - AS BENEFICIAL OWNER (PF) ASIA INSURANCE BUILDING	177,000	0.62%
30. TING KENG FUI	163,000	0.57%
	18,790,980	65.60%

III. DIRECTORS' SHAREHOLDINGS & WARRANTHOLDINGS as at 30 June 2007

A. DIRECTORS' SHAREHOLDINGS & WARRANTHOLDINGS IN IJM CORPORATION BERHAD

Name of Directors	Number of Shares Direct	Number of Shares Deemed	Percentage of Issued Capital	Number of Warrants Direct	Number of Warrants Deemed	Percentage of Outstanding Warrants
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	30,000	–	0.004%	–	–	–
Dato' Tan Boon Seng @ Krishnan	914,600	–	0.107%	501,900	–	1.752%
Dato' Goh Chye Koon	280,712	–	0.033%	113,000	–	0.394%
Soo Heng Chin	346,400	–	0.041%	336,000	–	1.173%
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	100,333	–	0.012%	–	–	–
Datuk Yahya bin Ya'acob	50,000	–	0.006%	–	–	–
Datuk Oh Chong Peng	–	–	–	–	–	–
Tan Sri Abdul Halim Bin Ali	–	–	–	–	–	–
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	–	–	–	–	–	–
Ayyaril Karikulath Feizal Ali	–	–	–	–	–	–

A. DIRECTORS' SHAREHOLDINGS & WARRANTHOLDINGS IN IJM CORPORATION BERHAD (cont'd)

Name of Directors	Number of Shares Direct	Number of Shares Deemed	Percentage of Issued Capital	Number of Warrants Direct	Number of Warrants Deemed	Percentage of Outstanding Warrants
Datuk Lee Teck Yuen	–	–	–	–	2,200,000[1]	7.679%
Dato' David Frederick Wilson	–	–	–	–	–	–
Tan Gim Foo	–	–	–	10,000	–	0.035%
Teh Kean Ming	–	–	–	97,000	5,000[2]	0.356%
Hasni Bin Harun	–	–	–	–	–	–

Note:-
• [1] Through a nominee company • [2] Through a family member

B. DIRECTORS' OPTIONS OF EMPLOYEE SHARE OPTION SCHEME IN IJM CORPORATION BERHAD as at 30 June 2007

Name of Directors	Number of Options	Percentage of Outstanding Options
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	–	–
Dato' Tan Boon Seng @ Krishnan	–	–
Dato' Goh Chye Koon	800,000	18.800%
Soo Heng Chin	–	–
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	–	–
Datuk Yahya bin Ya'acob	–	–
Datuk Oh Chong Peng	100,000	2.350%
Tan Sri Abdul Halim Bin Ali	–	–
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	–	–
Ayyaril Karikulath Feizal Ali	–	–
Datuk Lee Teck Yuen	–	–
Dato' David Frederick Wilson	–	–
Tan Gim Foo	–	–
Teh Kean Ming	70,000	1.645%
Hasni Bin Harun	–	–

C. DIRECTORS' SHAREHOLDINGS AND OPTIONS OF EMPLOYEE SHARE OPTION SCHEME IN INDUSTRIAL CONCRETE PRODUCTS BERHAD as at 30 June 2007

Name of Directors	Number of Shares Direct	Number of Shares Deemed	Percentage of Issued Capital	Number of Options	Percentage of Outstanding Options
Dato' Tan Boon Seng @ Krishnan	732,000	901,200[1]	0.448%	–	–
Dato' Goh Chye Koon	144,400	–	0.040%	–	–
Teh Kean Ming	50,000	–	0.014%	–	–

D. DIRECTORS' SHAREHOLDINGS AND OPTIONS OF EMPLOYEE SHARE OPTION SCHEME IN IJM PLANTATIONS BERHAD as at 30 June 2007

Name of Directors	Number of Shares Direct	Number of Shares Deemed	Percentage of Issued Capital	Number of Options	Percentage of Outstanding Options
Dato' Tan Boon Seng @ Krishnan	505,879	277,879[1]	0.136%	–	–
Dato' Goh Chye Koon	153,484	–	0.027%	–	–
Soo Heng Chin	22,000	–	0.004%	–	–
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	133	–	–	–	–
Datuk Oh Chong Peng	–	–	–	10,000	1.274%
Teh Kean Ming	30,000	30,000	0.010%	–	–

Note:-
• [1] Through a family member

E. DIRECTOR'S SHAREHOLDINGS IN RB LAND HOLDINGS BERHAD as at 30 June 2007

Name of Director	Number of Shares Direct	Number of Shares Deemed	Percentage of Issued Capital
Dato' Lee Teck Yuen	–	3,932,000[1]	0.692%

Note:-
• [1] Through a nominee company

Except for those disclosed above, none of the other Directors has any interest in the securities of the related corporations of the company.

CORPORATE DIARY

Visit by Pakistani Officials

Visit by Chinese Senior Officials

Senior Management Dialogue

APRIL '06

6 **Visit by Pakistani Officials**

A group of government officials from the City District of Karachi, Pakistan visited IJM office to discuss on the Karachi Elevated Highway project in Pakistan. Led by mayor City Nazim Syed Mustafa Kamal, this inaugural visit heralds more prospective business opportunities for the Group.

7 **Visit by IJM (India) Staff**

Fifteen staff of the Group's overseas venture, IJM (India) Infrastructure Limited, visited IJM Head Office and some of the Group's on-going projects in the Klang Valley.

8 **IJM Annual Dinner & Dance 2006 @ Sunway Lagoon Resort Hotel**

This year's Dinner saw the event living up to its theme 'Simply The Best' from dining to entertainment, awards, prizes give-away and staff performances. The evening was livened up by lively sketches and dances performed by staff from the Construction, Properties and Industries divisions. A total of 1,200 IJM staff attended the Dinner.

13 **NACH, India visits IJM**

A group of students and faculty members from the National Academy of Construction, Hyderabad (NACH) visited IJM Head Office and toured IJM project sites (KLCC Luxury Condominium & Bank of Commerce, KL). The students were on a study tour to understand infrastructural technicalities in construction.

24-26 **Macquarie Securities Asean Corporate Day @ Edinburgh & London**

IJM was invited to speak to investors and fund managers during the corporate roadshow.

MAY '06

4 **Malaysia Corporate Access Day @ Singapore**

IJM took part in this roadshow organised by CLSA Singapore Pte Ltd which was held in the island Republic.

25 **Visit by Chinese Senior Officials**

A group of senior officials from Republic of China, led by the Chief Secretary Song Bo, paid a visit to IJM's Head Office.

JUNE '06

23-25 **IJM Games 2006**

The Group held its 6th IJM Games in Petaling Jaya as part of our CSR programme to promote staff interaction. More than 300 participants, representing the Group's various Divisional operating units, participated in 12 sports events which were held over 3 days. Team Construction emerged as overall champions, its 4th overall title in this Games series.

JULY '06

5-6 **Senior Management Dialogue @ Avillion Hotel, Port Dickson**

The annual dialogue was attended by the Group's Board of Directors, senior management and project managers. The dialogue features presentations and discussions on the Group's plans & strategies for the future.

South African MOU

IJM Scholarship Award

LEKAS Signing Ceremony

12 UTAR Students Site Study Tour to PJ8

A group of over 30 students and lecturers were given an opportunity to study the construction of IJM Properties Sdn Bhd's iconic PJ8 project. The development will herald the tallest landmark in PJ upon completion, coupled with modern facilities and security features that are ideal for both living and working lifestyles.

13 Nomura Asia Equity Forum 2006 @ Singapore

IJM was invited to share its business operations and present opportunities to fund managers and investors at this corporate roadshow.

28 Stamford College Student Site Study Tour to PJ8

A group of 17 students and lecturers were given a study tour of the Group's PJ8 development - set to become one of PJ's iconic landmarks. Study tours such as these are part of IJM's CSR initiatives to educate and share its construction know-how with undergraduates.

31 IJM Scholarship Award Presentation Ceremony

The IJM Scholarship Award 2006 is part of IJM's CSR effort. This year nine bright students pursuing degrees in various fields from different local universities received RM10,000 each per academic semester. To qualify, these scholars have to obtain good STPM/Matriculation grades, hold an active record in extra co-curricular activities and possess a strong command of English.

AUGUST '06

23 Visit by Chinese Delegates

A group of delegates from China, led by Liang Zhuo Ren, paid a visit to IJM headquarters. They were briefed on the advancements and capabilities in pre-stressed concrete spun pile technology under Industrial Concrete Products Berhad, a subsidiary of IJM and a market leader in its sector.

31 IJM in South African MOU

IJM entered into an MOU with the Trade and Investment body of Limpopo, South Africa, where the former will take in three graduates to undergo on the job training with the Company for 2 years. During their tenure, the graduates are given training and a charted career development programme; skills they can use upon their return to South Africa.

31 Merdeka Celebrations @ Kuching, Sarawak

In this national celebration, a myriad of colourful activities and presentation from all races and walks of life depicted the Malaysian spirit of unity and racial harmony. Representatives from the construction and property development sector, co-led by IJM and Island & Peninsular, also participated in the colourful float parade procession.

IJM Family Day 2006

TAR Career Fair

Corporate Governance Survey Award

SEPTEMBER '06

8-10 **37th HSBC-COBRA Invitational Rugby 10s @ Petaling Jaya Stadium in Kelana Jaya**

As part of its CSR role in building the nation's sports sector at grassroots level, IJM continued to be one of the sponsors of this annual tournament.

17 **IJM Family 'Chill Out' Day 2006 @ Sunway Lagoon**

With its theme, 'Chill Out', the IJM Family Day affair was nothing short of splash & dash as IJM staff brought their families to Sunway Lagoon for fun and relaxation. Nearly 800 staff turned up on this sunny Sunday afternoon and they had a great time with the sporting activities and theme park facilities.

OCTOBER '06

18 **Press Conference: Proposed acquisition of RBH**

IJM announced its proposed takeover of RBH's assets and liabilities for a whopping RM1.56 billion, to be satisfied by the issuance of 1.56 billion nominal value redeemable unsecured loan stocks in IJM. The news surprised the construction sector as it was the biggest and boldest M&A move ever to take place in Malaysia's construction history. Upon completion of the M&A, the total assets of the enlarged IJM Group is estimated to exceed RM10 billion. An analyst briefing was held shortly after the Conference.

19 **JV Agreement with Angkasa Gagah @ The Penthouse, Wisma IGB**

A joint venture agreement for the development of 42.24 acres of land in Melawati ridge, Taman Melawati, was signed between IJM Properties Sdn Bhd and IGB Corporation Berhad.

NOVEMBER '06

7 **Visit by delegates from NHA Pakistan**

A group of delegates from National Highway Authority Pakistan & Ministry of Highway paid a visit to IJM's Head Office and was given a briefing by Dato' Goh Chye Koon on the Group's operations.

8 **Signing Ceremony for the Privatisation of the Kajang-Seremban Highway @ Mandarin Oriental Hotel, KL**

The Signing Ceremony for the recommencement of work at the Kajang-Seremban Highway between the Government, LEKAS and KASEH was witnessed by YB Dato' Seri S. Samy Vellu, Minister of Works. The signing consists of two agreements: the Novation Agreement and Supplemental Concession Agreement. LEKAS is the first domestic toll concession for the Group, and the construction of the 48km expressway is expected to be completed within 33 months.

8-10 **TAR Career Fair**

As part of its plan to invest in human capital development, IJM took part in this career fair organised by TAR college. Besides spreading its renown to a relatively new market of undergraduates, the Group fully supports its social events and intends to serve the community through these occasions.

MCIEA 2006

NACRA 2006

OSHA National Excellence Award 2006

20 **Top 200 PLCs Corporate Governance Survey Report 2006 Award Presentation Ceremony @ Hotel Nikko, KL**

IJM Corporation Berhad, together with IJM Plantations Berhad, was ranked ninth place overall in the Top 200 PLCs Corporate Governance Survey Report 2006 - a joint study conducted by the Minority Shareholder Watchdog Group and The University of Nottingham (Malaysia Campus). An Award Presentation Ceremony, graced by Y.B. Dato' Dr Ng Yen Yen, Deputy Minister of Finance I, was held to commemorate the findings.

24 **The Malaysian Construction Industry Excellence Awards (MCIEA) 2006 @ PWTC, KL**

The MCIEA, an annual event organised by the Construction Industry Development Board (CIDB) Malaysia, is Malaysia's premier accolade for all round excellence. IJM won the International Achievement Award category, which was presented by Dato' Seri S. Samy Vellu, Minister of Works.

30 **NACRA 2006 Award Presentation Dinner @ Sime Darby Convention Centre, KL**

Once again, the Group demonstrated that embracing transparency and sound practices throughout its business operations yields handsome dividends as it won the prestigious NACRA award in the Industry Excellence category for Construction & Infrastructure Project Companies Sector. This is the third consecutive award in its NACRA participation, with the first going back to 2003.

DECEMBER '06

27 **Flood Relief Efforts**

The Group initiated a week long campaign to collect used clothing and donations as part of its CSR programme in aid of the victims affected by the flood in Johor.

JANUARY '07

5 **IJM New Year Bash 2007 @ Uncle Chilli's, PJ Hilton**

Over 400 IJM staff from around the Klang Valley gathered at Uncle Chilli's to celebrate a booming 2006 and usher in the new year. They revelled with good food, drinks, music, laughter and dances; and were also entertained by a live band.

25 **EGM for the Proposed Privatisation of RBH**

Shareholders gave their unanimous approval for the Company to proceed with the proposed acquisition of the Road Builder Group for a total consideration of RM1.56 billion.

FEBRUARY '07

6 **Occupational Safety & Health National Excellence Award 2006**

IJM received one of the awards in the Construction sector in an event held at the Berjaya Times Square. YAB Dato' Seri Abdullah Ahmad Badawi, Prime Minister of Malaysia, YB Datuk Wira Dr Fong Chan Onn, Minister of Human Resource and YB Dato' Abdul Rahman Deputy Minister of Human Resource were present to grace the event.

MARCH '07

27-30 **CLSA Hong Kong Corporate Roadshow**

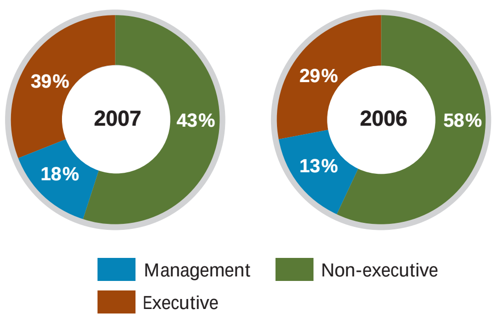
IJM participated in this roadshow organised by CLSA in Hong Kong, with our CEO making a presentation to investors and the financial community.

EMPLOYEES AND PRODUCTIVITY

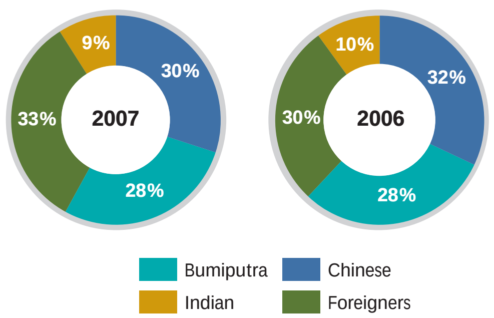
		2007 RM'000	2006# RM'000
(a)	**Employees as at 31 March:-**		
	Employees by Classification		
	- Management	**471**	283
	- Executive	**1,047**	661
	- Non-executive	**1,156**	1,314
		2,674	2,258
	Employees by Ethnic Composition		
	- Bumiputra	**760**	622
	- Chinese	**814**	738
	- Indian	**240**	219
	- Foreigners	**860**	679
		2,674	2,258
(b)	**Productivity:-** (N1)		
	Revenue - per employee (in RM'000)	**937**	902
	- per RM employment cost (in RM)	**14.80**	16.28
	PBT - per employee (in RM'000)	**129**	133
	- per RM employment cost (in RM)	**2.04**	2.40
	Value added - per employee (in RM'000)	**253**	254
	- per RM employment cost (in RM)	**3.99**	4.51

(N1) Based on average number of employees during the year.
\# Restated to incorporate the consolidation of IJM Plantations Berhad.

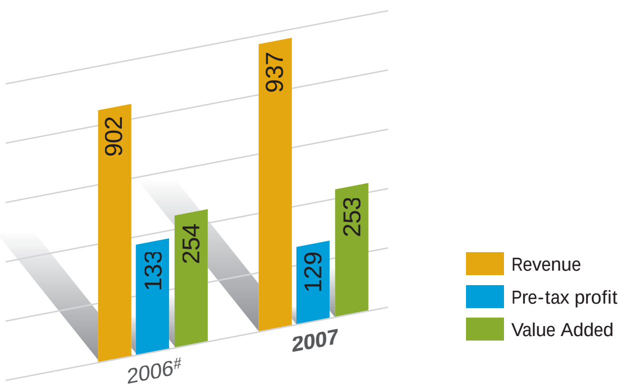
Employees by Classification



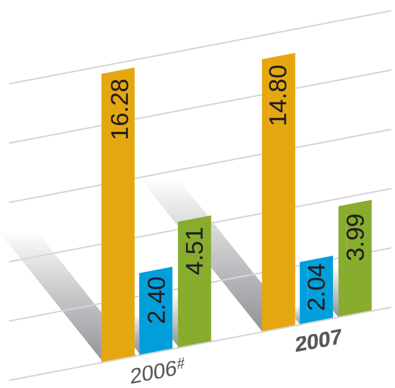
Employees by Ethnic Composition



Productivity - Per Employee (RM'000)



Productivity - Per RM Employment Cost



BUSINESS REVIEW & REPORTS

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“We’ve made it our business

to care for the environment,

and the society as a whole.

It is an intrinsic IJM mission

to combine social responsibility

with business objectives and good

corporate governance for long-term

sustainable development.”

Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob
Chairman

Chairman's Statement

INTRODUCTION

ON BEHALF OF THE BOARD OF DIRECTORS OF IJM CORPORATION BERHAD, I AM PLEASED TO PRESENT THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007.

OPERATING ENVIRONMENT

Global markets continued their upward momentum in 2006, with Malaysia's growth at a new high compared to recent years, underpinned by robust domestic demand and continued export buoyancy. Real gross domestic product (GDP) of Malaysia expanded by 5.9%, an increase over the 5.3% recorded in 2005. However, rising costs brought about by high fuel and commodity prices threaten to hinder economic activity and continue to exert pressure on bottom lines. Meanwhile, the economies of other markets in which the Group has exposure like India, Gulf States and China, also continued to see significant GDP growth rates and similar pressures on cost.

Another accolade for the Group; the Overall Best Managed Company in Malaysia (Mid Cap) Award by Asia Money

Domestically, the Government put in place pro-active measures to further strengthen economic activities, including formulating the policy directions and strategic thrusts of the Ninth Malaysian Plan (9MP) as well as the second phase of Vision 2020. The implementation of the 9MP, with its development expenditure budget of RM200 billion allocated to the critical segments of water, sewerage, flood mitigation and public transport, should act as the catalyst for the strengthening of the medium and long-term development prospects of the Malaysian economy.

These measures have already had a positive impact on the construction sector. Led by a gradual recovery in civil engineering activity, the sectoral performance improved further and recorded only a mild contraction of 0.5% compared to 1.6% in the previous year. Follow through activities saw first quarter 2007 sector growth reach a positive 4.0%.

India, our major foreign market, continues to see very robust growth with GDP growth reaching 9.4%. Opportunities in the construction, infrastructure and building sectors continue to be abundant though costs continue to see an uptrend as reflected in the approximate 5% rise of WPI.

OPERATING RESULTS

The Group continued its fine performance and registered new record levels for the financial year ended 31 March 2007 (FY 2007). Revenue, profits before tax and net profits all rose, to RM2,311 million, RM318.93 million and RM240.11 million respectively, representing increases of 20.98%, 13.30% and 19.26% respectively over FY 2006.

During FY 2007, the Construction Division achieved its best set of results yet with revenue and pre-tax profits soaring to new heights. The Division has also successfully replenished its order book by a whopping RM3.39 billion, a record for the Group. The Group's acquisition of the Road Builder Group (RBH) of Companies in April 2007 will further enhance this order book and the scale of the divisions' activities significantly.

Our Properties business saw a decline over its FY 2006 results due to the sluggish domestic property market arising partly from concerns of interest rate hikes and disposable income pressures at the medium and lower end of the market. However, property transactions are expected to pick up pursuant to several measures undertaken by the Government to spur growth in this segment, including amendments to the Housing Development Act whereby the Certificate of Completion and Compliance will be issued by architects and engineers to facilitate early occupation of buildings, and amendments to Strata Title Act to enable faster and more transparent approval processes. In addition, the Government's initiatives in terms of liberalising foreign ownership, combined with the exempting of Real Property Gains Tax are expected to further boost the property sector.

The Group's involvement in Infrastructure privatisation (Build-Operate-Transfer) schemes has also proved successful with investments existing in major projects such as the Western Access Tollway in Argentina, the Swarna, Rewa and Jaipur-Mahua tolled highways in India and the Binh An water treatment concession in Vietnam. During FY 2007, the Group also secured the Lebuhraya Kajang-Seremban concession, our first Malaysian toll road, before the acquisition of RBH provided the Besraya Highway and New Pantai Expressway as further additions to our expanding stable of toll concessions in Malaysia. These assets will steadily boost the contributions to the Group, whilst enabling a risk-diversification element to our earnings streams.

The Industrial Concrete Products Berhad Group achieved record-breaking performances that saw an impressive increase in its revenue and pre-tax profits of 34.04% and 49.25% respectively. This division is expected to continue to benefit from the strong demand anticipated for building materials arising from the implementation of the 9MP and increased construction activity in Singapore.

Our Plantations Division recorded marginally improved performance with an increase of 9.56% in pre-tax profits, and can expect better performances with the recent surge in crude palm oil prices as well as the increasing acreage coming into effective maturity.

Our CEO's Review of Operations, covered on pages 49 to 70, provides greater in-depth coverage of the Group's divisional performances for the FY 2007.

BUSINESS OUTLOOK AND OPERATIONAL STRATEGIES FOR 2008

Moving forward, current trends in the global environment point to a more challenging external sector in 2008. While the global economy is expected to expand, there are still downside risks on the horizon, particularly with crude oil prices remaining high and the tightening of global finance conditions and rates. However, the prospects for the Malaysian economy remain favourable, supported by both domestic and external demand. The Government is confident that with the strength of the economy and its strong fundamentals, Malaysia will continue to achieve a GDP growth averaging 5.8% in 2008. Similarly, the Group's external markets are expected to continue to see robust growth and this should augur well for the Group's activities in these markets.

ICP piles used at Marina Bay, St Petersburg, Florida, USA

The Hang Tuah Mosque

Healthy, young palm trees

Our Group's four-pronged strategies of selective market diversification in our construction business, aggressive Malaysia-centered activities in all divisions, internationalisation of our local business and building the recurrent income potential of infrastructure investments, are expected to drive the Group forward well into the future.

The timely acquisition of the Road Builder Group has resulted in the Group having a significantly increased asset base and order book, while providing the additional manpower and capacity boost to add significant synergies to the Group's operations. The existing good order book and improved potential attributable to increased construction opportunities from the implementation of the 9MP bodes well for the Construction and Industries divisions. The Plantations division can expect increased profitability through higher anticipated crop production and expected higher palm product prices. Meanwhile, Government measures taken and continue to be taken in the domestic property sector should provide the impetus for better performance in our Property Division.

DIVIDENDS

A special tax-exempt dividend of 5% or 5 sen per share and a first interim dividend of 5% or 5 sen per share less tax at 27% totaling RM47.73 million was declared and paid on 9 February 2007.

In view of the improved performance of the Group for FY 2007 and in keeping with historical gross dividend payout rates, the Company declared a second interim dividend for the financial year ended 31 March 2007 at the rate of 5% or 5 sen per share less tax at 27%, payable on 17 August 2007 to shareholders on the register on 31 July 2007.

Whilst the Gross Dividend rates have been maintained at their historical levels of 15%, the declaration of the tax-exempt dividend and the reduction in tax rates have increased the Net Dividend rate for the year to 12.30%. With the substantial increase in capital base, this represents a payout ratio of 32.9% of profits after tax.

CORPORATE PROPOSALS

On the corporate front, FY 2007 saw an exciting year for the Group with several significant corporate proposals aimed at further enhancing our Group's scale of operations and future returns. The state of each proposal is as follows:-

(i) On 30 May 2005, the Company had entered into a Share Purchase Agreement (SPA) to acquire 118,373,600 ordinary shares of RM1.00 each in Kumpulan Europlus Berhad (KEB) representing 25% of the equity interest in KEB from certain shareholders of KEB for a total cash consideration of RM33,144,608 or RM0.28 per share. In addition the Company has been granted a call option to acquire a further 5% equity interest in KEB. On 29 June 2007, the Company announced that it would proceed with the acquisition of the 25% stake in KEB. This acquisition will provide significant new opportunities for the Group in the immediate future.

(ii) On 30 September 2005, the Company had entered into a Definitive Agreement with Antah Holdings Berhad (Antah), KASEH Lebuhraya Sdn Bhd (KASEH) and Lebuhraya Kajang-Seremban Sdn Bhd (LEKAS) for the Company to participate in the 48 Km new highway concession linking Kajang to Seremban for a period of 32.5 years. The transaction is now completed following the Novation Agreement with KASEH and Supplemental Concession Agreement with the Government signed on 8 November 2006. The Company will subscribe for RM50 million of new ordinary shares of RM1 each (representing 50% equity) and RM240 million 7% Redeemable Convertible Unsecured Loan Stocks (RCULS) in LEKAS. The Company will divest RM120 million of the RCULS to certain Bumiputera individuals and/or institutions. LEKAS, incorporated on 22 June 2005, is the special purpose vehicle to undertake the Concession. Since the completion of the Agreement, financial close has been successfully achieved on 22 December 2006 and work on the ground has commenced.

(iii) On 18 October 2006, the Company announced and on 25 January 2007, the shareholders of the Company approved the acquisition of Road Builder (M) Holdings Berhad (RBH) by way of:-

(a) A proposed acquisition of all assets and liabilities of RBH for a total purchase consideration of up to RM1.56 billion to be satisfied by the issuance of up to RM1.56 billion nominal value Redeemable Unsecured Loan Stocks (RULS); and

(b) A proposed conditional takeover offer by the Company for all the ordinary shares of RM1.00 each of RBH ("RBH Shares") at the offer price of RM3.00 per share to be satisfied by the issuance of up to 273,293,885 new ordinary shares of RM1.00 each in IJM ("IJM Shares") on the basis of one (1) new IJM Share at the issue price of RM6.00 for every two (2) existing RBH Shares held.

On 16 March 2007, the Company announced that the offer has become unconditional. Subsequently the Company issued 258,889,538 new IJM ordinary shares on 2 April 2007 and a further 13,711,831 new IJM ordinary shares on 27 April 2007 to the shareholders of RBH to complete the acquisition. Various actions are now in progress to restructure, rationalise and integrate the people and activities of the RBH Group successfully into the Group. Progress to date has been very good and I believe we have a very successful merger on hand.

CORPORATE GOVERNANCE

Our Statement on Corporate Governance can be found on pages 71 to 78.

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies in 2006/07.

RELATED PARTY TRANSACTIONS

Significant related party transactions of the Group for the financial year are disclosed in Note 50 to the financial statements. This note also sets out the recurrent transactions conducted during the period in accordance with the general mandate obtained from shareholders at the Extraordinary General Meeting held on 16 August 2006.

Except for those disclosed in Note 50 to the financial statements, there were no material contracts of the Group involving Directors' and major shareholders' interest during the period.

CORPORATE SOCIAL RESPONSIBILITY

As the Group expands, so does our emphasis on Corporate Social Responsibility (CSR). The Group believes that sustainability of its business is about ensuring long-term economic success whilst being mindful of the impact its operations have on the environment and society as a whole.

Addressing these concerns continues to be ingrained within the tenets of the Group's business plans and policies, which encompass a wide range of environment-friendly and operational best management practices. For instance, it is because of our awareness that the construction business has substantial impact on the environment that the construction unit commited itself to the disciplines of an EMS ISO 14001 compliance for which it obtained certification in 2006.

Our key CSR platforms continue to be in the areas of staff welfare, environment, education, sports development, community and nation building, and we will continue to identify activities where our support can make a real difference.

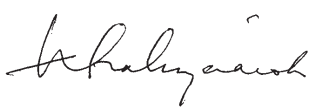
The Group also remains committed to ensuring the occupational safety and health of all employees at their workplace through increased awareness, accountability and continual training of employees and contractors geared towards the conduct of all activities in an environmentally responsible, safe and healthy manner.

More information on other CSR activities of the Group are provided in other sections of this report.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to thank the Directors, management and all employees of the Group for their strong dedication, resourcefulness, commitment and contribution to the ideals of the Group. I would also like to take this opportunity to thank shareholders, associates, clients, bankers, subcontractors and suppliers for their continuing support to the Group. I also extend a warm welcome to all the directors, management and staff of the RBH Group to the IJM family. I am sure, together, we can take the IJM Group to even greater heights of achievement.

The Board and I also wish to record our sincere appreciation for the services rendered by Dato' Ismail Bin Shahudin who resigned from the Board on 16 October 2006. I also welcome to the Board Tan Sri Abdul Halim bin Ali, who was appointed Independent Non-Executive Director on 25 April 2007, En Ayyaril Karikulath Feizal Ali, who was appointed Non-Executive Director on 5 January 2007, Datuk Lee Teck Yuen and Dato' David Frederick Wilson, who were appointed Non-Executive directors on 30 May 2007, and En Hasni bin Harun, who was appointed as alternate director to En Feizal on 9 May 2007. I am confident these gentlemen will add their wealth of experience and wisdom to deliberations at the Board.



Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob
Chairman

Dato' Tan Boon Seng @ Krishnan
CEO & Managing Director

CEO's Review of Operations

OVERVIEW

DURING THE YEAR UNDER REVIEW, THE GROUP CONTINUED WITH ITS OBJECTIVE OF MAXIMIZING STAKEHOLDER VALUE BY EMBARKING ON SEVERAL STRATEGIC INITIATIVES GEARED TOWARDS SUSTAINABLE GROWTH AND IMPROVED PERFORMANCE. AGAINST A BACKDROP OF INTENSE COMPETITION AND CHALLENGING SECTORAL DYNAMICS, THE GROUP DELIVERED A STRONG AND CREDITABLE FINANCIAL PERFORMANCE IN FY 2007 WITH BOTH REVENUE AND PRE-TAX PROFITS AT HISTORICAL HIGHS.





Several of the corporate initiatives undertaken during the year focused on the selective availing of growth opportunities in the Group's construction and property sectors, the continued expansion of the IJM brand awareness and market presence in the international arena and the diversification of the Group's business portfolio. These strategies saw distinct measures of success with significant increases in our construction order book, property land banks and concession assets - including securing our first Malaysian toll road.

Given the limitations of organic growth opportunities, the Group undertook the biggest M&A initiative in the construction sector in Malaysia, a major milestone for the Group, with the acquisition of the Road Builder Group ("RBH") which was completed in April 2007. In addition to a sizeable construction order book and land bank, the acquisition of RBH's established Toll and Port concessions give added significance to the Group's burgeoning Infrastructure division, thereby enhancing the Group's capacity and capabilities across these three core business segments.

Post year-end, the Group also acquired a strategic stake in Kumpulan Europlus Berhad (KEB), whose major assets in the form of the West Coast Highway concession and the state-sponsored Canal City flood mitigation and development project bode well for the construction and properties divisions.

During the year, the Group received further acclaim by winning the CIDB International Achievement Award and being named Malaysia's Best Managed Company (Mid-Cap) by Asia Money magazine. The Company and its subsidiary IJM Plantations Berhad were also jointly ranked among the top 10 public listed companies for corporate governance in the 2006 Corporate Governance Survey Report - a joint study conducted by the Minority Shareholders Watchdog Group and the University of Nottingham (Malaysia Campus).

Backed by strong fundamentals and strategic foresight, our history of steady growth and sustained profitability based on the trademarks of professionalism, performance and good governance continue to define the Group.

IN 2006, DOMESTIC CONSTRUCTION ACTIVITY IMPROVED FURTHER LED BY A GRADUAL RECOVERY IN CIVIL ENGINEERING ACTIVITY AS WELL AS INCREASED ACTIVITY IN THE NON-RESIDENTIAL PROPERTY SEGMENT. THE SECTOR REGISTERED A MILD CONTRACTION OF 0.5% AGAINST 1.6% IN 2005. DURING THE YEAR, THE GOVERNMENT ANNOUNCED SEVERAL CRUCIAL POLICY DECISIONS THAT WOULD INFLUENCE CONSTRUCTION ACTIVITY GOING FORWARD. THIS INCLUDES THE ANNOUNCEMENT OF HIGHER FEDERAL GOVERNMENT SPENDING ON INFRASTRUCTURE PROJECTS UNDER THE 9TH MALAYSIA PLAN (9MP). IN ADDITION, THE RELAXATION OF REGULATIONS PERTAINING TO PURCHASE OF PROPERTY BY FOREIGNERS, EXEMPTIONS FROM REAL PROPERTY GAINS TAX AS WELL AS AMENDMENTS TO THE STRATA TITLES ACT AND HOUSING DEVELOPMENT ACT IS EXPECTED TO FACILITATE GREATER SALES AND EFFICIENCY IN THE REGULATORY APPROVALS PROCESS, PROVIDING MORE OPPORTUNITIES FROM THE PROPERTY SECTOR.

CONSTRUCTION

The Kampar railway station
















Construction Management Team

Top to Bottom

left:
- Dato' Goh Chye Koon
- Tan Gim Foo
- Soo Sik Sang
- Liew Hau Seng
- Teo Sock Cheng
- Yong Juen Wah
- Kok Fook Yu

centre:
- Soo Heng Chin
- Tong Wai Yong
- Ong Teng Cheng
- Pankaj Agarwal
- Thaw Yeng Jooi
- Quah Beng Teong

right:
- Ng Chin Meng
- Mohd Razin bin Ghazali
- Pook Fong Fee
- Mohd Ghazali Ali (not in picture)

In IJM's other major markets (India and the Gulf States), strong growth continued with greater availability of construction opportunities. Nevertheless, rising costs and scarce manpower resources continue to favour a very selective procurement strategy.

Against this backdrop, despite intense competitive and cost pressures, revenue increased by an impressive 37.99% to RM1,126.25 million (FY 2006: RM816.14 million). Profit before tax however, was up by a more modest 16.80% to RM120.43 million (FY 2006: RM103.10 million), attributable primarily to escalating raw material prices. The overall better performance can be attributable to the Division's focus on project execution and continued vigilance on cost control measures amid challenging operating conditions.

For FY 2007, the Division successfully completed several projects including the Hang Tuah Mosque, the Flagship Village and International School in Putrajaya, and residential projects of Taman Gombak Permai, Bukit Manda'rina, and Parcels A and B in Cahaya Alam. In the Middle East, the Emirates New Flight Catering Facility was also completed.

The Hang Tuah Mosque at night

The Division successfully secured an all-time high order book replenishment of RM3,390.00 million in FY 2007, including RM803.23 million from abroad. Among the major projects secured in Malaysia are the Lebuhraya Kajang-Seremban (RM766.00 million), residential property projects from Talam (RM716.00 million), the Troika Condominiums (RM331.45 million), the Goldis Tower (RM168.50 million) and the Senai Airside Infrastructure (RM145.00 million).

In line with our globalisation thrust, the Group continued its selective foray into the growing markets of India and the booming Gulf States, as well as Pakistan where the Group is endeavouring to secure its first major project. While various geographies pose different challenges, they serve as opportunities for the Group to make its presence globally. Overseas, the Group's success included the Al Reem Island Development (RM330 million) and T1 Tower (RM126.00 million), both in the Gulf States, the Delhi Metro (RM190.00 million) and the Jhansi-Sagar (RM128.79 million) road projects in India.

The Malaysia Construction Industry Excellence Award 2006

International Achievement Award








Construction Support Services

Top to Bottom
left:
- Pang Sek Loh
- Ng Sin Kooi
- Soh Wan Heng
- Chan Wan Yee

right:
- Toh Teck Soon
- Ramar s/o Subramaniam
- Mohd Kamal bin Harun
- Lam Choy Loong

In-house property development project such as Bukit Manda'rina further fueled our Construction order book

The Emirates New Flight Catering Facility in Dubai

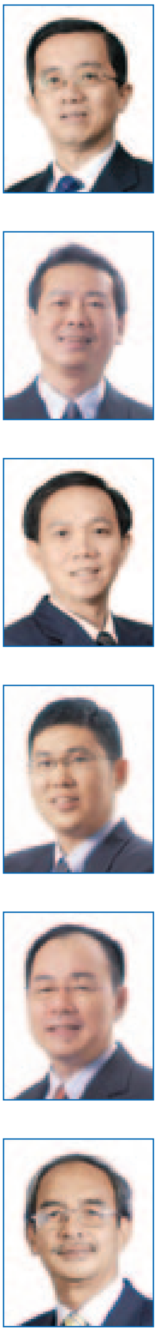
Bearing in mind the 9MP, and its expansionary RM200 billion budget earmarked for the development of water supply and sewerage, flood mitigation and public transport and infrastructure segments, the Division intends to refocus efforts locally especially to pursue several large-scale projects including the LRT projects, West Coast Expressway, the Pahang-Selangor Water Transfer project, among others.

The Division continues to emphasise on timely and quality delivery. A determined focus on capability improvements, combined with mechanisation and innovative methodologies will continue to improve productivity and efficiency. The acquisition of RBH has also created greater synergies for the Division in terms of resources and skill-sets whilst enabling it to leverage on increased economies of scale in its operations. At the same time, good corporate governance remains a priority within the Division and transparent practices are being applied in all its operations. In addition to best practices in terms of quality and safety, the Division continues to carefully plan and implement sound environmental management systems in all its projects.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007, THE PROPERTY DIVISION REGISTERED A REVENUE OF RM499.59 MILLION (FY 2006: RM517.22 MILLION) AND A PRE-TAX PROFIT OF RM77.18 MILLION (FY 2006: RM95.62 MILLION). THIS REPRESENTS A MARGINAL DECLINE IN REVENUE OF 3.4% AND DECLINE IN PRE-TAX PROFIT OF 19.28% FROM THE PREVIOUS FINANCIAL YEAR RESULTS, ATTRIBUTABLE TO DEFERRED PROPERTY LAUNCHES, THE IMPACT OF OVERALL INCREASES IN THE COSTS OF BASIC RAW MATERIALS USED IN PROPERTY CONSTRUCTION, AS WELL AS WRITE-DOWN OF PROFITS, FOLLOWING HIGHER COSTS OF FINANCING PREVALENT IN RESPECT OF OUR PROJECTS IN INDIA.

PROPERTIES

The Bayswater Condominium in Penang


Property Management Team

Top to Bottom

left:
- Teh Kean Ming
- Er Ah Huat
- Chan Kian Soon
- Edward Chong Sin Kiat
- Tham Huen Cheong

centre:
- Dato' Soam Heng Choon
- Ng Kim Huat
- Hoo Kim See
- Khoo Kah Hock
- Patrick Oye
- Bahrin bin Baharudin

right:
- Loy Boon Chen
- Manjit Singh
- Lee Kok Hoo
- Toh Chin Leong
- Patsy Lee

In the Malaysian environment, the Property Division continued to sustain its performance despite competitive market conditions and inflationary pressures, generating a pre-tax profit of RM51.46 million (FYE 2006: RM76.84 million) on a revenue of RM355.66 million (FYE 2006: RM333.44 million). The Property Division also performed strongly in Singapore with its maiden waterfront housing project in Sentosa Cove contributing RM26.63 million in pre-tax profit on revenue of RM59.14 million.

Current year's revenues and profit contributions arose primarily from the sales of the Bayswater Condominium in the Northern Region, whilst our landmark PJ Eight project and the Commerce Assets and Bukit Raja Business Park projects and the Taman Utama mixed development scheme in Sandakan were the principal contributors in the Central and East Malaysia regions.

The Division also focused on projects with recurrent income streams through 'build and lease' arrangements of hypermarkets in Penang for Tesco Stores and in Sandakan for Giant. Going forward, the division will continue to focus on such recurrent income investment properties as part of its well-diversified property development portfolio.

Looking ahead, whilst the general outlook for the mass market property sector remains neutral, the high end niche market segment is expected to be buoyant with the relaxation of rules by the Government on foreign ownership of residential properties, the stabilisation of interest rates and measures to expand the economy under the 9th Malaysian Plan (9MP). We anticipate greater foreign purchaser participation for our high end projects such as Ampersand @ Kia Peng, an exclusive condominium project within the KLCC vicinity and waterfront projects along and in the vicinity of the Jelutong Expressway in Penang.

The medium-high end market segment in strategic suburban locations is also expected to benefit from the 'feel-good' consumer sentiments pursuant to the rising performance of the local stock market, the exemption from the Real Property Gains Tax announced by the Government effective 1st April 2007 and rising wages triggered by the increase in salaries of Government employees. These measures and the progress billings from committed sales in several ongoing projects are expected to contribute significantly to the Division performance for the coming financial years.

Ocean 8, the Group's maiden waterfront housing project in Sentosa Cove, Singapore

Bistari Impian, Johor

The Division whole-heartedly subscribes to the credo that our success is attributable to our continued brand building strategies and focus to be customer oriented in knowing and acknowledging that their changing demands, needs and aspirations must remain of paramount importance to us.

With this in mind, some of our new projects planned for launch in the coming financial year in the Klang Valley area include Saujana Puchong, a mixed residential project with bungalows and semi-detached units, Ukay Green, a mixed residential development in Ulu Klang, the Bukit Mandarina apartments, semi detached and bungalow units and the Pandan Bistari housing scheme.

The spin off effects of the proposed major infrastructure projects in Penang under 9MP including the second bridge project, LRT and Penang Outer Ring Road also auger well for the local property market sentiments there, and the Division remains determined to expand its considerable presence in Penang further through our Nautilus Bay 'Build and Sell' terrace housing project, The Spring apartments, the Platino luxury condominiums along the Jelutong Expressway, as well as the Sierra Vista gated semi-detached housing and the College Heights apartments, both of which are located in the fast developing Bukit Jambul area.

The breathtaking night view of the swiming pool at Bayswater Condominium

The Utama Court in Sandakan, Sabah


Raintree Park in Kutkapally, India

Other new projects planned include new phases of existing schemes in Johor and Sandakan. The Division is upbeat about Johor property prices following recently announced Government initiatives in the Bandar Iskandar Development Region. We are also confident on the market in Sandakan following record high Crude Palm Oil prices fuelling property market sentiments in that region.

The Group's acquisition of RBH also affords the Division access to additional land-bank and development projects in fast developing domestic regions such as Seremban where hitherto the Division has had minimal presence. Similarly, the strategic investment by the Group in KEB has resulted in several joint-venture development arrangements in respect of choice land-banks held within the KEuro/Talam Group of Companies which could benefit from an IJM branding, including amongst others, the lifestyle defining Canal City development project.

Earnings diversification and sustainability for the Division, in the future years to come, will be further enhanced by the Division's exposure in all market segments, from the bottom-end mass market right through to the niche & high-end segment, and its strategic positioning in all major growth areas within Malaysia and in the fast growing market in India.

'Excellence Through Quality' remains the Division's core value driver with emphasis on environmental protection. The Division adheres to a guiding principle that properties should be developed to harmonise and embrace the environment to create optimal living conditions. Timely delivery, innovative designs, attention to detail and good quality products remain the inherent characteristics in all our projects geared towards giving property owners and investors alike, the perfect setting for living and capital appreciation.

Giant in Sandakan, another of the Group's build and lease hypermarket arrangement

THE INDUSTRIES DIVISION CONTINUED TO SURGE FORWARD ON THE STRONG MOMENTUM OF THE PREVIOUS FINANCIAL YEAR. FOR FY 2007, THE DIVISION RECORDED A TURNOVER OF RM715.60 MILLION AND A PRE-TAX PROFIT OF RM73.74 MILLION WHICH ARE 32.77% AND 49.25% HIGHER RESPECTIVELY WHEN COMPARED TO FY 2006 RESULTS. THE IMPRESSIVE RESULTS WERE THE COMBINED CONTRIBUTIONS OF ALL COMPANIES WITHIN THE INDUSTRIAL CONCRETE PRODUCTS BERHAD (ICP) GROUP.

INDUSTRIES

Installation of ICP piles for a marine project

CEO'S REVIEW OF OPERATIONS (cont'd)










Industries Management Team

Top to Bottom
left:
- Mah Teck Oon
- Yeo Poh Meng
- Leong Yew Kuen
- Nee Chow Yit
- Wong Siew Meng

right:
- Khor Kiem Teoh
- Lee Hock Aun
- Leong Pak Lung
- Pang Chwee Hong
- Tan Khuan Beng

Throughout the financial year, these companies relentlessly surpassed one record breaking feat after another to chalk up what was the best ever total result in the Group's history. After the corporate exercises in the preceding financial year to best position the Group Structure, the ICP Group of companies went about FY 2007 in brisk disciplined execution of its business activities. It achieved a Group turnover of RM594.7 million, an increase of 33.5% over the last year, while profit before tax (PBT) was RM70.02 million, representing a whopping 60.7% increase.

The core business of Pretensioned Spun Concrete (PSC) Piles performed exceptionally well to produce and deliver more than 1.15 million tons, an increase of 26.9% from the year before, recording revenues of RM366.00 million with a corresponding PBT of RM46.78 million. This year's net profit margin, a success of economies of scale, was significantly better and thoroughly dispelled worries of margin erosion from increased raw materials prices and higher energy costs.

A new production line in Lumut came on-stream in September 2006 to augment its capability to produce the largest size of PSC piles in the market. Additional capacity still being installed at its Kapar plant will bring total annual installed capacity to 1.5 million tons by September 2007. Strong demand for PSC piles, especially due to the booming construction market of Singapore, with export levels currently at 11.9%, has prompted the go ahead for setting up of another plant specifically in the Southern region of West Malaysia.

In tandem with the higher production of PSC piles in the whole country, Durabon Sdn Bhd, a wholly owned subsidiary of ICP producing PC bars for the PSC piles industry, registered increased sales of RM99.10 million. Similarly, its profit reflected the fruits of concerted cost control amidst the surge in sales volume. With plant utilisation reaching maximum, a new production line will be installed to cope with the growing demand.

The quarrying operations of Malaysian Rock Products Sdn Bhd reported an 11.8% increase in revenue to RM64.43 million, with road improvements creating strong demand for the quarries in Seremban and the Klang Valley this year. Total tonnage delivered during the year was 4.42 million tons, attributable mainly to the six quarries being in excellent proximity to high growth areas. The quarries in Johor Bahru and Kuantan are expected to see

Wing Tank Block for PPL Singapore

STP Mating Cone module for Project Vincent STP Australia

Waste Heat Recovery Unit for Petronas Methanol Project, Labuan

Our new batching plant in Pakistan

the next round of a surge in business activities from the 9th Malaysia Plan and developments in the Iskandar Development Region soon. The premix operations also reported an improved set of results coming from the ability to pass on rising bitumen costs. In total, the quarrying sector churned out RM10.65 million in PBT.

The ready-mixed concrete sector had a contrasting set of results. At home base, the plants in Malaysia continue to operate in a highly competitive environment, and despite managing to increase sales from RM50.20 million to RM52.20 million, hikes in cement and diesel prices eroded profit margins substantially and caused the profit before tax to drop to a mere RM330,000. This situation was not unexpected, as mentioned in the last Annual Report. The Group had, by then, taken market diversifications steps to commence this business in India and increased the 2 plants then by a further 3 during the FY under review. There are now 2 plants in Hyderabad, 2 in Bangalore, and 1 in Chennai. It, therefore, comes as no surprise to see the Indian company, IJM Concrete Products Pte Ltd, show a turnover of RM54.00 million, up from RM22.15 million of last year and a PBT of RM2.36 million, up from RM1.23 million the previous year. This was even higher than the Malaysian operations. However, India is seeing a significant increase in new entrants into the business, and the margins are coming under pressure and sustaining sales volumes will be a constant challenge. The Group also has one batching plant operating in Islamabad, Pakistan. We expect its sales to rise significantly and contribute to the bottom line in the next FY. We are optimistic of our prospects in Pakistan and are in negotiations to put up additional plants soon.

The scaffolding rental business under Scaffold Master still gives a steady volume of business, which has increased by 18% to nearly RM9.00 million. PBT continues to remain impressive though more players have been attracted to this business segment.

Expedient Resources is the company producing rubber carpet underlay. In the year under review, the company terminated its exclusive distributing arrangement in the United Kingdom. As a result, sales volume was only

ICP piles used at Marine Police Jetty, Penang

ICP piles used at Jengka Interchange of NPE

maintained at last year's level. However, significant increases in raw materials costs hurt profit margins, causing PBT to drop to only RM1.16 million from RM3.3 million last year. Steps have been taken to open up the UK market through several dealers directly. We continued to participate actively in specialised trade shows, and these will yield positive sales leads in future.

Outside the ICP Group, these are 3 other companies under the purview of Industries Division. The largest of these is Torsco Sdn Bhd, which is gaining a reputation for itself as a steel fabricator by penetrating the oil & gas sector. During the year under review, it took on many sizeable jobs as evident by the steep rise in turnover to RM71.00 million this year as compared to RM45.70 million last year. However, PBT took a beating as cost overruns occurred from the heavy workload. Going forward, Torsco has positioned itself well for a better showing. Within the last financial year it has completed the construction of 8,400 sq m of factory floor space with improved hook height of 15 metres in the new land of 17 acres. This will position it well to take on large jobs in the Oil & Gas sector. Recurring projects are also coming in, which will benefit the company from past experience and higher efficiency.

Kemena Industries Sdn Bhd, a 55% subsidiary produced a turnover of RM7.42 million and a PBT of RM591,000. This was an improvement over last year's results of RM149,000. In the case of Spirolite, heavy competition coupled with frequent movements in raw materials prices impacted earnings.

Overall, the Industries Division operates in a rapidly growing Construction sector which has turned the corner into positive territory after 2 years' of negative growth. With strong results already manifesting this year and the last two, we can be confident of strong demand for our products in the next few years ahead.

IJM PLANTATIONS BERHAD GROUP (IJMP) WAS DEEMED A SUBSIDIARY WITH EFFECT FROM 2 JULY 2006 DUE TO THE GROUP'S OPTION TO CONVERT THE IJMP'S RCULS.

DIVISIONAL REVENUES OF RM302.82 MILLION IN THE FINANCIAL YEAR ENDED 31 MARCH 2007 WERE AT AN ALL TIME HIGH, REPRESENTING A GROWTH OF 11.80% (FY 2006: RM 270.88 MILLION), WHILST PRE-TAX PROFITS OF RM57.10 MILLION REPRESENTED AN INCREASE OF 9.6% (FY 2006: RM52.12 MILLION). THE IMPROVED PERFORMANCES WERE PRIMARILY ATTRIBUTABLE TO HIGHER CRUDE PALM OIL (CPO) SELLING PRICES AND INCREASED CROP PRODUCTION. AVERAGE CPO PRICES ACHIEVED FOR THE PERIOD MOVED UP FROM RM1,373 IN 2006 TO RM1,511 PER METRIC TONNE DURING THE CURRENT YEAR. LARGER AREAS IN SUGUT ATTAINED MATURITY AND CAME INTO PRIME AGE, ENABLING THE HARVESTING OF FRESH FRUIT BUNCHES ("FFB") IN EXCESS OF 500,000 TONNES (FY 2006: 451,677 TONNES), A GROWTH FACTOR OF 12%. TOGETHER WITH OUTSIDE FRUIT PURCHASES, THE TOTAL FFB MILLED IN THE DIVISION'S THREE MILLS ACHIEVED A RECORD HIGH OF 669,050 TONNES (FY 2006: 622,625 TONNES).

PLANTATIONS

Sg. Sabang Estate







Plantations Management Team

Top to Bottom

left:

- Velayuthan s/o Tan Kim Song
- Purushothaman s/o Kumaran
- Ng Chung Yin
- Francis Chai Min Fah

right:

- Ling Ah Hong
- Joseph Tek Choon Yee
- P K Venugopal

Of the total Plantation land bank of 29,807 hectares, the total area planted with oil palm increased to 25,421 hectares (FY 2006: 24,607 hectares), with 63% being in the Sugut region, and the remaining 37% in the Sandakan region in Sabah. Plantations that have achieved maturity status by the end of the current financial year increased to an aggregate of 22,550 hectares (FY 2006: 20,356 hectares) representing 89% of the total planted hectarage.

The age profile is as follows:

	Hectares	%
Mature - Prime (8 - 19 years)	11,877	47
- Young (4 - 7 years)	10,673	42
Immature (1 - 3 years)	2,871	11

Given the relatively young age profile, a rising yield trend is expected for the Division in the coming years as more areas come into maturity and of prime age.

The Division's three processing mills at Desa Talisai, Minat Teguh and Sabang, have a total processing capacity of 165 tonnes of FFB per hour, and all achieved healthy increases in the tonnage processed during the year under review, with the Sabang Palm Oil Mill chalking up an impressive 15.9% growth over the previous year. With the expected increase in crop production in the coming years, a second mill will be established in the Sugut region in 2008.

Sabang palm oil mill

Fruit collection ramp in Rakanan Jaya North

The Division's kernel crushing plant crushed some 55,778 tonnes (FY 2006: 56,977 tonnes) of kernel, producing 24,038 tonnes (FY 2006: 24,438 tonnes) of crude palm kernel oil and 29,004 tonnes (FY 2006: 29,628 tonnes) of palm kernel expellers to achieve an extraction rate of 43.1% and 52.0% (FY 2006: 42.9% and 52.0%) respectively.

The overall extraction rates for oil and kernel in the mills averaged 21.5% and 4.5% (FY 2006: 22.4% and 4.6%) respectively; these slight declines were attributable to poorer FFB quality stemming from the unusually high rainfall and flooding experienced during the year.

Operating costs also rose arising from increases in prices of fuel and fertiliser. Additionally, contributions to the State in the form of Sabah sales tax and the palm oil cess paid to the Malaysia Palm Oil Board ("MPOB") amounted to RM 19.61 million representing an 18.6% increase over the previous year.

In order to contain the adverse effects of increases in the input costs, cost efficiency measures are being pursued actively. As in previous years, improved water conservation and irrigation measures have been adopted selectively to improve and sustain high FFB yield. Adequacy of skilled workers to sustain the high productivity levels continue to remain a major challenge for the Division and the industry as a whole. The Division continues to mitigate this difficulty through ongoing training and by ensuring structured and intense supervision.

To ensure long-term sustainable plantation development, sound environmental practices continue to be observed. It is a norm with the Division to follow environment friendly practices in soil and water conservation, mill waste management, integrated pest management, soil conditioning and enrichment, and zero-burning methods. The Division is committed fully to continue with these practices.

During the financial year, the Division has taken initiative to proceed with a Clean Development Mechanism ("CDM") project. The Division entered into an agreement for the sale of its carbon credits through Eco Securities Group PLC. This project, upon successful commissioning in 2008, will be a mark of the Division's commitment towards helping to mitigate the release of Carbon Dioxide (CO_2) gases into the atmosphere.

Biocomposting in Sabang palm oil mill

IJMP continued into its third year of composting its empty fruit bunches ("EFB") with palm oil mill effluent ("POME"). Whilst this is another environmental care project, the produce that is applied to the fields has enhanced soil condition and nutrient uptake. This will lead to rationalising of fertiliser application in these fields, thus achieving cost savings in the future.

To add value to its crude palm oil downstream activities, the Plantation Division announced at the end of the previous financial year its plan to build a bio-diesel plant in Sandakan, with the first of the three modules being expected to be operational in 2008.

As part of its longer-term business expansion strategy, the Plantation Division also announced its intention to establish oil palm operations in Indonesia. At the close of the financial year, the Division had signed conditional sale and purchase agreements with two Indonesian companies intending to cultivate oil palm on plots of land measuring approximately 11,200 hectares and 10,000 hectares respectively in East Kalimantan. A third agreement was signed in June 2007 for additional plot of land measuring approximately 11,400 hectares in the same location. The companies are currently in the process of obtaining the lease titles (Sertifikat Hak Guna Usaha or "HGU") for their lands and are seeking relevant governmental approvals for foreign equity participation. The Division expects to commence initial planting works in the coming financial year.

Commitment towards good corporate governance remains a key focus in the Plantation Division, and in recognition of its efforts, the Division was ranked jointly with IJM Corporation Berhad to be amongst the top ten public listed organisations in Malaysia in the Corporate Governance Survey Report 2006 compiled by the Minority Shareholder Watchdog Group and The University of Nottingham (Malaysian Campus).

Prices for palm products in the next financial year are expected to be significantly better than those achieved in the reported financial year. Whilst some experts believe that the high prices scenario will soften immediately after the middle of 2007 when crop production moves into the peak season, others share the view that CPO prices will be maintained above the RM2,000 per metric tonne levels well into 2008, given that the overall world stocks of vegetable oil are low. Upward pressures on prices could be even more intense in the event of unfavorable weather influences such as the El Nino phenomenon, or if development in the bio-diesel industry gets off the launching pad.

Though fuel oil price and general wage increases and the introduction of cooking oil price stabilisation cess will no doubt put pressure on the costs of production, the Division is however expecting an improved level of performance given the commodity price scenario and the benefits of more areas achieving maturity and coming of prime age.

FOR FY 2007, THE DIVISION REPORTED A TURNOVER OF RM63.19 MILLION (FY 2006: RM60.88 MILLION) AND A PRE-TAX LOSS OF RM22.95 MILLION (FY 2006: PRE-TAX LOSS OF RM14.21 MILLION).

THE DIVISION HAS 5 TOLL CONCESSIONS AND A 20% INVESTMENT IN A 460 MW POWER PLANT IN INDIA. OF THESE, THE GROUP'S 35%-OWNED ASSOCIATE SWARNA TOLLWAY PTE LTD AND 100%-OWNED REWA TOLLWAY PTE LTD ARE IN OPERATION. THIS DIVISIONAL LOSS WAS MAINLY ATTRIBUTABLE TO INTEREST COSTS INCURRED ON OFFSHORE BORROWINGS TO FINANCE THE GROUP'S EQUITY INVESTMENTS IN TOLL CONCESSIONS IN INDIA, SOME OF WHICH ARE STILL UNDER CONSTRUCTION, AND LOW INITIAL TRAFFIC VOLUME IN THE GROUP'S OPERATING CONCESSIONS. THESE OPERATING CONCESSIONS ARE CURRENTLY IN THEIR THIRD YEAR OF OPERATIONS AND WITH IMPROVING TRAFFIC COUNTS, BETTER PERFORMANCE LEVELS ARE EXPECTED FROM THESE CONCESSIONS IN THE COMING YEARS.

INFRASTRUCTURE

Western Access Tollway in Buenos Aires, Argentina

Infrastructure Management Team

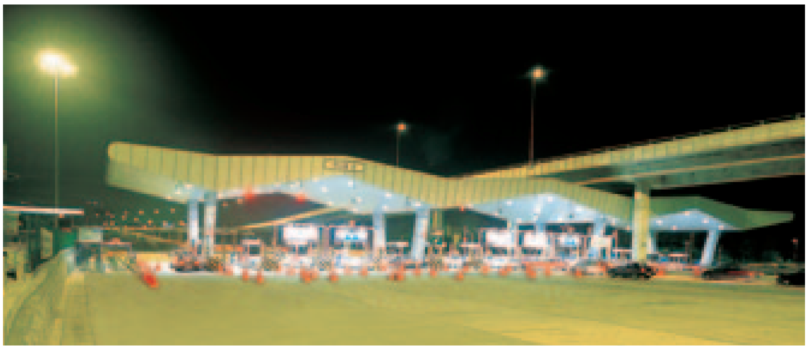
Top to Bottom

left:

- Neoh Soon Hiong
- Mohd Khalid Hj Mohamed
- Devaraj Govindarajoo
- Dato' Haji Zulkipli bin Haji Shamsudin
- Ho Phea Keat

right:

- Wong Soon Fah
- Yap Pak How
- Tuan Haji Awal bin Haji Ali
- Simon Thiang Choon Hiam



The Sunway toll booth of New Pantai Expressway

The NPE toll operations and control room

Construction work on the Group's three other concessions in India, namely the 20%-owned Gautami Power, the 50%-owned Trichy Tollway and the wholly-owned Jaipur-Mahua Tollway, continued to progress well while the 33%-owned Second Vivekananda Bridge Tollway Co commenced tolling operations on the 4th of July 2007.

The Group's 20%-owned Argentinean associate Grupo Concesionario del Oeste S.A. ("Grupo") which operates the Western Access Tollway in Buenos Aires continued to achieve greater heights as traffic volume increased by 10.35% over the previous year. This was the fourth consecutive year in which it achieved a double digit growth in traffic volume and the outlook remains positive with the country's fleet of vehicles increasing in tandem with the country's economic growth. Grupo recently paid a 40% dividend and is currently in the process of negotiating further increases in toll rates and an extension to its concession contract.

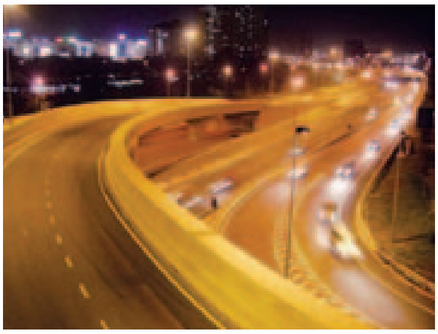
In Vietnam, the Group's 36%-owned associate Binh An Water Corporation Ltd contributed net profit of RM4.74 million (FY 2006: RM4.03 million) for our share of the profits during the financial year. The investment will contribute stable income streams until 31 July 2019.

Besraya Highway

During the year, the Group made an initial foray into Pakistan by successfully completing a feasibility and technical study (Phase 1) for the construction of an elevated expressway along Shahral-E-Faisal from Quaidabad Intersection to Jinnah Bridge in Karachi. The Group expects to commence Phase 2 works involving the construction works upon securing financial close once a contract is signed in the current financial year.

On the domestic front, the Company will be participating in the concession for the 48 Km new highway linking Kajang to Seremban for a period of 33 years. The Company will invest in 50% of the equity in the concessionaire company, Lebuhraya Kajang-Seremban Sdn Bhd. Financial close has been achieved and construction works has already commenced.

Moving forward, the Division's toll concessions will undergo significant expansion with a wider portfolio following the acquisition of RBH. This acquisition brings



The New Pantai Expressway

the addition of two profitable tollways, namely the Besraya Highway and the New Pantai Expressway, both located in Kuala Lumpur. The Group's strategic investment in KEB also grants it the opportunity of participating in the concession for the West Coast Highway in Malaysia.

The Kuantan Port

The acquisition of RBH also served to add two port concessions in Kuantan and Kemaman into the Group's stable of concession assets, and are expected to contribute positively to the Division's bottom-line in the coming years. The Group is still selectively bidding for infrastructure projects locally and abroad and is confident of securing continued successes in the coming years.

As the Division continues its strategy to build a portfolio of good infrastructure investments both locally and in fast growing emerging markets, the Group will continue to divest its non-core and non-strategic investments. Further operational synergies are expected to be derived from the asset rationalisation following the integration of RBH.

OTHER DEVELOPMENTS

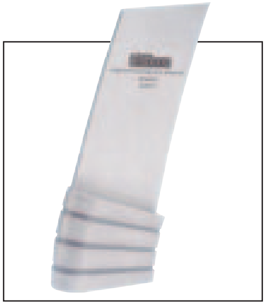
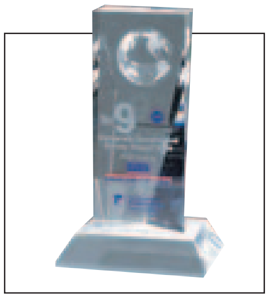
We continued our focus on disposing non-core and low yielding assets during the year. Towards this end, the Company disposed its interest in the Avillion Hotel Sydney and returned net proceeds of A$20.74 million. We further disposed most of our listed short-term investments in Malaysia profitably while the full disposal of our remaining investment in Guangdong Provincial Expressway Development Company after year-end yielded RM189.00 million in proceeds and RM109.00 million of profits.

The next stage of this exercise going forward would see disposal of mature assets to release cash flows to operations.

CONCLUSION

Proactive efforts by the Group to enhance shareholders returns through capital management, extracting value from recent acquisitions and expansion into faster growing markets are expected to drive our growth. Debt and asset rationalisation will also be focused, and with a well-entrenched internationalisation strategy, we hope to continue to produce better returns for our shareholders as well as stakeholders going forward.

Dato' Tan Boon Seng @ Krishnan
CEO & Managing Director

Corporate Governance Statement

WHILE THE GROUP ALWAYS STRIVES TO DELIVER GOOD FINANCIAL PERFORMANCE TO ENHANCE SHAREHOLDERS' VALUE, IT IS ALSO COMMITTED TO DELIVERING BEST PRACTICES IN CORPORATE GOVERNANCE AND TRANSPARENCY.

EVEN BEFORE THE PROMULGATION OF THE MALAYSIAN CODE OF CORPORATE GOVERNANCE ("THE CODE"), THE FOUNDERS OF THE IJM GROUP HAD ESTABLISHED GOOD CORPORATE GOVERNANCE AS A FUNDAMENTAL PART OF ITS CULTURE AND BUSINESS PRACTICES, AND ENSURED IT IS MAINTAINED IN ALL COMPANIES WITHIN THE GROUP.

THE BOARD OF DIRECTORS ("THE BOARD") SAFEGUARDS THE INTERESTS OF ALL STAKEHOLDERS AND ENHANCES SHAREHOLDERS' VALUE BY ADHERING TO THE HIGHEST STANDARDS OF CORPORATE GOVERNANCE AND ENCOURAGING ITS PEOPLE TO CONTRIBUTE TO AN ENVIRONMENT OF PROFESSIONALISM, INTEGRITY AND PRIDE.

I. BOARD OF DIRECTORS

1. Composition of the Board

Of the twelve (12) Board members, nine are Non-executive Directors. Amongst the Non-executive Directors, five are Independent Non-executive Directors. The Chairman is one of the Independent Non-executive Directors. Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor is the Senior Independent Non-executive Director, who may attend to any query or concern concerning the Group besides the Chairman and Chief Executive Officer & Managing Director ("CEO & MD").

The role of the Independent Non-executive Chairman and the CEO & MD are distinct and separate. The Independent Non-executive Chairman avails himself to provide clarifications on issues that are raised by the shareholders and investors to ensure the integrity and effectiveness of the governance process of the Board. The Independent Non-executive Chairman also maintains regular dialogues with the CEO & MD on all operational matters and acts as the facilitator at the Board meetings. The CEO & MD has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The CEO & MD is responsible to duly ensure execution of strategic goals, effective operation within the Group, and to explain, clarify and inform the Board on matters pertaining to the Group. This division of responsibility between the Chairman and CEO & MD ensures that the accountability is given high priority.

The profile of each Director is presented on pages 16 to 23.

2. Duties and Responsibilities of the Board

As an effective Board, it leads, provides strategic direction and manages the Group. The Directors are professionals in the field of engineering, finance, accounting, economics or experienced senior public administrators. Together, they bring a wide range of competencies, capabilities, technical skills and relevant business experiences to ensure that the Group continues to be a competitive leader in the construction industry with a strong reputation for technical and professional competence.

The Non-executive Directors bring independent judgment on issues of strategy, business performance, resources and standards of conduct. The Independent Non-executive Directors provide independent and constructive views in ensuring that the strategies proposed by the management are fully studied and deliberated in the interest of the Group and also all stakeholders.

The Board is primarily responsible for the Group's overall strategic plans for business performance, succession planning, risk management, investor relations programmes, internal control and management information systems. While the Board is responsible for creating the framework and policies within which the Group should be operating, the management is accountable for the execution of the expressed policies and attainment of the Group's expressed corporate objectives. This demarcation complements and reinforces the supervisory role of the Board.

The Company may from time to time use the services of retired Executive Directors for specific roles in the Company's operations for specific periods. These Directors are paid remuneration for their services.

3. Board Meetings

The Board conducts at least four regularly scheduled meetings annually, with additional meetings convened as and when necessary. During the financial year, five Board meetings were held.

The attendance record of each Director was as follows:

	Number of Meetings Attended	Percentage
Executive Directors		
Dato' Tan Boon Seng @ Krishnan	5 out of 5	100%
Dato' Goh Chye Koon	5 out of 5	100%
Soo Heng Chin	5 out of 5	100%
Independent Non-Executive Directors		
Tan Sri Dato'Ir (Dr) Wan Abdul Rahman bin Wan Yaacob	5 out of 5	100%
Tan Sri Dato'(Dr) Haji Murad bin Mohamad Noor	5 out of 5	100%
Datuk Oh Chong Peng	5 out of 5	100%
Datuk Yahya bin Ya'acob	5 out of 5	100%
Non-Executive Directors		
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	5 out of 5	100%
A K Feizal Ali *(Appointed on 5 January 2007)*	1 out of 1	100%
Dato' Dato'Goh Chye Keat *(Retired on 16 August 2006)*	2 out of 2	100%
Dato' Ismail bin Shahudin *(Resigned on 16 October 2006)*	1 out of 2	50%
Alternate Directors		
Teh Kean Ming, Alternate to Dato' Goh Chye Koon *(Ceased as alternate to Dato' Goh Chye Keat and appointed as alternate to Dato' Goh Chye Koon on 16 August 2006)*	4 out of 5	80%
Tan Gim Foo, Alternate to Soo Heng Chin	5 out of 5	100%

Besides these Board meetings, the Directors also attend several tender adjudication meetings and investment briefings where members deliberated on the Group's participation in major project bids and/or investments. Informal meetings and consultations are frequently and freely held to share expertise and experiences. Directors also attend the annual senior management dialogue where operational strategies, performance progress and other issues are extensively presented, discussed and communicated to senior managers of the Group.

4. Supply of Information

As a general rule, the Board reports are circulated to all the Directors ahead of the scheduled meetings to give them the opportunity to seek clarification or seek additional information on the financial performances of the entities and business units, and other issues which may require discussion and decision.

Amongst others, the report provides information on major operational, financial and corporate issues, activities and performance of projects, divisional performance and reasons for significant diversions from the budgets and major changes in the Group structure, and securities transactions (including the summary of dealings of securities of the Directors, Principal Officers and substantial shareholders).

In addition to the quarterly Board meetings, briefings are conducted for the Board on various issues such as the changes to the companies and securities legislations, rules and regulations from time to time to inform them of the latest developments in these areas.

The Directors are notified of any corporate announcements released to the Bursa Malaysia Securities Berhad ("Bursa Securities"). They are also notified of the impending restriction in dealing with the securities of the Company at least one month prior to the release of the quarterly financial result announcement.

In addition, there is a schedule of matters reserved specifically for the Board's deliberation, such as the approval of corporate plans and annual budgets, acquisitions and disposals of undertakings and properties of a substantial value, and changes to the management and control structure within the Group, including key policies, delegated authority limits, and participation in the adjudication of tenders for construction project in excess of established limits.

All Directors have access to the advice and services of a full time Company Secretary appointed by the Board, and they have been issued with the Listing Manual of Bursa Securities, the Code, Statement on Internal Control: Guidance for Directors of Public Listed Companies, and Code of Ethics for Directors and Secretaries, updates on company and securities legislations and other relevant rules and regulations.

5. Committees Established by the Board

The Board has delegated certain functions to the Committees it established to assist in the execution of its responsibilities. The Committees operate under clearly defined terms of reference. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports are included in the Board papers.

A. **Executive Committee**

The Executive Committee was established on 31 March 1995 and its membership consists of the Executive Directors of the Board. The Executive Committee meets monthly to review the performance of the Group's operating divisions. In attendance are the Head of Divisions, Chief Financial Officer, the Company Secretary and relevant departmental heads.

The terms of reference of the Executive Committee include the following:-

- to decide on all transactions and matters relating to the Group's core businesses or existing investments within the restricted authority given by way of limits determined by the Board; and
- to decide on all matters relating to banking facilities as may be required in the conduct of the Group's operations.

During the financial year, 11 Executive Committee meetings were held. The attendance record of each member of the Committee was as follows:

Executive Directors	Number of Meetings Attended	Percentage
Dato' Tan Boon Seng @ Krishnan	11 out of 11	100%
Dato' Goh Chye Koon	9 out of 11	82%
Soo Heng Chin	10 out of 11	91%

B. **Audit Committee**

The Audit Committee was established on 31 January 1994 and is chaired by Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor. Other members of the Audit Committee are Y. Bhg. Tan Sri Dato' (Dr) Wan Abdul Rahman bin Wan Yaacob, Y. Bhg. Datuk Oh Chong Peng and Y. Bhg. Datuk Yahya bin Ya'acob. The terms of reference and summary of activities of the Audit Committee are set out on pages 79 to 81.

C. **Nomination & Remuneration Committee**

The Remuneration Committee was established on 2 December 1998 and was renamed Nomination & Remuneration Committee on 16 May 2001. The Nomination & Remuneration Committee comprises four members; three of them are Independent Non-executive Directors, namely Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor (Chairman), Y. Bhg. Tan Sri Dato' (Dr) Wan Abdul Rahman bin Wan Yaacob and Y. Bhg. Datuk Yahya bin Ya'acob, and the other is a Non-Executive Director, namely Y. Bhg. Datuk Lee Teck Yuen.

The terms of reference of the Nomination & Remuneration Committee include the following:-

(i) to establish and review the terms and conditions of employment and remuneration of the Executive Directors and senior executives of the Group;

(ii) to review and approve the annual salary increments and bonuses of the Executive Directors and senior executives of the Group;

(iii) to review, recommend and consider candidates to the Board of the Company, subsidiaries and associates of the Group, including committees of the Board;

(iv) to review and determine the mix of skills, experience and other qualities, including core competencies of Non-executive Directors on an annual basis; and

(v) to assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director on an annual basis.

The Nomination & Remuneration Committee will meet as required. Three meetings were held during the financial year. All recommendations of the Nomination and Remuneration Committee are subject to the ratification of the Board.

D. **Share Committee**

The Share Committee was established on 3 September 1986 and is responsible for regulating and approving the securities transactions and registrations. The Share Committee comprises Y. Bhg. Dato' Tan Boon Seng @ Krishnan (Chairman), Y. Bhg. Dato' Goh Chye Koon and Mr Soo Heng Chin.

E. **Employee Share Option Scheme (ESOS) Committee**

A new ESOS Committee was established on 30 October 2003 and is responsible for the implementation and administration of the new ESOS of the Company. The ESOS Committee comprises Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor (Chairman), Y. Bhg. Dato' Goh Chye Koon and Mr Soo Heng Chin.

MEMBERS OF THE NOMINATION & REMUNERATION COMMITTEE

Seated : Tan Sri Dato' (Dr) Haji Murad Bin Mohd Noor
Standing (left to right) : Datuk Lee Teck Yuen
Tan Sri Dato' (Dr) Wan Abdul Rahman bin Wan Yaacob
Datuk Yahya bin Ya'acob

6. **Appointments to the Board**

The Nomination & Remuneration Committee is responsible for making recommendations to the Board, including those of subsidiaries and associated companies. In making these recommendations, the Nomination & Remuneration Committee considers the required mix of skills and experience, which the Directors should bring to the Board. Directors are informed and aware that they may take independent advice, where necessary, in furtherance of their duties at the Group's expense.

7. **Re-election**

The Articles of Association provides that all Directors should submit themselves for re-election at least every three years in compliance with the Listing Requirements of the Bursa Securities. The Articles of Association also provide that one third of the Board shall retire from office and be eligible for re-election at every Annual General Meeting.

Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965 ("the Act").

8. **Directors' Training**

All the Directors have attended the Directors' Mandatory Accreditation Programme organised by the Bursa Securities and are aware of the requirement of the Continuing Education Programme set by Bursa Securities. Directors also receive further training from time to time, particularly on relevant new laws and regulations and changing commercial risks. A brief induction course is provided by the Company Secretary to newly appointed Directors.

During the year, three (3) seminars had been organised for the Directors and senior management as follows:-

1) Improving Board Directors' Performance, Leadership & Governance;
2) Budget 2007 & Tax Briefing to Board of Directors & Senior Managers; and
3) Understanding Directors & Officers Liability Insurance.

The Company will on a continuous basis, evaluate and determine the training needs of its Directors.

Where possible and when the opportunity arises, Board meetings may be held at locations within the Group's operating businesses to enable the Directors to obtain a better perspective of the business and enhance their understanding of the Group's operations.

Directors and staff at the Budget 2007 & Tax Briefing

II. REMUNERATION

The remuneration policy of the Company is based on the philosophy that the Group does not aspire to be a market leader for basic salary but will give a higher weightage on performance-related bonuses. These are entrenched in the remuneration policy for Executive Directors.

The Nomination & Remuneration Committee reviews annually the remuneration policy for Executive Directors to ensure that they are rewarded appropriately for their contributions to the Group's growth and profitability.

The performance of Directors is measured by the Directors' contribution and commitment to both the Board and the Group. The Executive Directors' remuneration will depend on the achievement of the goals (including quantified organisational targets and personal achievement) set at the beginning of each year.

In the case of Non-executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-executive Director.

The Board determines the remuneration of the Executive and Non-executive Directors. The Company reimburses reasonable expenses incurred by these Directors in the course of their duties as Directors.

1. **Fees**

Fees payable to Non-executive Directors are determined by the Board with the approval of the shareholders at the Annual General Meeting. Fees are payable based on the Director's level of responsibility and participation in the Board and its Committees.

2. **Basic Salary**

The Nomination & Remuneration Committee conducts an annual review of the basic salary for all senior executives taking into account the performance of the individual and the company and the practices within the industry. The Group participates in industry specific surveys by independent professional firms to obtain current data in benchmarking the Group.

3. Bonus and Incentive Scheme

The Group operates a bonus and incentive scheme for all its employees, including the Executive Directors. The criteria for the scheme are dependent on the financial performance of the Group based on an established formula and the performance of each individual employee. Bonus and incentives payable to the Executive Directors are reviewed and approved by the Nomination & Remuneration Committee and is endorsed by the Board.

4. Benefits-in-Kind

Other customary benefits such as private medical care and car are made available in accordance with the guidelines laid out in the IJM Scheme and Conditions of Service.

5. Pension Arrangements

Contributions are made to the Employees Provident Fund, the national mandatory defined contribution plan, in respect of all employees and Malaysian-resident Executive Directors. However, the Group had on 31 December 2006 dissolved IJM Retirement Scheme ("the Scheme"), the Group's funded final salary defined plan, in view of the interest of the Group and the investment risk of the retirement fund where the Company might be required to contribute from time to time.

6. Directors' Share Options and Warrants

The Group also rewards its staff with a share options under its Employee Share Option Scheme. In financial year 2006, the Group had issued 10,000,000 warrants to the entitled management staff at RM0.05 per warrant.

The movement in Directors' share options and warrants during the financial year are set out on pages 105 to 107.

7. Directors' Remuneration

The details of the remuneration of Directors during the year are as follows:

A. **Aggregate remuneration of Directors categorised into appropriate components:**

	Salaries RM'000	Fees RM'000	Bonus, Incentives & Others RM'000	Retirement Benefits RM'000	EPF RM'000	Benefits-in-kind RM'000	Total RM'000
Executive Directors	1,946	15	1,889	73	658	104	**4,685**
Non-executive Directors	–	270	69	–	–	55	**394**

B. **Aggregate remuneration of each Director:**

Executive Directors	**RM'000**
Dato' Tan Boon Seng @ Krishnan	1,883
Dato' Goh Chye Koon	1,253
Soo Heng Chin	497
Non-Executive Directors	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	97
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	65
Datuk Oh Chong Peng	75
Datuk Yahya bin Ya'acob	49
Dato' Megat Abdul Rahman bin Megat Ahmad	15
A K Feizal Ali *(Appointed on 5 January 2007)*	–
Dato' Goh Chye Keat *(Resigned on 16 August 2006)*	74
Dato' Ismail bin Shahudin *(Resigned on 16 October 2006)*	–
Abd Hamid bin Othman *(Resigned on 13 September 2005)*	12
Dato' Abdullah bin Mohd Yusof *(Resigned on 5 July 2005)*	6*
Alternate Directors	
Tan Gim Foo, Alternate to Soo Heng Chin	482#
Teh Kean Ming, Alternate to Dato' Goh Chye Koon	621#

* The fees and allowances were paid to Zelan Berhad.
\# Aggregate remuneration received during the financial year.

Dato' Krishnan Tan addressing the media

III. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

1. Dialogue between the Company and Investors

The Company places great importance in ensuring the highest standards of transparency and accountability in the disclosure of information of interest to its shareholders as well as to potential investors and the public.

Various announcements and disclosures to the Bursa Securities are made during the year, including the timely release of financial results on a quarterly basis, provide the shareholders and the investing public with an overview of the Group's performance and operations.

At every Annual General Meeting, a presentation is given by the CEO & MD to explain the Group's strategy, performance and major developments to shareholders. Any information that may be regarded as material would not be given to any single shareholder or shareholder group on a selective basis except to the extent of their representation in the Board.

The Group conducts dialogues with financial analysts from time to time as a means of effective investors communication. At least two scheduled Analysts Briefing are held each year, usually co-inciding with the release of the Group's second and final quarterly results to explain the results achieved and the strategies going forward. A press conference is normally held after the Annual General Meeting and/or Extraordinary General Meeting of the Company. The Company had also participated in several institutional investors' forums during the financial year both locally and outside Malaysia.

A summary of the Group's investor relations activities during the financial year are as follows:-

	Number of Meetings
Regular meetings with investors/fund managers/analysts, etc	
1. Company Briefings	2
2. Press Conferences	2
3. Meetings with visiting investors/fund managers/analysts	48
Participation at Local Road Shows/Exhibitions/Investors Conferences	
1. Conferences	3
Overseas Investors Conferences	
1. Hong Kong	3
2. India	1
3. London	1
4. Singapore	3

The Annual Report contains commentaries on business, financial and operational aspects of the Group's performance, a brief description of the Group's services and products and the financial statements of the Group.

2. Annual General Meeting

The Annual General Meeting is the principal forum for dialogue with shareholders. The notice of meeting and the annual report are sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Articles of Association.

At each Annual General Meeting, the Board encourages the shareholders to participate in the question and answer session. The Chairman and, where appropriate, the CEO & MD respond to shareholders' questions during the meeting. Where appropriate, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

In the case of the re-election of Directors, the notice of meetings will state which Directors are standing for election or re-election.

Each item of special business included in the notice of the meeting is accompanied by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting, and the Chairman will declare the number of proxy votes received both for and against the resolutions prior to voting of each of the resolutions.

3. Openness and Transparency

The Group has established a very comprehensive and current website at http://www.ijm.com to further enhance investor relations and shareholders communication, including their access to information about the Company and the Group. Amongst others, the website provides information on the daily movement of the securities of the Company, corporate announcements released to the Bursa Securities, what others say of the Group, annual reports, minutes of general meetings, distribution of dividends, unclaimed dividends, securities dealings of Directors, Principal Officers and substantial shareholders, and a profile of the Group.

To serve the stakeholders of the Group better via the established Investor Relations webpage column, the feedback page serves to provide avenues for the Group to improve via email: ijmir@ijm.com. In addition, stakeholders who wish to reach the Group can do so through '*Contact Us*' page with the respective contact details of the divisions provided.

IV. ACCOUNTABILITY AND AUDIT

1. Financial Reporting

In presenting the annual financial statements and quarterly announcements to the shareholders, the Board aims to present a balanced and understandable assessment of the Group's position and prospects. This also applies to other price sensitive public reports and reports to regulators.

2. Directors' Responsibility Statement

The Directors are required by the Act to prepare the financial statements for each financial year in accordance with the applicable approved accounting standards to give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Directors have:

i adopted appropriate accounting policies which are consistently applied;

ii. made judgments and estimates that are reasonable and prudent;

iii. ensured that all applicable accounting standards have been followed; and

iv. prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence in the foreseeable future.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Act.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Group, and to prevent fraud and other irregularities. The Group has also implemented the Policy & Procedure for Reporting Fraud, Waste and/or Abuse involving the Resources of the Company, under which, if an employee suspects that fraud, waste, or abuse has occurred, the employee is encouraged to and is given a direct avenue to contact the Group Internal Audit Department, CEO & MD or the Company Secretary.

3. Internal Control

The Group's Internal Control Statement is set out on pages 82 and 83.

4. Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is set out on pages 79 to 81.

5. Non-Audit Fees

The amount of non-audit fees paid/payable to external auditors and their affiliated companies by the Company for the FY 2007 amounted to RM1.66 million.

Signed on behalf of the Board of Directors in accordance with its resolution dated 13 July 2007.

Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob
Chairman

MEMBERS OF THE AUDIT COMMITTEE

Seated:
Tan Sri Dato' (Dr) Haji Murad Bin Mohd Noor

Standing (left to right):
Tan Sri Dato' (Dr) Wan Abdul Rahman bin Wan Yaacob
Datuk Oh Chong Peng
Datuk Yahya Bin Ya'acob

Audit Committee Report

MEMBERSHIP AND MEETINGS

The Audit Committee met on four (4) occasions during the year ended 31 March 2007 and the attendance of each member of the Audit Committee was as follows:

	No. of meetings held during the year	No. of meetings attended
Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor Chairman of the Audit Committee (Senior Independent Non-Executive Director)	4	4
Y. Bhg. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob Member (Independent Non-Executive Director)	4	4
Y. Bhg. Datuk Oh Chong Peng Member (Independent Non-Executive Director)	4	4
Y. Bhg. Datuk Yahya bin Ya'acob Member (Independent Non-Executive Director)	4	4

DURING THE YEAR, THE AUDIT COMMITTEE CARRIED OUT ITS DUTIES, WHICH ARE SET OUT IN THE TERMS OF REFERENCE ON PAGE 81. ASIDE FROM THESE DUTIES, THE MAIN ACTIVITIES PERFORMED BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 MARCH 2007 WERE AS FOLLOWS:

- reviewed the quarterly financial result announcements and the year end financial statements of the Group;
- reviewed the audit strategy and plan with the external auditors;
- reviewed the findings of the external auditors in relation to audit and accounting issues arising from the audit, and updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board;
- reviewed the related party transactions that arose within the Company or Group;
- reviewed and approved the annual audit plan proposed by the Internal Auditors;
- reviewed the audit reports presented by the Internal Auditors on their findings and recommendations with respect to system and control weaknesses;

- reviewed the Risk Management Committee's reports and findings; and
- discussed matters arising with the external auditors on their audit of the Group without the presence of the Management.

In line with Best Practices of the Malaysian Code of Corporate Governance and the requirements of the Standards for Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, the Audit Committee had also appointed an independent consulting firm to perform a Strategic Performance Review of the Group's Internal Audit Department during the year.

Internal Audit Function

The Group's internal audit function is carried out by the Internal Audit Department, which reports to the Audit Committee on its activities based on the approved annual Internal Audit Plan. Giving adequate weightage to the size of operations and risks involved, the approved annual Internal Audit Plan is designed to cover projects and entities across all levels of operations within the Group. During the year, audits performed not only focused on the Malaysian construction and properties division but also included overseas operations, particularly in India, the Middle East and Vietnam. The department continues to provide internal audit services to IJM Plantations Berhad and Industrial Concrete Products Berhad, and in an effort to provide value added services, it also plays an active role in an advisory capacity in the review and improvement of existing internal controls within the Group.

The Internal Audit Department adopts a risk-based auditing approach taking into account global best practices and industry standards. The main role of the Internal Audit Department is to provide the Audit Committee with independent and objective reports on the effectiveness of the system of internal control within the Group.

The Audit Committee then deliberated on the internal audit reports and recommendations from the reports were duly acted upon by management.

MEMBERSHIP

The Audit Committee shall be appointed by the Board of Directors from amongst the Directors and shall consists of not less than three members. The majority of the audit committee members must be independent Directors. The members of an audit committee shall elect a chairman from among their number and who shall be an independent director. An alternate director must not be appointed as a member of the Audit Committee.

At least one member of the Audit Committee:

(i) must be a member of the Malaysian Institute of Accountants; or

(ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years' working experience and:

  (a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

  (b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

(iii) (a) must have a degree/masters/doctorate in accounting or finance and at least three years' post qualification experience in accounting or finance; or

  (b) must have at least seven years' experience being a Chief Financial Officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.

The Board of Directors must review the term of office and performance of the Audit Committee and each of its members at least once every three years to determine whether the audit committee members have carried out their duties in accordance with the terms of reference.

MEETINGS AND MINUTES

Meetings are held at least four times a year, and will normally be attended by the Chief Financial Officer and the Chief Audit Executive, and if required, the external auditors. Other Board members may also attend meetings upon the invitation of the Audit Committee. At least once a year, the Committee shall meet with the external auditors without any executive officer of the Group being present. The auditors, both internal and external, may request a meeting if they consider that one is necessary.

A quorum consists of two members present and a majority of whom must be independent directors.

The Company Secretary acts as secretary to the Audit Committee. Minutes of each meeting are distributed to each Board member and the Chairman of the Committee reports on key issues discussed at each meeting to the Board.

AUTHORITY

The Audit Committee shall have the following authority as empowered by the Board:

- to investigate any activity within its term of reference;
- full, free and unrestricted access to any information pertaining to the Group;
- direct communication channels with the external and internal auditors, as well as all employees of the Group; and
- to obtain external independent professional advice as necessary.

DUTIES

The following are the main duties and responsibilities of the Committee collectively:

1) To review the quarterly results to Bursa Malaysia Securities Berhad (Bursa Securities) and year end financial statements of the Group before submission to the Board, focusing particularly on:
   (i) the going concern assumption;
   (ii) any changes in accounting policies and practices;
   (iii) significant issues arising from the audit;
   (iv) compliance with accounting standards, regulatory and other legal requirements; and
   (v) major judgmental areas.
2) To consider the nomination and appointment of external auditors, as well as their audit fee.
3) To consider any letter of resignation from the external auditors, and any questions of resignation or dismissal.
4) To discuss with the external auditors, prior to the commencement of audit, their audit plan, which states the nature of the audit, and to ensure co-ordination of audit where more than one audit firm is involved.
5) To review with the external auditors their management letter and the management's response.
6) To review the assistance given by the employees of the Company to the external auditors.
7) To review the following in respect of internal audit:
   (i) the adequacy of the audit scope and resources of the internal audit function and that it has the necessary authority to carry out its functions;
   (ii) the internal audit plan and programme;
   (iii) the major findings of internal audit investigations and management's responses, and ensure appropriate actions are taken on the recommendations of the internal audit function;
   (iv) assessment of the performance of the staff of the internal audit function;
   (v) appointment or termination of senior staff members of the internal audit function; and
   (vi) resignations of internal audit staff members and provide resigning staff member an opportunity to submit his/her reason for resignation.
8) To monitor any related party transactions and situations where a conflict of interest may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity. They are also required to ensure that the Directors report such transactions annually to the shareholders via the annual report.
9) To review the reports of the Risk Management Committee in relation to the adequacy and integrity of the Group's internal control system.
10) To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management, where necessary).
11) To review all prospective financial information provided to the regulators and/or the public.
12) To report promptly to Bursa Securities on any matter reported by it to the Board of Directors, which has not been satisfactorily resolved resulting in the breach of the Listing Requirements of Bursa Securities.
13) To consider other matters as may be directed by the Board from time to time.

Internal Control Statement

THE BOARD OF DIRECTORS RECOGNISES THE IMPORTANCE OF SOUND INTERNAL CONTROL AND RISK MANAGEMENT PRACTICES TO GOOD CORPORATE GOVERNANCE. THE BOARD AFFIRMS ITS OVERALL RESPONSIBILITY FOR IJM GROUP'S SYSTEMS OF INTERNAL CONTROL AND RISK MANAGEMENT, AND FOR REVIEWING THE ADEQUACY AND INTEGRITY OF THOSE SYSTEMS. IT SHOULD BE NOTED, HOWEVER, THAT SUCH SYSTEMS ARE DESIGNED TO MANAGE RATHER THAN ELIMINATE THE RISK OF FAILURE TO ACHIEVE BUSINESS OBJECTIVES. IN ADDITION, IT SHOULD BE NOTED THAT SUCH SYSTEMS CAN PROVIDE ONLY REASONABLE, AND NOT ABSOLUTE, ASSURANCE AGAINST MATERIAL MISSTATEMENT OR LOSS.

THE GROUP HAS PUT IN PLACE AN ONGOING RISK MANAGEMENT PROCESS OF IDENTIFYING, DOCUMENTING, EVALUATING, MONITORING AND MANAGING SIGNIFICANT RISKS AFFECTING THE ACHIEVEMENT OF ITS BUSINESS OBJECTIVES.

RISK MANAGEMENT FRAMEWORK

The Board has established an organisational structure with clearly defined lines of accountability and delegated authority. It has extended the responsibilities of the Audit Committee to include the work of monitoring all internal controls on its behalf, with the assistance of the Internal Audit Department (refer Audit Committee Report).

The Group has put in place a Risk Management Committee (RMC), which is chaired by the Group's Chief Financial Officer and includes representatives from all the divisions. Each business division's risk management function is led by the respective head of the division. The RMC is tasked to develop and maintain an effective risk management system in the Group. Its reviews cover matters such as responses to significant risks identified, changes to internal control systems and output from monitoring processes. It reports regularly to the Audit Committee, which dedicates separate time for discussion of this subject.

The Group's risk management system has been developed with the help of external experts. Risk assessment and evaluation take place as an integral part of the annual strategic planning cycle. Having identified the risks to achievement of their strategic, financial, operational and other business objectives, each business or functional unit is required to document the management's mitigating actions for each significant risk. New areas are introduced for assessment as the business risk profile changes.

Under this system, each business or functional unit, excluding associates and joint ventures, prepares annually a 'risk map' which summarises the risks, the controls and processes for managing them and the means for assuring management that the processes are effective. The Group's Head Office also considers the risks to the Group's strategic objectives, which are not addressed by the business or functional units. The risk maps and any proposed changes to the controls and processes are reported to the RMC which summarises them for consideration by the Audit Committee.

The Group is developing an enhanced plan to ensure the continuity of critical business functions in the event of a crisis. Regular incident management drills at our property ranging from basic fire safety to mass evacuation drills are conducted to ensure our employees are well prepared and familiar with our emergency response and crisis management plans.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's internal control system include:

- clearly defined delegation of responsibilities to committees of the Board and to operating units, including authorisation levels for all aspects of the business which are set out in an authority mix;
- clearly documented standard operating policies and procedures which are subject to regular review and improvement;
- regular and comprehensive information provided to management, covering financial performance and key business indicators, such as staff utilisation and cash flow performance;
- a detailed budgeting process where operating units prepare budgets for the coming year which are approved both at divisional unit level and by the full Board;
- monthly monitoring of results against budget, with major variances being followed up and management actions taken, where necessary; and
- visits to operating units by members of the Board and senior management.

During the year, all the Divisions within the Group have carried out their annual reviews on their risk profiles and accordingly certain changes to the risk management and internal control process have been made. The changes were reviewed by the RMC and were subsequently reported to the Audit Committee. A number of minor internal control weaknesses were identified during the period, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies, or uncertainties that would require disclosure in the Group's annual report.

The Group will continue to monitor all major risks affecting the Group under its RMC and take the necessary actions to mitigate or eliminate them, providing a framework for safeguarding our competitive position worldwide.

Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob
Chairman

QUALITY REPORT

DEEPLY ROOTED IN ITS MOTTO 'EXCELLENCE THROUGH QUALITY', THE GROUP IS COMMITTED TO DELIVER QUALITY PRODUCTS AND SERVICES, AND CONTINUES TO SEEK SUPERIOR STANDARDS TO ENSURE THAT THE GROUP REMAINS COMPETITIVE IN THE BUSINESS. THE GROUP ADOPTS AND IMPLEMENTS QUALITY SYSTEMS AS PART OF ITS WORK CULTURE IN THE ORGANISATION.

IJM's construction quality awards have established a culture and competitiveness within our project sites

POLICY ON QUALITY

In keeping with its Mark of Excellence branding, the Group has adopted the following policies:

- all projects and services undertaken will be implemented in a manner that they exceed customers' expectations and comply to applicable statutory and regulatory requirements;
- the standard of quality of the final products and services will be enhanced through continuous review and advancement of construction processes and quality assurance system; and
- the competency of our qualified and dedicated workers at all levels will be nurtured and enhanced to serve our customers better.

The Group continues to place high importance on the quality of its finished products

Continuous advancement through R&D

IJM QUALITY SYSTEM ASSESSMENT STANDARD (IQSAS)

The Group has developed a Quality Management System that was certified ISO 9002:1994 in 1996. Since then, the Group has successfully renewed its certification annually.

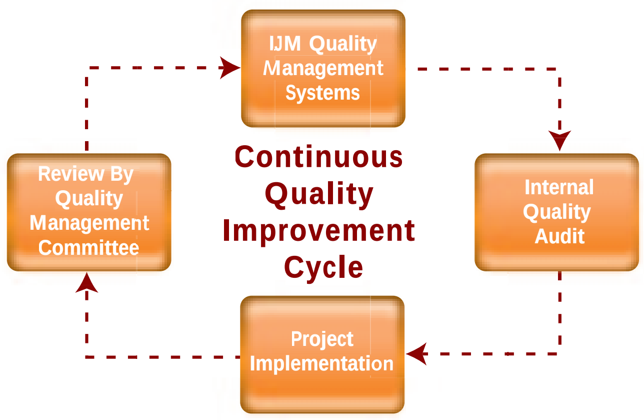
In addition, the Group has developed a standard known as IJM Quality System Assessment Standard (IQSAS) to further improve the quality standards of its completed projects. IQSAS is a self-regulated assessment system of procedures and testing methods in which standards are set out for the various quality aspects of the building construction and civil works.

IJM QUALITY AWARD FOR CONSTRUCTION

In order to create competitiveness and commitment among project sites to deliver quality work, the Group accords annually the Quality Award to project that top scored from a list of criteria that include amongst others, external survey and quality audits. The Award is given out for two categories - building and civil works.

CONTINUOUS QUALITY IMPROVEMENT

The Group recognises the need to further maintain its quality standards. With its operations now expanded to countries such as India, Pakistan and the Middle East, addressing quality issues and embracing its workforce with quality culture becomes more challenging. The quality management system in its India operations had undergone evaluation with a view to implementing IQSAS in all its projects there.



The Group continues to accord high priority on quality improvement and are taking continuous steps, as follows:

- enhancement of the Group's Quality Manual and Procedure Manual;
- knowledge-sharing concept via Quality System Department's iPortal;
- incorporation of the Quality Policies and Procedures in the Project Manager Handbook;
- IQSAS building/civil work assessment is carried out for all projects;
- regular staff development and training; and
- emphasising on job training for skill works.

Not resting on its laurels, the Group continues to take steps to improve the IQSAS and its quality practices. Its quality cycle continues to be charted by assessing the results and recommendations from:

- the Quality Management Committee;
- internal quality audits;
- external quality audits; and
- annual survey.

ISO CERTIFICATION

The Group intends to achieve compliance with ISO 9000 in all its business operations. To date, a total of eleven companies under its belt have achieved certification since 1996, as follows:-

1. IJM Corporation Berhad
2. IJM Construction Sdn Bhd
3. Prebore Piling & Engineering Sdn Bhd
4. IJM Buildings System Sdn Bhd
5. Strong Mixed Concrete Sdn Bhd
6. IJM Properties Sdn Bhd
7. IJM (India) Infrastructure Ltd
8. Industrial Concrete Products Berhad
9. Expedient Resources Sdn Bhd
10. Durabon Sdn Bhd
11. Jurutama Sdn Bhd

THE GROUP CONTINUES TO PLACE GREAT IMPORTANCE IN ITS HEALTH, SAFETY AND ENVIRONMENTAL ("HSE") PRACTICES WITH THE OBJECTIVES OF ACHIEVING LONG-TERM SUSTAINABLE DEVELOPMENT, HEALTHY WORK ENVIRONMENT AND PREVENT ACCIDENTS AND OCCUPATIONAL ILLNESSES. ITS MOTTO "HEALTH, SAFETY AND ENVIRONMENT IS EVERYONE'S RESPONSIBILITY" HAS LONG BEEN THE GUIDING PRINCIPLE TO INCULCATE A HIGH LEVEL OF OCCUPATIONAL SAFETY AND HEALTH PRACTICES AND TO CREATE ENVIRONMENTAL AWARENESS INTO ITS WORK CULTURE.

THE GROUP'S COMMITMENT TOWARDS EXCELLENT HSE PRACTICES WERE RECOGNISED BY THE CERTIFICATIONS TO MS 1722: PART 1: 2005, MALAYSIA STANDARDS ON OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM AS WELL AS THE ISO 14001:2004 STANDARDS ON ENVIRONMENTAL MANAGEMENT SYSTEM IN 2006.

HEALTH & SAFETY

IJM Corporation Berhad and IJM Construction Sdn Bhd were the first Malaysian companies in the construction industry to be conferred the international Occupational Health and Safety Assessment Series ("OHSAS") 18001:1999 certification in November 2000 for its sound health and safety practices. The companies have successfully maintained this certification since.

Safety Award is presented during the Company's Annual Dinner

The Group has in place a structured and comprehensive safety system to:

- review the suitability of safety policies, objectives and targets for continual improvement;
- review the safety performance and results of safety system audits; and
- recommend corrective and preventive actions.

To achieve the Group's objectives of 'zero accident' and the assurance of public safety at all locations of its operations, a policy has been formulated aiming at:

– compliance with all applicable HSE legislation and other HSE requirements,

– familiarisation of all employees and stakeholders with training, information and facilities,

– increasing awareness and accountability at all levels of the organisation, and

– regular monitoring and review of its set objectives.

Safety and Health Management System

Various committees and practices were set up to enhance safety and health in the working environment. They include:

1. **Health, Safety & Environment Management Committee ("HSEMC")**

   This committee meets periodically to review the operations of the safety and health management systems.

2. **Health, Safety and Environment Committee ("HSEC")**

   To assist the development of safety and health rules, carry out inspections and review the safety and health policies at the work place.

3. **IJM Health and Safety Assessment System ("IHSAS")**

   A system developed based on the OHSAS 18001 standards to establish the standards for various safety aspects of construction works undertaken.

4. **Hazard Identification, Risk Assessment and Risk Control ("HIRARC")**

   A risk assessment process carried out before commencement of construction activities.

5. **The Project Safety and Health Plan**

   A plan designed to ensure that, prior to the execution of construction works, all operations undertaken adhere fully to the Occupational Safety and Health Act, 1994.

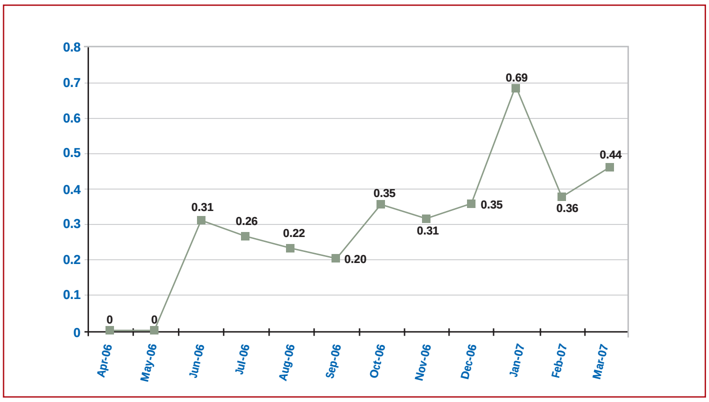
Use of scaffolding and safety net at the Group's PJ8 development

6. **Performance Indicator**

   This reactive monitoring system is carried out through the compilation and analysis of a number of key performance indicators.

   (a) Lost Time Injury ("LTI")

   In our quest for continuous improvement in health and safety practices, the Group has revised its target for frequency rate and severity rate, both of which are factored on LTI to below 0.3 and 3.0 respectively. For FY 2007, 48 of the Group's on-going projects achieved their respective target of man-hours without Lost Time Injury (LTI), with projects such as Bayswater, Alam Warisan 2 & 3, KLCC Luxury Condominium and Menara Commerce exceeding the 1-million man-hours mark.

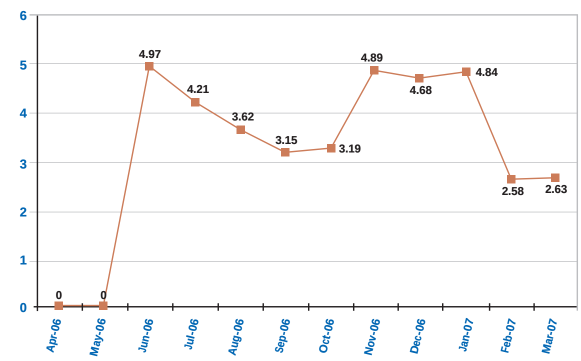


Average Frequency Rate (Malaysia) April 2006 - March 2007

   (b) Non-conformity Report ("NCR")

   In addition to annual inspections, several project sites under subsidiaries IJM Construction Sdn Bhd, Prebore Piling & Engineering Sdn Bhd, Jurutama Sdn Bhd and Torcso Sdn Bhd were subjected to the stringent surveillance audit by SIRIM. Overall, the high standard was maintained as evidenced by only one minor non-conformity report issued compared to four in the previous year.

Safety courses are regularly conducted



Average Severity Rate (Malaysia) April 2006 - March 2007

Continuous Training and Awareness

During the year, various training and awareness programmes were held to promote a proactive safety and health culture. These include the Introduction to Occupational Health and Safety Assessment Series (OHSAS) 18001, HSE Internal Audit, Fire Drill, Accident Investigation, First Aid & CPR Training, Safe Work Instruction, Plant and Machinery Safety, Traffic Management and Road Safety, and Noise Hazards.

ENVIRONMENT

Sustainability of the business is about ensuring long-term economic success whilst caring for the environment. The Group constantly monitors areas of environmental concern with the view of taking pre-emptive measures to prevent irreversible damage to the environment.

Sensibly designed environmental management systems are a pre-requisite for efficient environmental control. Recognising this, all aspects of environmental monitoring are carefully planned and implemented in all the Group's activities.

Environmental Monitoring Program

An analytical monitoring program has been planned and conducted, in order to ensure that in all IJM construction sites environmental performance are in compliance with the Environmental Quality Act, 1974. This programme encompasses the monitoring of:

(a) Air Quality

(b) Water Quality

(c) Noise Level

Waste Management

We have in place an effective solid waste management in accordance to the Environmental Quality (Scheduled Waste) Regulations 2005. Our construction and property development sites are required to manage the construction, domestic and scheduled waste regularly and effectively.

Our Plantations division has set a goal of 'zero waste' for its palm oil mills. Palm oil mill effluent (POME) is applied to the land principally as irrigation after going through the normal process of treatment to minimise pollution load. The biocomposting plant in Sabang converts the shredded fibers from empty fruit bunches (EFB) and POME into semi-decomposed organic compost for use in the Sugut estates. Bunch ash derived from incinerating EFB in Desa Talisai palm oil mill is recycled back to the estates and helps to replace inorganic potash fertilisers.

Flood Control

Our construction and property development activities carry out controlled earthworks to prevent flooding of surrounding low-lying areas. In addition, detention ponds are built to regulate flow of rainwater to avoid flooding.

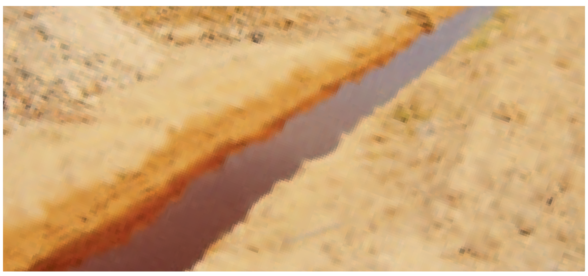
In our plantations, water reservoirs are created in selected areas in the estates to alleviate floods. These reservoirs also serve as the source of irrigation water for the surrounding fields during dry periods.

Erosion & Sedimentation Control

Measures such as phased developments, turfing of hill slopes, progressive revegetation, hydro-seeding, silt traps and slope stabilisation are implemented at our construction and property development sites to prevent soil erosion and sedimentation.

Our quarrying operations also adopted turfing to cut hillsides to prevent landslides and other adverse effects to the environment. Other preservation measures include garden landscaping and installation of fishpond and waterfall systems to create an aesthetic environment.

In our plantations, legume cover crops including Mucuna bracteata are established immediately after land clearing in all the new plantation developments and replants to minimise soil loss. The cover crops have other benefits including conversion of atmospheric nitrogen into a form usable by plants, addition of organic matter to the soil, improvement in both the soil physical and chemical properties and help to lower soil temperature and conserve moisture.




Silt trap and slope stabilisation are some of the environmental measures adopted at our construction sites

Legume cover crops established immediately after land clearing minimises soil loss

Air Quality Control

Open burning is prohibited at all our construction and property development sites. Regular sprinkling of water is also carried out, whilst sprinkler systems are installed on our crushers, conveyors and along quarry access to reduce dust pollution. In addition, the Group adopts the use of environmental friendly plant and equipment in its operations, where feasible.

Our plantations adopt a zero-burn policy for all its replantings. This policy is written into land clearing contracts where the services of third party contractors are employed. In new plantation developments, zero-burn is the preferred policy, but where the situation warrants it, controlled burning is undertaken with prior approval from the relevant authorities.

Carbon sequestration plays an important role in reducing carbon dioxide gas in the atmosphere. The oil palm trees within our Plantations Group had sequestered over half a million metric tonnes of carbon last year, hence contributing to the removal of greenhouse gas from the atmosphere.

Noise Level Control

Proper piling methods are adopted during foundation works at our construction sites to mitigate noise pollution. In our manufacturing business, the division adopted noise reduction measures such as the use of rubberised mesh in its screening operations and insulated noise protection materials in control rooms at our quarries. Independent consultants are also engaged to review the level of permissible noise whilst staff are required to wear noise protective equipments, where necessary.

Forest tree planting reserve and water catchment in our plantations

Water Quality Control

We build proper water discharge drainage systems at all locations of our activities. Sedimentation ponds, silt traps and bunkers are built to trap the silt to prevent wastes being discharged into rivers during heavy rainfalls.

Integrated Pest Management

Activities involving collection, breeding and multiplication of predator insects have been carried out in an insectarium in our Quality, Training & Research Centre for eventual release in the estates. In addition to the diverse natural vegetation already being preserved, specific beneficial plants acting as effective alternative food source for the predators of pests are being propagated and planted throughout the estates. Last year, special focus was directed to raise Antigonon species throughout the IJMP Group estates. In the control of rhinoceros beetle, Oryctes rhinoceros, both pheromone and biopesticides such as Metarrhizium are being used. The use of barn owl for biological control of rats in Sandakan is being explored with other interested members of the oil palm industry.

CORPORATE SOCIAL RESPONSIBILITY

AT IJM, WE SUBSCRIBE TO THE PRINCIPLES OF GOOD CORPORATE CITIZENSHIP AND RESPONSIBILITY FOR SUSTAINABLE GROWTH AND DEVELOPMENT. WITH A STEADFAST COMMITMENT TOWARDS BEST PRACTICES IN ALL OUR OPERATIONS, WE SEEK TO ENSURE THAT THE INTERESTS OF OUR KEY STAKEHOLDERS; FROM SHAREHOLDERS, INVESTORS, CUSTOMERS AND EMPLOYEES TO THE LARGER COMMUNITY; ARE WELL LOOKED AFTER. THIS IS ACHIEVED THROUGH CONSCIOUS EFFORTS TO INTEGRATE ALL OUR BUSINESS PLANS AND ACTIVITIES WITH CORPORATE SOCIAL RESPONSIBILITY ("CSR") VALUES.

We are committed to good corporate citizenship and responsibility

BUSINESS ETHICS

The Group is committed to ethical business conducts and adopts a policy that is practical, simple and beneficial. This commitment towards excellent business ethics has benefited stakeholders in many ways. They include timely delivery of quality products and services, achieving accident-free operations, elimination of occupational health hazards, and conservation and preservation of the environment. The Group also has in place an effective and efficient structure, a robust business process as well as an internationalisation strategy to maximise returns to stakeholders.

In all its policies, the Group does not discriminate against any race, gender, age or minorities. These policies serve as the guiding principles to inculcate a working culture that places high importance on professionalism, integrity and good governance.

The Group's policies and procedures on the various best practices are widely published through the Group's website and Information Portal and annual reports. Policy statements are also widely displayed in various locations within the organisation. To further enhance good governance practices, the Group has established a whistle-blowing procedure whereby staff can report cases of fraud or irregularities within the Group to the Internal Audit Department, the Chief Executive Officer & Managing Director or the Company Secretary. Employee feedback is also encouraged through interactive intranet forums, suggestion boxes and more recently, an Employee Engagement Survey which proved to be highly effective in aiding the ongoing IJM-Road Builder integration.

More information on other best management practices and business ethics of the Group are provided in other sections of this report.

OUR FOOTPRINTS IN THE WORLD...

- ARGENTINA
- AUSTRALIA
- BAHRAIN
- BANGLADESH
- CHILE
- CHINA
- HONG KONG
- INDIA
- ITALY
- MALAYSIA
- MAURITIUS
- MYANMAR
- NAMIBIA
- PAKISTAN
- SINGAPORE
- UNITED ARAB EMIRATES
- UNITED KINGDOM
- UNITED STATES OF AMERICA
- VIETNAM

IJM staff representing the various divisions took to the stage during the 2006 Dinner and Dance and provided entertainment and hilarity

SAFETY FIRST

The safety of our people and communities is of critical importance in all aspects of our operations. Concerted efforts are continually made to create awareness on the collective responsibility among its employees for the prevention of injuries and occupational health hazards and the assurance of public safety when carrying out its business activities. As such, the Group has implemented a comprehensive safety system with the objectives of "zero accident" and public safety.

There is an extensive coverage of the Group's best health and safety practices in the *Health, Safety and Environment Report*.

CUSTOMER SATISFACTION

The Group's objective to deliver superior quality products and services has gained strong recognition from customers, endorsements by the Government and the achievement by our stable of ISO-certified companies which stands at 11 to date. This has given us a distinct competitive edge as we bid to compete in the international arena.

The Group's quality practices are covered extensively in the *Quality Report*.

INVESTOR RELATIONS

In line with good governance practices, IJM continues to place great importance on accountability and transparency in the disclosure of information to our stakeholders. The Group has an established Investor Relations (IR) programme that provides our stakeholders with valuable insights of our Group's business operations and performances. Visitors to the Group's website are also encouraged to submit their feedback to enable the Group to further enhance its services.

More details of the Group's Investor Relations can be found in the *Corporate Governance Statement*.

CARING FOR OUR PEOPLE

We value our people as key assets of the organisation and continue to provide a platform for them to excel. In return, this ensures our people are equipped with the necessary skills and knowledge to keep us at the forefront of our businesses. Whilst we strive to create more wealth for our shareholders, we also seek to balance our commitment to our people. Bearing this in mind, we have organised several activities throughout the year, ranging from trainings to social gatherings as well as recreational activities.



Recreational and sporting competitions are held regularly, building a strong culture of team spirit while helping to create a more healthy and positive workforce

Training & Development

As a learning-based organisation, we firmly believe in continuous training and development. Various programmes were organised throughout the year to upgrade the core competencies of our people while creating a talent pool for succession planning.

Some of the programmes arranged by the Group included Technical (Geotechnical Engineering, Quantity Surveying, Accidents Investigation, Quality), Management (Business Continuity Planning, Corporate Sustainability Reporting: A Practical Approach, Strategic And Operational Risk Management), Communication (IJM Toastmasters Club, Communicative In Writing), Administrative (Customer Service & Telephone Techniques, Training Of Storekeepers, Orientation and Induction for new staff, Plantations Best Management Practices) and other soft skills.

Appreciating Loyalty

The Group appreciates the loyalty of employees who have attained 20 years service. Long Service Awards are presented during the Group's Annual Dinner and Dance and special retirement awards are also handed out to retiring staff who have served the company for at least 15 years.

More Than Just Work

The Kelab Sukan IJM (KSIJM) was established by the Group to organise various social, sports and welfare activities for our people.

Social Gatherings

We are committed to promote staff interaction by regularly bringing everyone in the IJM family together. Through this commitment, efforts are made to strengthen the bonds of friendship and camaraderie whilst instilling a sense of belonging among staff.

The Annual Dinner & Dance, the IJM Family Day, the New Year Bash 2007, short vacations and KSIJM "Movie Manias" are amongst the various events organised for our staff and their families.

Healthy Living

We believe a healthy mind starts with a healthy body. KSIJM has been actively promoting a healthy lifestyle through various exercises.

Kompleks Sukan IJM-COBRA continues to be the preferred venue where staff can enjoy sporting and fitness activities such as badminton, squash, pilates and jazzercise. In-house sports competitions, like futsal, bowling, darts and carrom, were also organised to promote healthy living and staff interaction.

Health talks and health screening test sessions are conducted regularly to educate our people of its importance.

COMMUNITY SERVICE

As a socially caring corporate citizen, the Group's philanthropic efforts continue to be in the areas of social welfare, education and sports development.

Scholarship

Annually, the Group gives out the IJM Scholarship Award to students who excel academically and are in need of financial aid. The scholarships are awarded to selected outstanding students in the fields of accounting, engineering (civil, mechanical & electrical), housing, building & planning and quantity surveying. Each scholar received a grant worth RM10,000 per academic semester. This in turn provides us with a steady stream of high calibre professionals to sustain and reinvigorate our long-term growth.

Graduate Employment

The Group introduced its maiden Graduate Employment programme involving 3 South African graduates from the Province of Limpopo. Their two-year stint include a charted training and development programme aimed at equipping them with the knowledge, skills and exposure upon their return to South Africa.

One of many self-development workshops organised for staff

IJM Toastmasters - to promote public speaking

Staff mentoring at workplace

The Group's community programs include, amongst others, the establishment of nurseries and kindergartens in rural areas, blood donation campaign and sponsorship of sporting event

Nursery And Kindergarten facilities for Planter's children

IJMP's commitment to the educational needs of the plantation community is manifested through the establishment and continual support given to the kindergartens and nurseries that have been set up to cater to the families who live in the surrounding rural areas.

Answering the Community's Call

The Group continues to organise regular blood donation drives in collaboration with the University Hospital, Selangor during the year. A total of 83 staff took time off to answer the call. In December 2006, we organised a mass collection of food, drinks and clothes to aid the Johor flood victims. In addition, substantial donations were made to the various organisations providing direct assistance to those affected by the floods.

Sports Development at Grassroots Level

The Group plays a role in developing the nation's sports level through sponsorship of sporting events such as the 37th HSBC-COBRA Invitational Rugby 10s 2006 and Angel Cup Malaysia 2006 - biennial international rhythmic gymnastic championship. The latter tournament is by far the biggest rhythmic gymnastic competition ever to be staged by Malaysia.

Annual contributions are channeled toward junior sports development in Malaysia through SportExcel, a foundation for Malaysian sporting excellence. To further promote sports at grass root level, the Group has focused on rugby development at school level. Two major effective programs are funded by the Group with the objectives of creating a pool of qualified rugby coaches and coaching of school boys in Malaysian schools. A programme in collaboration with COBRA has been in progress in West Malaysia in the last two years. To date, more than 270 teachers had been trained as coaches in this programme. A measure of the success of this program is reflected by the many coaching clinics conducted, which were attended by more than 1,800 students. In Sandakan, Sabah, the Academy for Rugby Excellence was set up in a joint-development programme with the state's rugby union and education department and is seeing similar success.

KEEPING IT GREEN

Ever mindful of the environment especially with the increasing concern of global warming, IJM is constantly working to reduce its carbon footprint in all its business activities. This includes working towards adhering to all environmental legislations as well as maintaining IJM's EMS ISO 14001:2004, which was achieved in 2006. A special Health, Safety and Environmental Management System was also developed to address emerging green issues as well as work towards further environmental protection. Frequent training, HSE system audits and periodic management reviews were also carried out to ensure compliance throughout the financial year.

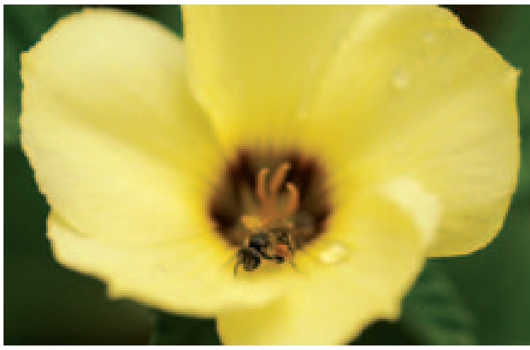
For a full report on the Group's best environmental practices, please refer to the Health, Safety and Environment Report on pages 87 to 92.

RESEARCH & DEVELOPMENT, AND INNOVATION

IJM recognises that it operates in a competitive business environment. Thus IJM has placed its focus on quality, and innovative products and services, which are produced at lower costs and greater speed to face the challenges of intense competition.

Our business culture of producing quality, innovative products and services will continue to be our foundation for growth. We will continue to allocate our resources in a synergistic manner to eliminate duplication, to benchmark our processes against the highest international standards and to embrace the state-of-the art technology to stay ahead. Dedicated investment in research and development, and developing innovative approaches will be the key to our sustainable growth in businesses. We will move forward with a focus to shape and assure our future by practising the art of constant reengineering and invention, and producing the highest quality products through investment in research and development.

Use of personal protective equipment



Beneficial plant

Quality assurance

Oxbow lake 117 - a project to conserve wildlife

Research & Development

The Group's subsidiary, Industrial Concrete Products Berhad, carries out an intensive R&D in its factory located in Klang, Selangor to maintain its dominant leading position in producing Pretensioned Spun Concrete (PSC) Piles. The centre comes equipped with a 2000-ton compression jack that enables analysis of axial loading test of PSC piles to be carried out. Some notable achievements included clinching a place in the Malaysian Book of Records for the designing and developing the longest precast concrete pile locally. Recently, we managed to break another record when we cast the longest pile in our history ñ a massive diameter 1000mm pile by 52 metres in length! For 2005/06, a total of RM106,663 was expended on R&D activities. R&D will continue to take place in pushing the performance boundaries for materials such as concrete and epoxy materials along with the possibilities of using quarry dust as an alternative material in increasing the strength of concrete for the production of piles.

The Plantations Division, through IJM Plantations Berhad, is committed to undertake R&D programme that will further enhance yield productivity and cost efficiency with due care for the environment to ensure a sustainable business as it strives to maintain its business edge well into the future. The Quality, Training and Research Centre (QTRC) located in Sijas estate, Sabah continues to play a pivotal role in spearheading the R&D pursuits of the Plantations Division. The main R&D thrusts include oil palm breeding, selection and commercial production of oil palm planting material. QTRC's continuing research is also targeted on the use of biological controls to reduce the use of chemical pesticide.

Innovative Products

A subsidiary of IJM Construction Sdn Bhd specialising in trenchless ("No-Dig") pipelines rehabilitation technology with minimum excavation. employs innovative pipeline systems that are environmentally-friendly and cost-effective. These also reduces costs as they require low maintenance. Also, the performance of our pipes has proven to exceed the conventional lifespan of 30 years.

IJM Building system, through a previous joint-venture, undertook the production of the first lightweight oil palm fibre reinforced cement composite panels was accredited by the Malaysian Book of Records Award as the first such product in Malaysia.

FINANCIAL STATEMENTS

1. The Directors have pleasure in submitting their 23rd annual report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2007.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in construction and investment holding activities. The Group's principal activities are in construction, property development, manufacturing and quarrying, tollway operations, plantations and investment holding.

There have been no significant changes in these principal activities during the financial year.

3. FINANCIAL RESULTS

	The Group RM'000	The Company RM'000
Net profit for the financial year	240,109	93,741
Attributable to:		
Equity holders of the Company	194,336	93,741
Minority interest	45,773	–
	240,109	93,741

4. DIVIDENDS

Dividends paid or declared since the end of the previous financial year are as follows:

	RM'000
(a) In respect of the financial year ended 31 March 2006:	
Second interim dividend of 10% less income tax at 28%, paid on 18 August 2006	35,668
(b) In respect of the financial year ended 31 March 2007:	
First interim dividend of 5% less income tax at 27%, paid on 9 February 2007	27,590
Special dividend of 5% tax exempt, paid on 9 February 2007	20,142
	47,732

On 30 May 2007, the Directors have declared a second interim dividend in respect of the financial year ended 31 March 2007 of 5% less tax at 27% to be paid on 17 August 2007 to every member who is entitled to receive the dividend as at 5.00 pm on 31 July 2007.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2007.

5. RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

6. SHARE CAPITAL

During the financial year, the authorised share capital of the Company was increased from RM1,000,000,000 to RM3,000,000,000 by way of the creation of RM2,000,000,000 ordinary shares of RM1 each.

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM479,931,566 to RM570,327,355 by way of:

(a) The issuance of 60,300,139 new ordinary shares of RM1.00 each arising from the exercise of Warrants 2005/2010 at the subscription price of RM4.80 per share in accordance with the Deed Poll dated 22 June 2005; and

6. SHARE CAPITAL (cont'd)

(b) The issuance of 30,095,650 new ordinary shares of RM1.00 each arising from the exercise of options under the Employee Share Option Scheme at the following issue prices:

Number of shares issued units	ESOS exercise price RM/share
3,747,300	3.93
6,061,800	3.96
300,000	4.15
100,000	4.18
1,609,200	4.20
2,158,950	4.23
7,854,700	4.33
6,978,700	4.36
245,000	4.37
820,000	4.41
220,000	4.44
30,095,650	

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

7. EMPLOYEE SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 17 October 2003, the Directors were authorised to proceed with the establishment and administration of an ESOS known as the IJM Corporation Berhad Employee Share Option Scheme.

The main features of the ESOS are as follows:

(a) The ESOS was implemented on 11 November 2003, and shall be in force for a period of five (5) years and expires on 10 November 2008.

(b) Eligible employees are at the absolute discretion of the ESOS Committee subject to the employee and Executive Director (holding office in a full time executive capacity) having been confirmed in the employment or appointment of IJM Corporation Berhad and its subsidiaries (save for any subsidiaries which are dormant) on or up to the Offer Date and has attained the age of eighteen (18) years. An Executive Director shall only be eligible if he is on the payroll and involved in the day-to-day management of IJM and his participation in the Scheme is specifically approved by the shareholders of the Company in a general meeting.

(c) At an Extraordinary General Meeting on 19 May 2004, the Bye-Laws of the ESOS were amended to approve the grant of options to Non-Executive Directors. On that date, the Directors were authorised to offer and grant options to the following Non-Executive Directors:

 (i) Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob

 (ii) Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor

 (iii) Datuk Oh Chong Peng

 (iv) Datuk Yahya bin Ya'acob

 (v) Dato' Goh Chye Keat *(resigned on 16 August 2006)*

 (vi) Dato' Ismail bin Shahudin *(resigned on 16 October 2006)*

(d) The total number of new Company's shares which may be made available under the ESOS shall not exceed ten per centum (10%) (or any maximum percentage permitted by the relevant authorities) of the total issued and paid-up share capital comprising ordinary shares of the Company at any one time.

(e) The Option Price shall be the weighted average market price of the Company's shares as shown in the Daily Official List of the Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the Offer Date with an allowance for a discount of not more than ten per centum (10%) therefrom at the ESOS Committee's discretion or the par value of the Company's shares, whichever is higher.

7. EMPLOYEE SHARE OPTION SCHEME ("ESOS") (cont'd)

(f) The exercise price of the ESOS had been adjusted on 30 April 2005 and 1 August 2006 respectively pursuant to Bye-Law 14 of the ESOS Bye-Laws, which states that the option prices may be adjusted in the event of a capital distribution which may involve the declaration or provision of a dividend unless the aggregate gross dividends declared in respect of the financial period / year is less than ten per centum (10%) of the nominal value of the shares of the Company. The adjusted option prices on 30 April 2005 and 1 August 2006 respectively are as follows:

Offer Date	Offer Price at Offer Date	Adjusted on 30 April 2005	Adjusted on 1 August 2006
8 January 2004	RM3.99	RM3.96	RM3.93
7 April 2004	RM4.47	RM4.44	RM4.41
30 April 2004	RM4.39	RM4.36	RM4.33
20 May 2004	RM4.21	RM4.18	RM4.15
30 August 2005	RM4.40	n/a	RM4.37
26 October 2005	RM4.23	n/a	RM4.20

(g) The details of the options granted but not exercised are set out in Note 14(c) to the financial statements.

8. WARRANTS 2005/2010

The Warrants 2005/2010 are constituted by a Deed Poll dated 22 June 2005.

On 23 August 2005, the Company allotted:

(a) 93,171,576 new Warrants 2005/2010 at an issue price of RM0.05 per Warrant on the basis of one (1) Warrant for every five (5) existing ordinary shares of RM1.00 each held in the Company on 11 July 2005; and

(b) 10,000,000 new Warrants 2005/2010 at an issue price of RM0.05 per Warrant to eligible management staff of the Company and its subsidiaries.

Each Warrant 2005/2010 entitles the registered holder to subscribe for one (1) new ordinary share in the Company at any time on or after 23 August 2005 to 22 August 2010, at an exercise price of RM4.80 per share or such adjusted price in accordance with the provisions in the Deed Poll. Any Warrants 2005/2010 not exercised at the date of maturity will lapse and cease to be valid for any purpose.

The ordinary shares issued from the exercise of Warrants 2005/2010 shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions or rights, the entitlement date of which is prior to the date of the allotment of the new shares arising from the exercise of Warrants 2005/2010.

9. DIRECTORS

The Directors in office since the date of the last report and statement are:

Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob, *Independent Non-Executive Chairman*
Dato' Tan Boon Seng @ Krishnan, *Chief Executive Officer & Managing Director*
Dato' Goh Chye Koon, *Deputy Chief Executive Officer & Deputy Managing Director*
Soo Heng Chin, *Senior General Manager & Executive Director*
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor, *Senior Independent Non-Executive Director*
Datuk Oh Chong Peng, *Independent Non-Executive Director*
Datuk Yahya bin Ya'acob, *Independent Non-Executive Director*
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad, *Non-Executive Director*
Ayyaril Karikulath Feizal Ali, *Non-Executive Director (appointed on 5 January 2007)*
Tan Sri Abdul Halim bin Ali, *Independent Non-Executive Director (appointed on 25 April 2007)*
Datuk Lee Teck Yuen, *Non-Executive Director (appointed on 30 May 2007)*
Dato' David Frederick Wilson, *Non-Executive Director (appointed on 30 May 2007)*
Tan Gim Foo, *Alternate to Soo Heng Chin*
Hasni bin Harun, *Alternate to Ayyaril Karikulath Feizal Ali (appointed on 9 May 2007)*
Teh Kean Ming *(resigned as an Alternate to Dato' Goh Chye Keat on 16 August 2006, appointed as Alternate to Dato' Goh Chye Koon on 16 August 2006)*
Dato' Goh Chye Keat, *Non-Executive Director (resigned on 16 August 2006)*
Dato' Ismail bin Shahudin, *Non-Executive Director (resigned on 16 October 2006)*

9. DIRECTORS (cont'd)

According to the Register of Directors' Shareholdings, particulars of Directors' interests in shares, options over ordinary shares and Warrants of the Company and its related corporations during the financial year are as follows:

IJM Corporation Berhad

	Number of Ordinary Shares of RM1 each			
	Balance at 1.4.2006	Acquired	Disposed	Balance at 31.3.2007
Name of Director				
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob				
Direct interest	33,400	100,000	83,400	50,000
Dato' Tan Boon Seng @ Krishnan				
Direct interest	2,397,698	1,900,000	3,107,698	1,190,000
Indirect interest	578,698	–	578,698	–
Dato' Goh Chye Koon				
Direct interest	923,712	1,010,000	1,563,000	370,712
Soo Heng Chin				
Direct interest	102,000	912,500	615,100	399,400
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor				
Direct interest	10,333	100,000	10,000	100,333
Datuk Yahya bin Ya'acob				
Direct interest	–	100,000	50,000	50,000
Tan Gim Foo				
Direct interest	33,000	467,000	500,000	–
Teh Kean Ming				
Direct interest	85,000	540,000	575,000	50,000
Indirect interest	26,000	–	26,000	–

Industrial Concrete Products Berhad (a subsidiary)

	Number of Ordinary Shares of RM0.50 each			
	Balance at 1.4.2006	Acquired	Disposed	Balance at 31.3.2007
Name of Director				
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob				
Direct interest	10,000	–	10,000	–
Dato' Tan Boon Seng @ Krishnan				
Direct interest	552,000	180,000	–	732,000
Indirect interest	901,200	–	–	901,200
Dato' Goh Chye Koon				
Direct interest	240,000	–	20,000	220,000
Teh Kean Ming				
Direct interest	–	50,000	–	50,000
Indirect interest	–	30,000	–	30,000

9. DIRECTORS (cont'd)

IJM Plantations Berhad
(a subsidiary)

	Number of Ordinary Shares of RM0.50 each			
	Balance at 1.4.2006	Acquired	Disposed	Balance at 31.3.2007
Name of Director				
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob				
Direct interest	110,000	–	–	110,000
Dato' Tan Boon Seng @ Krishnan				
Direct interest	505,879	–	–	505,879
Indirect interest	277,879	–	–	277,879
Dato' Goh Chye Koon				
Direct interest	153,484	–	–	153,484
Soo Heng Chin				
Direct interest	22,000	–	–	22,000
Teh Kean Ming				
Direct interest	30,000	–	–	30,000
Indirect interest	30,000	–	–	30,000

IJM Corporation Berhad

	Number of Options Over Ordinary Shares of RM1 each			
	Balance at 1.4.2006	Granted	Exercised	Balance at 31.3.2007
Name of Director				
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	100,000	–	100,000	–
Dato' Tan Boon Seng @ Krishnan	1,600,000	–	1,600,000	–
Dato' Goh Chye Koon	1,550,000	–	510,000	1,040,000
Soo Heng Chin	1,132,500	–	912,500	220,000
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	100,000	–	100,000	–
Datuk Oh Chong Peng	100,000	–	–	100,000
Datuk Yahya bin Ya'acob	100,000	–	100,000	–
Tan Gim Foo	437,000	–	437,000	–
Teh Kean Ming	610,000	–	540,000	70,000

IJM Plantations Berhad
(a subsidiary)

	Number of Options Over Ordinary Shares of RM0.50 each			
	Balance at 1.4.2006	Granted	Exercised	Balance at 31.3.2007
Name of Director				
Datuk Oh Chong Peng	100,000	–	–	100,000

9. DIRECTORS (cont'd)

IJM Corporation Berhad

	Number of Warrants				
	Balance at 1.4.2006	**Acquired**	**Disposed**	**Exercised**	**Balance at 31.3.2007**
Name of Director					
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob					
Direct interest	4,800	–	4,800	–	**–**
Dato' Tan Boon Seng @ Krishnan					
Direct interest	701,900	200,000	100,000	300,000	**501,900**
Dato' Goh Chye Koon					
Direct interest	480,000	813,000	420,000	500,000	**373,000**
Soo Heng Chin					
Direct interest	336,000	–	–	–	**336,000**
Tan Gim Foo					
Direct interest	230,000	70,000	260,000	30,000	**10,000**
Teh Kean Ming					
Direct interest	417,000	–	280,000	–	**137,000**
Indirect interest	177,900	–	162,900	–	**15,000**

Except as disclosed above, the Directors in office at the end of the financial year do not have any direct or indirect interests in the shares, options over ordinary shares or Warrants of the Company and its related corporations during the financial year.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the fees and other emoluments shown in the financial statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Except as disclosed above, neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the Company's ESOS and Warrants (See Note 7 to the financial statements).

10. OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

At the date of this report and statement, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts of the Group and of the Company inadequate to any material extent or the values attributed to current assets of the Group and of the Company misleading; or

(b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(c) not otherwise dealt with in this report and statement or in the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

10. OTHER STATUTORY INFORMATION (cont'd)

In the interval between the end of the financial year and the date of this report and statement:

(a) other than as disclosed in Note 54 to the financial statements, no item, transaction or other events of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the operations of the Group and of the Company for the current financial year; or

(b) no charge has arisen on the assets of any company in the Group which secures the liability of any other person nor has any contingent liability arisen in any company in the Group.

No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

In the opinion of the Directors:

(a) other than as disclosed in the financial statements, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and

(b) the financial statements of the Group and of the Company set out on pages 109 to 209 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2007 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965.

11. AUDITORS

The Auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office. The Directors endorsed the recommendation of the Audit Committee for PricewaterhouseCoopers to be reappointed as Auditors.

Signed on behalf of the Board in accordance with a resolution of the Directors.

TAN SRI DATO' IR. (DR) WAN ABDUL RAHMAN BIN WAN YAACOB
Director

DATO' TAN BOON SENG @ KRISHNAN
Director

Petaling Jaya
30 May 2007

INCOME STATEMENTS

for the Financial Year ended 31 March 2007

	Note	The Group 2007 RM'000	The Group 2006 RM'000 (Restated)	The Company 2007 RM'000	The Company 2006 RM'000 (Restated)
Operating revenue	4,13	2,311,234	1,910,489	186,613	109,798
Cost of sales		(1,837,853)	(1,468,818)	(90,215)	(55,470)
Gross profit		473,381	441,671	96,398	54,328
Other operating income		76,720	60,157	86,104	46,563
Tendering, selling and distribution expenses		(55,749)	(40,703)	–	–
Administrative expenses		(74,022)	(74,079)	(11,954)	(10,471)
Other operating expenses		(35,712)	(64,903)	(26,400)	(20,504)
Operating profit before finance cost	5	384,618	322,143	144,148	69,916
Finance cost	9	(72,289)	(54,066)	(21,334)	(16,461)
Operating profit after finance cost		312,329	268,077	122,814	53,455
Share of results of associates		13,085	7,062	–	–
Share of results of jointly controlled entities		(6,485)	6,360	–	–
Profit before taxation	13	318,929	281,499	122,814	53,455
Income tax expense	10,13	(78,820)	(80,167)	(29,073)	(13,897)
Net profit for the financial year	13	240,109	201,332	93,741	39,558
Attributable to:					
Equity holders of the Company		194,336	160,433	93,741	39,558
Minority interest		45,773	40,899	–	–
Net profit for the financial year	13	240,109	201,332	93,741	39,558
Earnings per share attributable to ordinary equity holders of the Company:					
Basic	11(a)	38.0 Sen	34.0 Sen		
Fully diluted	11(b)	37.0 Sen	33.7 Sen		
Dividends per share	12			15.0 Sen	15.0 Sen

		The Group		The Company	
		2007	2006	2007	2006
	Note	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Capital and reserves attributable to equity holders of the Company					
Share capital	14	570,327	479,931	570,327	479,931
Share premium		748,846	420,401	748,846	420,401
Revaluation reserve		27,056	25,515	–	–
Exchange translation reserve		12,886	14,298	579	47
Capital reserves	15	50,975	53,991	1,383	4,399
Retained profits	16	1,192,832	1,071,916	471,450	461,109
		2,602,922	2,066,052	1,792,585	1,365,887
Minority interest		559,459	463,652	–	–
Total equity		3,162,381	2,529,704	1,792,585	1,365,887
Non-current liabilities					
Bonds	17	168,464	202,636	–	–
Medium term notes	18	150,000	150,000	150,000	150,000
Term loans	19	654,085	489,987	–	–
Hire purchase and lease creditors	20	9,697	3,335	–	–
Deferred tax liabilities	21	90,947	84,486	–	–
Trade and other payables	22	52,666	70,333	–	–
Retirement benefits	23	–	5,150	–	831
		1,125,859	1,005,927	150,000	150,831
Deferred income	24	58,371	63,822	–	–
		4,346,611	3,599,453	1,942,585	1,516,718
Non-current assets					
Property, plant and equipment	25	916,031	759,677	11,115	10,177
Investment properties	26	38,664	32,999	–	–
Concession assets	27	474,385	218,476	–	–
Subsidiaries	28	–	–	605,071	682,895
Associates	29	383,063	453,529	84,866	84,866
Jointly controlled entities	30	60,422	43,838	–	–
Long term investments	31	100,722	131,728	2,050	58,382
Long term receivables	32	102,554	86,163	–	–
Intangible assets	33	66,669	59,193	–	–
Deferred tax assets	21	18,862	18,590	2,368	3,571
Land held for property development	34	319,037	246,481	281	281
Plantation development expenditure	35	408,500	399,308	–	–
		2,888,909	2,449,982	705,751	840,172

	Note	The Group 2007 RM'000	The Group 2006 RM'000 (Restated)	The Company 2007 RM'000	The Company 2006 RM'000 (Restated)
Current assets					
Property development costs	34	**685,488**	459,325	**–**	–
Inventories	36	**233,365**	173,572	**5,628**	4,810
Trade and other receivables	37	**1,758,886**	1,167,369	**1,645,777**	964,312
Short term investments	38	**71,228**	84,088	**3,897**	9,684
Deposits with licensed banks	39	**174,073**	179,733	**28,186**	44,600
Cash and bank balances	40	**226,860**	95,527	**40,691**	6,111
		3,149,900	2,159,614	**1,724,179**	1,029,517
Less:					
Current liabilities					
Trade and other payables	41	**1,238,891**	787,633	**343,948**	293,668
Interest bearing bank borrowings	42	**439,341**	221,268	**138,367**	58,846
Current tax liabilities		**13,966**	1,242	**5,030**	457
		1,692,198	1,010,143	**487,345**	352,971
Net current assets		**1,457,702**	1,149,471	**1,236,834**	676,546
		4,346,611	3,599,453	**1,942,585**	1,516,718

The Group	Note	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Capital reserves RM'000	Retained profits RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
		Attributable to equity holders of the Company								
At 1 April 2006										
- As previously reported		479,931	420,401	25,515	14,298	53,991	1,071,916	2,066,052	169,288	2,235,340
- Effects of consolidating IJM Plantations Berhad as a subsidiary	47(k)	–	–	–	–	–	–	–	294,364	294,364
- As restated		479,931	420,401	25,515	14,298	53,991	1,071,916	2,066,052	463,652	2,529,704
- Effects of adoption of FRS 3	47(n)	–	–	–	–	–	9,791	9,791	–	9,791
		479,931	420,401	25,515	14,298	53,991	1,081,707	2,075,843	463,652	2,539,495
Exchange differences arising from translation of net investment in foreign subsidiaries, associates and branch		–	–	–	10,001	–	–	10,001	(461)	9,540
Share of realisation of revaluation reserve of a subsidiary		–	–	(189)	–	–	189	–	–	–
Effects of changes in tax rates on revaluation reserve		–	–	1,730	–	–	–	1,730	–	1,730
Income and expense recognised directly in equity		–	–	1,541	10,001	–	189	11,731	(461)	11,270
Realisation of exchange translation reserve upon settlement of a loan previously classified as net investment in a foreign subsidiary	28(b)	–	–	–	(11,413)	–	–	(11,413)	–	(11,413)
Net profit for the financial year		–	–	–	–	–	194,336	194,336	45,773	240,109
Total recognised income and expense for the year		–	–	1,541	(1,412)	–	194,525	194,654	45,312	239,966
Dividends:										
- Year ended 31 March 2006	12	–	–	–	–	–	(35,668)	(35,668)	–	(35,668)
- Year ended 31 March 2007		–	–	–	–	–	(47,732)	(47,732)	–	(47,732)
Dividends paid by subsidiaries to minority shareholders		–	–	–	–	–	–	–	(16,036)	(16,036)
Issuance of shares:										
- Exercise of ESOS	14	30,096	96,292	–	–	–	–	126,388	–	126,388
- Exercise of Warrants 2005/2010	14	60,300	232,153	–	–	(3,016)	–	289,437	–	289,437
Issuance of shares by a subsidiary to minority shareholders		–	–	–	–	–	–	–	66,531	66,531
At 31 March 2007		**570,327**	**748,846**	**27,056**	**12,886**	**50,975**	**1,192,832**	**2,602,922**	**559,459**	**3,162,381**

The Group	Note	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Capital reserves RM'000	Retained profits RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
		Attributable to equity holders of the Company								
At 1 April 2005										
- As previously reported		458,654	349,796	26,357	22,301	49,592	931,879	1,838,579	135,033	1,973,612
- Effects of consolidating IJM Plantations Berhad as a subsidiary	47(k)	–	–	–	–	–	–	–	265,346	265,346
- As restated		458,654	349,796	26,357	22,301	49,592	931,879	1,838,579	400,379	2,238,958
Exchange differences arising from translation of net investment in foreign subsidiaries, associates and branch		–	–	–	(8,003)	–	–	(8,003)	(114)	(8,117)
Dilution arising from changes in composition of the Group		–	–	(842)	–	–	(3,173)	(4,015)	4,671	656
Expense recognised directly in equity		–	–	(842)	(8,003)	–	(3,173)	(12,018)	4,557	(7,461)
Net profit for the financial year		–	–	–	–	–	160,433	160,433	40,899	201,332
Total recognised income and expense for the year		–	–	(842)	(8,003)	–	157,260	148,415	45,456	193,871
Dividends for the year ended 31 March 2006	12	–	–	–	–	–	(17,223)	(17,223)	–	(17,223)
Dividends paid by subsidiaries to minority shareholders		–	–	–	–	–	–	–	(8,763)	(8,763)
Warrants reserve arising from the issuance of Warrants 2005/2010		–	–	–	–	5,159	–	5,159	–	5,159
Warrants issue expenses		–	–	–	–	(439)	–	(439)	–	(439)
Issuance of shares:										
- Exercise of ESOS	14	14,853	45,875	–	–	–	–	60,728	–	60,728
- Exercise of Warrants 2005/2010	14	6,424	24,730	–	–	(321)	–	30,833	–	30,833
Partial disposal of shares in a subsidiary		–	–	–	–	–	–	–	19,873	19,873
Acquisition of subsidiaries		–	–	–	–	–	–	–	213	213
Issuance of shares by a subsidiary to minority shareholders		–	–	–	–	–	–	–	6,494	6,494
At 31 March 2006		479,931	420,401	25,515	14,298	53,991	1,071,916	2,066,052	463,652	2,529,704

The Company	Note	Share capital RM'000	← Non-distributable Share premium RM'000	Exchange translation reserve RM'000	Capital reserve RM'000 →	Distributable Retained profits RM'000	Total RM'000
At 1 April 2006							
- As previously reported		479,931	420,401	11,460	4,399	449,696	1,365,887
- Effects of adoption of FRS 121	47(k)	–	–	(11,413)	–	11,413	–
- As restated		479,931	420,401	47	4,399	461,109	1,365,887
Exchange differences arising from translation of a foreign branch		–	–	532	–	–	532
Income recognised directly in equity		–	–	532	–	–	532
Net profit for the financial year		–	–	–	–	93,741	93,741
Total recognised income and expense for the year		–	–	532	–	93,741	94,273
Dividends:							
- Year ended 31 March 2006	12	–	–	–	–	(35,668)	(35,668)
- Year ended 31 March 2007	12	–	–	–	–	(47,732)	(47,732)
Issuance of shares:							
- Exercise of ESOS	14	30,096	96,292	–	–	–	126,388
- Exercise of Warrants 2005/2010	14	60,300	232,153	–	(3,016)	–	289,437
At 31 March 2007		**570,327**	**748,846**	**579**	**1,383**	**471,450**	**1,792,585**
At 1 April 2005							
- As previously reported		458,654	349,796	20,702	–	418,565	1,247,717
- Effects of adoption of FRS 121	47(k)	–	–	(20,209)	–	20,209	–
- As restated		458,654	349,796	493	–	438,774	1,247,717
Exchange differences arising from translation of a foreign branch		–	–	(446)	–	–	(446)
Expense recognised directly in equity		–	–	(446)	–	–	(446)
Net profit for the financial year		–	–	–	–	39,558	39,558
Total recognised income and expense for the year		–	–	(446)	–	39,558	39,112
Dividends:							
- Year ended 31 March 2006	12	–	–	–	–	(17,223)	(17,223)
Warrants reserve arising from the issuance of Warrants 2005/2010		–	–	–	5,159	–	5,159
Warrants issue expenses		–	–	–	(439)	–	(439)
Issuance of shares:							
- Exercise of ESOS	14	14,853	45,875	–	–	–	60,728
- Exercise of Warrants 2005/2010	14	6,424	24,730	–	(321)	–	30,833
At 31 March 2006		479,931	420,401	47	4,399	461,109	1,365,887

CONSOLIDATED CASH FLOW STATEMENTS

for the Financial Year ended 31 March 2007

	Note	The Group 2007 RM'000	The Group 2006 RM'000 (Restated)
Operating activities			
Receipts from customers		1,947,549	1,949,740
Payments to contractors, suppliers and employees		(1,817,123)	(1,649,692)
Interest received		18,915	22,688
Interest paid		(62,704)	(44,768)
Income tax paid		(59,144)	(73,748)
Net cash flow from operating activities		27,493	204,220
Investing activities			
Acquisition of subsidiaries	45	–	(5,734)
Acquisition of shares from minority shareholders in subsidiaries		–	(3,877)
Disposal of shares in a subsidiary		–	21,055
Investments in jointly controlled entities		(25,500)	(14,000)
Investments in associates		–	(2,136)
Acquisition of investments		(31,299)	(14)
Purchase of development land held for property development		(125,875)	(172,725)
Disposal of development land held for property development		–	10,989
Purchase of property, plant and equipment		(220,552)	(174,747)
Cost incurred on concession assets		(268,556)	(58,736)
Additions to plantation development expenditure		(7,263)	–
Deferred expenditure incurred		(975)	–
Disposal of property, plant and equipment		7,383	13,669
Disposal of an associate		–	35
Disposal of investments		93,800	7,636
Dividends received from associates		19,359	590
Dividends received from other investments		1,044	1,659
Advances to associates		(11,848)	(2,285)
Repayment of advances from associates		73,454	13,671
Advances to jointly controlled entities		(165,479)	(25,560)
Repayment of advances from jointly controlled entities		19,795	–
Net cash flow used in investing activities		(642,512)	(390,510)
Financing activities			
Issuance of shares by the Company:			
- Exercise of ESOS		126,388	60,728
- Exercise of Warrants 2005/2010		289,437	30,833
Issuance of shares by subsidiaries to minority interest in subsidiaries		66,531	6,494
Issuance of Warrants 2005/2010 by the Company		–	5,159
Repayment of Bonds		(25,000)	(20,000)
Proceeds from bank borrowings		396,036	385,058
Repayments of bank borrowings		(95,694)	(62,185)
Advances from the State Government		14,000	7,000
Repayments to hire purchase and lease creditors		(14,195)	(4,068)
Payment of MTN interests		(8,250)	(8,253)
Payment of Bonds interests		(8,000)	(8,000)
Dividends paid by subsidiaries to minority shareholders		(16,036)	(15,187)
Dividends paid by the Company		(83,400)	(50,275)
Net redemptions/(placements) of bank deposits assigned to trustees		12,455	(16,543)
Net cash flow from financing activities		654,272	310,761
Net increase in cash and cash equivalents during the financial year		39,253	124,471
Cash and cash equivalents at beginning of the financial year		212,764	87,821
Foreign exchange differences on opening balances		(224)	472
Cash and cash equivalents at end of the financial year	48	251,793	212,764

COMPANY CASH FLOW STATEMENT

for the Financial Year ended 31 March 2007

	Note	The Company 2007 RM'000	2006 RM'000
Operating activities			
Receipts from customers		91,316	116,816
Payments to contractors, suppliers and employees		(101,932)	(67,623)
Interest received		4,482	3,435
Interest paid		(3,190)	(2,750)
Income tax paid		(12,132)	(11,382)
Net cash flow (used in)/from operating activities		(21,456)	38,496
Investing activities			
Purchase of property, plant and equipment		(1,998)	(2,543)
Disposal of property, plant and equipment		243	671
Disposal of shares in subsidiaries		–	21,003
Disposal of investments		76,936	75
Dividends received from subsidiaries		29,351	39,046
Dividends received from associates		19,359	185
Dividends received from other investments		907	1,560
Advances to subsidiaries		(472,857)	(115,955)
Advances to associates		(18,095)	–
Repayment of advances from associates		–	3,675
Advances to jointly controlled entities		–	(2,406)
Repayment of advances from jointly controlled entities		2,080	–
Net cash flow used in investing activities		(364,074)	(54,689)
Financing activities			
Issuance of shares by the Company:			
- Exercise of ESOS		126,388	60,728
- Exercise of Warrants 2005/2010		289,437	30,833
Issuance of Warrants 2005/2010 by the Company		–	5,159
Proceeds from bank borrowings		41,102	35,000
Repayment of bank borrowings		(35,000)	(12,142)
Payment of MTN interests		–	(8,253)
Payment of Bonds interests		(8,250)	–
Dividends paid by the Company		(83,400)	(50,275)
Net cash flow from financing activities		330,277	61,050
Net (decrease)/increase in cash and cash equivalents during the financial year		(55,253)	44,857
Cash and cash equivalents at beginning of the financial year		50,711	5,854
Cash and cash equivalents at end of the financial year	48	(4,542)	50,711

The following accounting policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the financial statements, unless otherwise stated.

1. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards, the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

The financial statements have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies.

The preparation of financial statements in conformity with the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2 to the financial statements.

(a) Standards, amendments to published standards and Issues Committee ("IC") Interpretations to the existing standards that are effective

The new accounting standards, amendments to published standards and IC Interpretations to existing standards effective for the Group's and the Company's financial year beginning on or after 1 April 2006 are as follows:

- FRS 1 First-time Adoption of Financial Reporting Standards
- FRS 2 Share-based Payment
- FRS 3 Business Combinations
- FRS 5 Non-current Assets Held for Sale and Presentation of Discontinued Operations
- FRS 101 Presentation of Financial Statements
- FRS 102 Inventories
- FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- FRS 110 Events After the Balance Sheet Date
- FRS 116 Property, Plant and Equipment
- FRS 121 The Effects of Changes in Foreign Exchange Rates
- FRS 127 Consolidated and Separate Financial Statements
- FRS 128 Investments in Associates
- FRS 131 Interests in Joint Ventures
- FRS 132 Financial Instruments: Disclosure and Presentation
- FRS 133 Earnings Per Share
- FRS 136 Impairment of Assets
- FRS 138 Intangible Assets
- FRS 140 Investment Property
- Amendment to FRS 119_{2004} Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures
- IC 107 Introduction of the Euro
- IC 110 Government Assistance - No Specific Relation to Operating Activities
- IC 112 Consolidation - Special Purpose Entities
- IC 113 Jointly Controlled Entities - Non-Monetary Contributions by Venturers
- IC 115 Operating Leases - Incentives
- IC 121 Income Taxes - Recovery of Revalued Non-Depreciable Assets
- IC 125 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
- IC 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- IC 129 Disclosure - Service Concession Arrangements
- IC 131 Revenue - Barter Transactions Involving Advertising Services
- IC 132 Intangible Assets - Web Site Costs

1. BASIS OF PREPARATION (cont'd)

(a) Standards, amendments to published standards and Issues Committee ("IC") Interpretations to the existing standards that are effective (cont'd)

All changes in accounting policies have been made in accordance with the transition provisions in the respective standards, amendments to published standards and IC Interpretations. All standards, amendments and IC Interpretations adopted by the Group and the Company require retrospective application other than:

- FRS 2 - retrospective application for all equity instruments granted after 31 December 2004 and not vested at 1 January 2006;
- FRS 3 - prospective application for business combinations for which the agreement date is on or after 1 January 2006;
- FRS 5 - prospective application to non-current assets (or disposal groups) that meet the criteria to be classified as held for sale and to operations that meet the criteria to be classified as discontinued on or after 1 April 2006;
- FRS 121 - prospective accounting for goodwill and fair value adjustments as part of foreign operations;
- FRS 136 and 138 - applies to goodwill and intangible assets acquired in business combinations for which the agreement date is on or after 1 January 2006 and all other assets prospectively from 1 April 2006.

A summary of the impact of the new accounting standards, amendments to published standards and interpretations to existing standards on the financial statements of the Group and of the Company is set out in Note 47 to the financial statements.

(b) Standard that has been early adopted by the Group and the Company

- FRS 124 "Related Party Disclosures" - this standard affects the identification of related parties and some other related party disclosures.

The related party disclosures are set out in Note 50 to the financial statements.

(c) Standards, amendments to published standards and IC Interpretations to existing standards that are not yet effective and have not been early adopted

The new standards, amendments to published standards and IC Interpretations that are mandatory for the Group's financial year beginning on or after 1 April 2007 or later periods, and the Group has not early adopted, are as follows:

- FRS 117 "Leases" (effective for accounting periods beginning on or after 1 October 2006). This standard requires the classification of leasehold land as prepaid lease payments. The Group will apply this standard from financial years beginning on 1 April 2007.
- FRS 139 "Financial Instruments: Recognition and Measurement" (effective date yet to be determined by MASB). This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Group will apply this standard when it becomes effective.

As allowed under the transitional provisions of FRS 117 and FRS 139, the Group and the Company are exempted from having to disclose the possible impact of the application of these new standards on the financial statements of the Group and the Company in the year of initial application.

- Amendment to FRS 121 "The Effects of Changes in Foreign Exchange Rates - Net Investment in Foreign Operation". This amendment requires exchange differences on monetary items that form part of the net investment in a foreign operation to be recognised in equity instead of in profit or loss regardless of the currency in which these items are denominated.
- IC 1 "Changes in Existing Decommissioning, Restoration and Similar Liabilities" (effective for accounting periods beginning on or after 1 July 2007). This interpretation deals with changes in the estimated timing or amount of the outflow of resources required to settle the obligation, or a change in the discount rate. The Group will apply this IC Interpretation from financial years beginning on 1 April 2008.
- IC 8 "Scope of FRS 2" (effective for accounting periods beginning on or after 1 July 2007). This interpretation clarifies that FRS 2 "Share-based Payment" applies even in the absence of specifically identifiable goods and services. The Group will apply this IC Interpretation from financial years beginning on 1 April 2008.

The above amendment to published standards and IC Interpretations to existing standards are not expected to have a significant impact on the financial statements of the Group and of the Company in the year of initial application.

1. BASIS OF PREPARATION (cont'd)

(d) Standard, amendment to published standards and IC Interpretations to existing standards that are not yet effective and are not relevant for the Group's operations

- FRS 6 "Exploration for and Evaluation of Mineral Resources" (effective for accounting periods beginning on or after 1 January 2007). FRS 6 is not relevant to the Group's operations as the Group does not carry out exploration for and evaluation of mineral resources.
- Amendment to FRS 119_{2004} "Employee Benefits" - Actuarial Gains and Losses, Group Plans and Disclosures (effective for accounting periods beginning on or after 1 January 2007). The Amendment to FRS 119_{2004} is not relevant to the Group as the Group and a subsidiary of the Company had terminated their defined benefit plans on 1 January 2007 and 31 March 2007 respectively.
- IC 2 "Members' Shares in Co-operative Entities and Similar Instruments" (effective for accounting periods beginning on or after 1 July 2007).
- IC 5 "Rights to Interests arising from Decommission, Restoration and Environmental Rehabilitation Funds" (effective for accounting periods beginning on or after 1 July 2007).
- IC 6 "Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment" (effective for accounting periods beginning on or after 1 July 2007).
- IC 7 "Applying the Restatement Approach under FRS 129_{2004} Financial Reporting in Hyperinflationary Economies" (effective for accounting periods beginning on or after 1 July 2007).

2. ECONOMIC ENTITIES IN THE GROUP

(a) Subsidiaries

Subsidiaries are those corporations, partnerships or other entities (including special purpose entities) in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. In assessing whether potential voting rights contribute to control, the Group examines all facts and circumstances (including the terms of exercise of the potential voting rights and any other contractual arrangements whether considered individually or in combination) that affect potential voting rights.

Subsidiaries are consolidated using the purchase method of accounting. Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the date of acquisition, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill - See accounting policy 3. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Where more than one exchange transaction is involved, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Minority interest represent that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Company. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition and the minorities' share of changes in the subsidiaries' equity since that date.

All inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

The gain or loss on disposal of a subsidiary, which is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal, including the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated income statement.

2. ECONOMIC ENTITIES IN THE GROUP (cont'd)

(a) Subsidiaries (cont'd)

During the financial year, the Group had changed its accounting policy to consolidate entities in which the Group exercises de facto control from the date on which the Group obtained de facto control over the entities. De facto control arises where an entity owns less than one half of the voting shares in another entity, but is deemed to have control as the balance of the shareholdings is dispersed and the other shareholders have not organised their interests in such a way that they exercise more votes than the entity.

As a result of the change in accounting policy to consolidate entities in which the Group exercises de facto control, IJM Plantations Berhad, which was previously accounted for as an associate of the Group, is consolidated as a subsidiary by virtue of the existence of de facto control effective from 30 June 2003. In assessing the existence of de facto control, the Directors considered the dispersed shareholdings in IJM Plantations Berhad and concluded that the Group exercised de facto control over IJM Plantations Berhad effective from 30 June 2003.

Accordingly, IJM Plantations Berhad is consolidated as a subsidiary effective from 30 June 2003 and the comparative Group income statement, balance sheet, statement of changes in equity and cash flow statement have been restated (Refer Note 47 to the financial statements).

(b) Transactions with minority interests

For purchases of a subsidiary's equity shares from minority interests for cash consideration and the purchase price is established at fair value, the accretion of the Group's interests in the subsidiary is treated as purchase of equity interest under the acquisition method of accounting. The identifiable assets and liabilities acquired are adjusted to their fair values, with the resulting difference being attributed to goodwill or negative goodwill. Disposals of equity shares to minority interests for cash consideration and at fair value result in gains and losses for the Group and are recorded in the income statement. The gain or loss is the difference between the Group's share of net assets immediately before and immediately after the disposal and a ratable portion of goodwill is realised.

For purchases or disposals from or to minority interests for consideration other than cash and not at fair value, the accretion or dilution of the Group's interests is treated as an equity transaction between the subsidiary and its shareholders. The difference between the Group's share of net assets immediately before and immediately after the change in stake and any consideration received or paid is adjusted to or against the Group's reserves.

All other changes in stakes and changes in composition of the Group are treated as equity transactions between the Group and its majority and minority shareholders. The difference between the Group's share of net assets before and after the change, and any consideration received or paid is adjusted to or against the Group's reserves.

(c) Associates

Associates are those corporations, partnerships or other entities in which the Group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group. Dilution gains and losses in associates are recognised in the income statement.

For incremental interest in an associate, the date of acquisition is the purchase date at each stage and goodwill is calculated at each purchase date based on the fair value of assets and liabilities identified. There is no "step up to fair value" of net assets of the previously acquired stake and the share of profits and equity movements for the previously acquired stake is recorded directly through equity.

2. ECONOMIC ENTITIES IN THE GROUP (cont'd)

(d) Jointly Controlled Entities

Jointly controlled entities are corporations, partnerships, or other entities over which there is contractually agreed sharing of control by the Group with one or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control.

The Group's interest in jointly controlled entities is accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recognising the Group's share of the post-acquisition results of jointly controlled entities in the income statement and its share of post-acquisition movements of reserves in reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment loss).

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the assets transferred.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Where necessary, adjustments have been made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with the Group.

3. GOODWILL

Goodwill represents the excess of the cost of acquisition of subsidiaries, jointly controlled entities and associates over the fair value of the Group's share of the identifiable net assets at the date of acquisition.

Goodwill on acquisition of subsidiaries is included in the balance sheet as intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose. The Group allocates goodwill to each business segment in each country in which it operates. See accounting policy 25 on impairment of assets.

Goodwill on acquisitions of jointly controlled entities and associates is included in investments in jointly controlled entities and associates respectively. Such goodwill is tested for impairment as part of the overall balance.

4. INVESTMENTS

Investments in subsidiaries, jointly controlled entities and associates are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of assets.

Long term investments are stated at cost, unless in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of investment, such a decline is recognised as an expense in the period in which the decline is identified.

Short term investments in marketable securities are carried at the lower of cost and market value, determined on an aggregate portfolio basis. Cost is derived at on the weighted average basis. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Increases/decreases in the carrying value of marketable securities are credited/charged to the income statement. On disposal of an investment, the difference between net disposal proceeds and its carrying value is charged or credited to the income statement.

5. FOREIGN CURRENCIES

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate at the date of the balance sheet.

6. PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

All property, plant and equipment are stated at cost or at valuation less accumulated depreciation and accumulated impairment losses except for freehold land and capital work-in-progress which are not depreciated. Freehold land is not depreciated as it has an infinite life. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The Group amortises all leasehold land in equal instalments based on the tenures of the leases. Other property, plant and equipment are depreciated on a straight-line basis to write-off the cost of the assets, or their revalued amounts, to their residual values over their estimated useful lives. The annual rates of depreciation are:

Leasehold land	0.1 to 2.5%
Buildings	2 to 20%
Plant, machinery and equipment	5 to 20%
Office equipment, furniture and fittings	5 to 33.3%
Office renovations	10 to 20%
Motor vehicles	12.5 to 25%
Plantation infrastructure development expenditure	2%

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying value is charged to the income statement.

6. PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (cont'd)

The Directors have applied the transitional provisions of International Accounting Standards ("IAS") 16 "Property, Plant and Equipment", which has been adopted by the MASB, which allows the assets to be stated at their last revalued amounts less depreciation. Accordingly, these valuations have not been updated.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision of the residual values and useful lives are included in the income statement for the financial year in which the changes arise.

At each balance sheet date, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the income statement. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

7. INVESTMENT PROPERTIES

Investment properties comprise principally land and buildings held for long term rental yields or for capital appreciation or both, and are not occupied by the Group. Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated as it has an infinite life.

Depreciation on buildings is calculated so as to write off the cost of the assets on a straight-line basis over the expected useful lives. The annual depreciation rate for Buildings is 2%.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised. The difference between the net disposal proceeds and the carrying amount is recognised in the income statement in the period of the retirement or disposal.

8. CONCESSION ASSETS

Concession assets are measured at cost less accumulated amortisation and accumulated impairment losses. Cost represents the cost of construction (inclusive of the cost of reconstruction, widening and rehabilitation) of the concession assets.

Where the Group provides construction services in exchange for the concession assets, the revenue and profits relating to the construction services are recognised in accordance with accounting policy 9(a) on revenue and profit recognition for construction contracts below.

Upon completion of construction works and commencement of road tolling operations, the concession assets are amortised over the concession period based on the following formula:

$$\frac{\text{Cumulative traffic volume to date}}{\text{Projected total traffic volume for the entire concession period}} \quad \text{X} \quad \text{Cost of concession assets}$$

The projected total traffic volume for the entire concession period is determined by a traffic survey carried out annually by a firm of independent traffic consultants.

All interests and fees incurred during the period of construction are capitalised in the cost of the concession assets which in turn are amortised to the income statement in accordance with the formula above. Interests and fees incurred after the completion of construction are charged to the income statement.

9. REVENUE AND PROFIT RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of sales taxes and discounts and after eliminating sales within the Group.

9. REVENUE AND PROFIT RECOGNITION (cont'd)

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group base its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Construction Contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion of a construction contract is determined based on the proportion that the contract costs incurred for work performed to-date bear to the estimated total costs for the contract. Costs incurred during the financial year in connection with future activity on a contract are excluded from costs incurred to-date when determining the stage of completion of a contract. Such costs are shown as amounts due from/(to) customers on construction contracts within trade and other receivables on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case such costs are recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is only included in contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

(b) Property Development Activities

When the outcome of the development activity can be estimated reliably and the sale of the development unit is effected, property development revenue and costs are recognised as revenue and expenses respectively by reference to the stage of completion of development activity at the balance sheet date. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development.

When the outcome of a development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that it is probable will be recoverable and the property development costs on the development units sold are recognised when incurred.

Where it is probable that total property development costs will exceed total property development revenue, the expected loss is recognised as an expense in the period in which the loss is identified.

(c) Sale of Goods

Sales are recognised upon delivery of products and customer acceptance, and performance of after-sales services, if any, net of sales taxes and discounts and after eliminating sales within the Group.

(d) Toll Concession Revenue

Toll concession revenue from the operation of toll roads is recognised as and when the services are performed.

(e) Other Revenue

Dividend income is recognised when the shareholder's right to receive payment is established.

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, unless collectibility is in doubt, in which case it is recognised on a cash receipt basis.

10. CAPITALISATION OF FINANCE COST

Borrowing costs incurred on borrowings directly associated with property development activities and construction contracts up to completion is capitalised and included as part of property development costs and construction contract costs.

Borrowing costs incurred on borrowings to finance the construction of concession assets and property, plant and equipment during the period that is required to complete and prepare the asset for its intended use are capitalised as part of the cost of the asset.

All other borrowing costs are charged to the income statement.

11. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

Land held for property development consists of land held for future development where no significant development has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost or at valuation less accumulated impairment losses. Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and the development is expected to be completed within the normal operating cycle.

Costs associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by FRS 201_{2004} on Property Development Activities. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of assets.

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value. Cost includes cost of land, all direct building costs, and other related development expenditure, including interest expenses incurred during the period of active development.

Where revenue recognised in the income statement exceeds billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings exceed revenue recognised in the income statement, the balance is shown as progress billings under trade and other payables (within current liabilities).

Where applicable, the fair value of land at the date of acquisition of subsidiaries is carried forward in place of cost.

12. INVENTORIES

(a) Completed Buildings

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Cost comprises proportionate cost of land and related development and construction expenditure.

(b) Finished Goods, Quarry Products, Raw Materials, Construction Materials, Oil Palm Nurseries, Stores and Spares

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The costs of raw materials, oil palm nurseries, stores and spares comprise the original cost of purchase plus the cost of bringing the inventories to their present location and for finished goods and quarry products, it consists of direct materials, direct labour, direct charges and production overheads.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and applicable variable selling expenses.

13. AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONSTRUCTION CONTRACTS

Where the amounts of construction contract costs incurred plus recognised profits (less recognised losses) exceed progress billings, the net balance is shown as amounts due from customers on construction contracts under trade and other receivables. Where the progress billings exceed the sum of construction contract costs incurred and recognised profits (less recognised losses), the net balance is shown as amounts due to customers on construction contracts under trade and other payables.

14. TRADE RECEIVABLES

Trade receivables include retention monies withheld by principals. Known bad debts are written off and an allowance is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

15. LEASES

(a) Accounting as Lessee

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the lower of the fair value of the leased assets or the estimated present value of the underlying lease payments at the date of inception. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the lease principal outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease contracts is depreciated over the useful life of the asset. If there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its useful life.

Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement over the lease period.

(b) Accounting as Lessor

Finance leases

Leases of assets where the lessee assumes substantially all the benefits and risks of ownership are classified as finance leases.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of interest on the balance outstanding.

Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their useful lives on bases consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

16. QUARRY DEVELOPMENT

Expenses incurred on the development of quarry face are capitalised and written off based on actual production volume over the estimated reserves available from the quarry face developed.

Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of assets.

17. LICENCES

Expenditure on acquired licences is capitalised at cost and amortised using the straight-line method over its estimated useful life of 20 years.

18. BORROWINGS

Borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months at the balance sheet date.

19. INCOME TAXES

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary, associate or jointly controlled entity on distributions of retained earnings to companies in the Group, and real property gains taxes payable on disposal of properties.

Deferred tax is recognised in full, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

Deferred tax assets and liabilities are offset when the enterprise has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

20. EMPLOYEE BENEFITS

(a) Short Term Employee Benefits

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the equity holders of the Company after certain adjustments. The Group recognises a provision where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Wages, salaries, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(b) Post-Employment Benefits

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the countries in which it operates. These benefit plans are either defined contribution or defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

20. EMPLOYEE BENEFITS (cont'd)

(b) Post-Employment Benefits (cont'd)

(i) Defined Contribution Plan

The Group's contributions to defined contribution plan are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. (As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"), a defined contribution plan).

(ii) Defined Benefit Plans

The Company and certain subsidiaries participated in the IJM Retirement Scheme, which is an approved defined benefits scheme under Section 150 of the Income Tax Act, 1967. The benefits payable on retirement are based on length of service and average basic salary over the last five years of service.

On 26 September 2006, the Trustees have informed the members and the employers that the Trustees have been served a six (6) months' notice by the Company pursuant to Rule 9.1 of the Rules of the Scheme to the Trust Deed dated 9 June 1997 of its intention to terminate the Scheme with effect from 1 January 2007.

The Company have notified the Trustees that:

(a) the employers' obligation to contribute to the Scheme shall cease with effect from 1 January 2007;
(b) the Company has resolved that the Scheme be closed to employees hired on or after 11 November 2005, effective on the same date;
(c) the Scheme shall be determined and the assets distributed in accordance with the relevant terms of the Trust Deed;
(d) it is the Company's intention to advise the members that their benefits will be secured by the transfer of certain sums to each of their respective accounts with the Employees Provident Fund ("EPF").

The surplus in the value of assets available for distribution to members as at 31 December 2006, after the transfer of amount to the members' respective accounts with the EPF, will be redistributed back to the members.

The liability in respect of the defined benefit plan in the preceding financial year is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets, together with adjustments for actuarial gains/losses and past service cost. The Group determined the present value of the defined benefit obligation and the fair value of the plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date. The Group's obligation in respect of the said defined benefits scheme, calculated using the projected unit credit method, was determined by an actuarial valuation carried out with sufficient regularity by a qualified actuary.

Actuarial gains and losses arise from experience adjustments and changes in actuarial assumptions. The amount of net actuarial gains and losses was charged or credited to the income statement over the average remaining service lives of the related participating employees when the net cumulative unrecognised actuarial gains and losses for the Scheme exceeded 10% of the higher of the present value of the defined benefit obligation and the fair value of the plan assets.

Upon initial adoption of FRS119$_{2004}$ on Employee Benefits, the increase in defined benefit liability was recognised as an expense on a straight-line basis over 5 years in accordance with the transitional provision of the Standard.

(iii) Unfunded defined benefit scheme

A subsidiary of the Company operates an unfunded defined benefit scheme. The subsidiary's net obligation in respect of the defined benefit scheme is determined by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and that benefit is discounted to determine the present value of the liability. The discount rate used is the market yield at the balance sheet date on high quality corporate bonds or government bonds. The subsidiary's obligation in respect of the unfunded defined benefit scheme, calculated using the projected unit credit method, is determined by an actuarial valuation carried out with sufficient regularity by a qualified actuary.

20. EMPLOYEE BENEFITS (cont'd)

(b) Post-Employment Benefits (cont'd)

(iii) Unfunded defined benefit scheme (cont'd)

In calculating the subsidiary's obligation in respect of the scheme, to the extent that any cumulative unrecognised actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

As at the end of the previous financial year, the amount recognised in the balance sheet represents the present value of the defined benefit obligations adjusted for unrecognised transition liabilities and assets. Transition assets were fully recognised in the income statement in the year of valuation whilst transition liabilities were expensed to the income statement. The unfunded defined benefit scheme was terminated on 31 March 2007.

(c) Share-based Compensation

The Group operates an equity-settled share-based compensation plan for the employees of the Group. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the income statement over the vesting period of the grant, with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the share options are exercised.

21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short term, highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

22. SHARE CAPITAL

(i) Classification

Ordinary shares are classified as equity.

(ii) Share Issue Costs

External costs directly attributable to the issue of new shares are shown as a deduction from the share premium account. In other cases, they are charged to the income statement when incurred.

(iii) Dividends

Dividends on ordinary shares are recognised as liabilities when declared. Proposed final dividends are accrued as liabilities only after approval by shareholders.

(iv) Warrants Reserve

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve which is non-distributable. Warrants reserve is transferred to the share premium account upon the exercise of warrants and the warrants reserve in relation to unexercised warrants at the expiry of the warrants period will be transferred to retained earnings.

23. FINANCIAL INSTRUMENTS

(a) Financial Instruments Recognised on the Balance Sheet

The particular recognition method adopted for financial instruments recognised on the balance sheets is disclosed in the individual policy statement associated with each item.

(b) Financial Instruments Not Recognised on the Balance Sheet

The Group is a party to financial instruments which comprises foreign currency forward contracts and interest rate swap contracts. These instruments are not recognised in the financial statements on inception, but are disclosed in the relevant notes to the financial statements.

Foreign Currency Forward Contracts

The Group enters into foreign currency forward contracts to protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled.

Exchange gains and losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transactions, at which time they are included in the measurement of such transactions.

All other exchange gains and losses relating to hedge instruments are recognised in the income statement in the same period as the exchange differences on the underlying hedged items. Gains and losses on contracts which are no longer designated as hedges are included in the income statement.

Interest Rate Swap Contracts

The Group enters into interest rate swap contracts to protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap contract is recognised as a component of interest income or expense over the period of the contract. Gains and losses on early termination of interest rate swaps or on repayment of the borrowings are taken to the income statement.

(c) Fair Value Estimation For Disclosure Purposes

The fair value of publicly traded derivatives and securities is based on quoted market prices at the balance sheet date.

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date. The fair value of interest rate swap contracts is calculated as the present value of the estimated future cash flows.

In assessing the fair value of non-traded derivatives and financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long term debt. Other techniques and bases, such as discounted value of future cash flows and the underlying net asset base of the instrument, are used to determine fair value for the remaining financial instruments. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The carrying values of financial assets and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

24. GOVERNMENT GRANTS

Grants from the government are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the acquisition of assets are included in non-current liabilities as deferred income and are credited to the income statement over the expected lives of the related assets, on bases consistent with the depreciation of the related assets.

25. IMPAIRMENT OF ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying value of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the income statement unless it reverses a previous revaluation, in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset, in which case it is taken to revaluation surplus.

26. SEGMENTAL INFORMATION

Segment reporting is presented for enhanced assessment of the Group's risks and returns as each business or geographical segment is subject to risks and returns that are different from the other business or geographical segments.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process.

27. CONTINGENT LIABILITIES

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions and the information about the contingent liabilities acquired are disclosed in the Notes to the financial statements.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of FRS 137_{2004} and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118_{2004}.

28. PLANTATION DEVELOPMENT EXPENDITURE

Plantation development expenditure comprise new planting expenditure incurred from land clearing to the point of harvesting. This expenditure is capitalised and is not amortised. Replanting expenditure, which represents cost incurred in replanting old planted areas, is charged to the income statement in the year in which it is incurred.

29. NON-CURRENT ASSETS CLASSIFIED AS ASSETS HELD FOR SALE

Non-current assets are classified as assets held for sale, and are stated at the lower of carrying amount and fair value less costs to sell, if their carrying amount is recovered principally through a sale transaction rather than through continuing use.

1 GENERAL INFORMATION

The Company is principally engaged in construction and investment holding activities. The Group's principal activities consist of construction, property development, manufacturing and quarrying, tollway operations, plantations and investment holding. The principal activities of the subsidiaries and associates are described in Note 55 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad.

The address of the registered office of the Company is 2nd Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 30 May 2007.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Impairment of goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy 3, and whenever events or changes in circumstances indicate that the goodwill may be impaired.

For the purposes of assessing impairment, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose.

Significant judgement is required in the estimation of the present value of future cash flows generated by the cash-generating units or groups of cash-generating units, which involves uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's tests for impairment of goodwill.

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(c) Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgment regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

(d) Construction contracts

The Group recognises contract profits based on the stage of completion method. The stage of completion of a construction contract is determined based on the proportion that the contract costs incurred for work performed to-date bear to the estimated total costs for the contract. When it is probable that the estimated total contract costs of a contract will exceed the total contract revenue of the contract, the expected loss on the contract is recognised as an expense immediately.

Significant judgement is required in the estimation of total contract costs. Where the actual total contract costs is different from the estimated total contract costs, such difference will impact the contract profits/(losses) recognised.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(e) Property development

The Group recognises property development profits by reference to the stage of completion of the development activity at the balance sheet date. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development. Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development phase, the expected loss on the development phase is recognised as an expense immediately.

Significant judgement is required in the estimation of total property development costs. Where the actual total property development costs is different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

(f) Amortisation of concession assets

The road concession assets of the Group are amortised over the concession period based on the following formula:

$$\frac{\text{Cumulative traffic volume to-date}}{\text{Projected total traffic volume for the entire concession period}} \times \text{Cost of concession assets}$$

In order to determine the projected total traffic volume for the entire concession period, the Group relies on the traffic survey carried out annually by a firm of independent traffic consultants. Any changes in the projected total traffic volume for the entire concession period will impact the amortisation charge for the year.

(g) Allowance for doubtful debts

The Group recognises an allowance for doubtful debts when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Significant judgement is required in the assessment of the recoverability of receivables, which have a financial impact on the amount of allowance for doubtful debts recognised.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including foreign currency exchange risk, interest rate risk, price risk, credit risk, liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The management regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

The Group uses derivative financial instruments such as foreign currency forward contracts and interest rate swap contracts to hedge certain exposures, but it does not trade in financial instruments.

Foreign currency exchange risk

The Group operates internationally and is exposed to various currencies, mainly United States Dollar, Australian Dollar, Singapore Dollar, Hongkong Dollar, Chinese Renminbi, Indian Rupee, Argentine Peso and UAE Dirham. Foreign currency denominated assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies give rise to foreign exchange exposures.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Material transaction foreign exchange exposures are hedged, mainly with derivative financial instruments such as foreign currency forward contracts.

Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises mainly from the Group's borrowings and deposits. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. Derivative financial instruments are used, where appropriate, to generate the desired interest rate profile.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Price risk

The Group faces exposure to the risk from changes in debt and equity prices. However, management regularly reviews these risks and takes proactive measures to mitigate the potential impact of such risks.

Credit risk

Credit risk arises when derivative instruments are used or sales are made on credit terms. The Group controls these risks by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentrations of credit risk related to any financial instruments.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers, who are dispersed over a broad spectrum of industries and businesses. The Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

4 OPERATING REVENUE

	The Group		The Company	
	2007 RM'000	2006 RM'000 (Restated)	**2007 RM'000**	2006 RM'000
Construction contract revenue	**898,752**	663,830	**119,374**	54,737
Property development revenue	**461,250**	488,328	**–**	–
Sale of quarry and manufactured products	**658,832**	491,495	**–**	–
Toll concession revenue	**10,338**	10,323	**–**	–
Sale of crude palm oil and plantations related products	**271,633**	244,630	**–**	–
Management services	**3,119**	5,154	**6,147**	2,719
Dividend income	**5,940**	5,491	**60,780**	51,985
Rental of properties	**1,370**	1,238	**312**	357
	2,311,234	1,910,489	**186,613**	109,798

Supplementary information on operating revenue of the Group inclusive of the Group's share of revenue of associates and jointly controlled entities are as follows:

	2007 RM'000	2006 RM'000 (Restated)
Operating revenue of the Group	**2,311,234**	1,910,489
Share of operating revenue of:		
Associates	**329,653**	230,078
Jointly controlled entities	**99,701**	99,831
	2,740,588	2,240,398

5 OPERATING PROFIT BEFORE FINANCE COST

(a) The following expenses (excluding finance cost and tax expense) by nature have been debited in arriving at operating profit before finance cost:

	Note	The Group 2007 RM'000	The Group 2006 RM'000 (Restated)	The Company 2007 RM'000	The Company 2006 RM'000
Construction contract costs		763,835	536,066	90,215	55,470
Property development costs		361,092	367,897	–	–
Cost of quarry and manufactured products sold		551,345	419,148	–	–
Cost of plantation products sold		161,581	145,707	–	–
Employee benefits cost	6	156,211	117,379	10,950	10,049
Hire of plant and equipment		3,250	2,454	–	–
Property, plant and equipment:	25				
- depreciation		64,040	63,567	923	802
- written off		194	286	–	–
- loss on disposal		2,330	19	–	–
- impairment		63	–	–	–
Depreciation of investment properties	26	235	66	–	–
Rental of land and buildings		3,442	2,961	586	586
Auditors' remuneration - Statutory audit	8	1,296	1,101	221	211
Foreign exchange loss:					
- unrealised		339	4,978	–	4,835
- realised		438	592	–	–
Loss on disposal of an associate		–	2,633	–	–
Loss on disposal/liquidation of investments		670	–	670	–
Allowance for diminution in value of quoted investments		42	2,309	–	784
Impairment losses on investment in associates		842	4,016	–	–
Amortisation of concession assets	27	7,742	8,108	–	–
Amortisation of quarry development expenditure	33	2,961	2,758	–	–
Amortisation of premium paid on quarry rights	33	71	70	–	–
Amortisation of license fees	33	42	41	–	–
Amortisation of goodwill	33	–	113	–	–
Impairment of goodwill	33	216	4,000	–	–
Amortisation of discount on bond issue	17	845	1,206	–	–
Amortisation of premium on acquisition of marketable securities		338	356	–	–
Allowance for doubtful debts		3,380	7,210	–	–
Amounts due from an associate written off		1,411	–	–	–
Bad debts written off		709	589	25,273	589
Building stocks written down		554	247	–	–

Direct operating expenses from investment properties that generated rental income for the Group during the financial year amounted to RM227,000 (2006: RM220,000).

Direct operating expenses from investment properties that did not generate rental income for the Group during the financial year amounted to RM34,000 (2006: RM13,000).

5 OPERATING PROFIT BEFORE FINANCE COST (cont'd)

(b) The following amounts have been credited in arriving at operating profit before finance cost:

	Note	The Group 2007 RM'000	The Group 2006 RM'000 (Restated)	The Company 2007 RM'000	The Company 2006 RM'000
Gross dividends received from:					
- subsidiaries					
(quoted)		–	–	23,323	15,743
(unquoted)		–	–	16,910	34,158
- associates					
(quoted)		–	–	163	122
(unquoted)		–	–	19,242	97
- other investments					
(quoted)		6,078	5,622	1,143	1,865
Interest income		24,072	26,784	67,003	44,392
Foreign exchange gain:					
- unrealised		8,699	307	1,394	–
- realised		640	510	803	–
Gain on disposal of property, plant and equipment		2,394	5,143	106	387
Rental income from properties		4,729	3,101	312	357
Bad debts recovered		1,725	185	80	–
Write back of allowance for doubtful debts		299	2,395	–	–
Write back of allowance for diminution in value of investments		3,023	–	3,023	–
Amortisation of negative goodwill	33	–	406	–	–
Amortisation of deferred income	24	3,144	3,285	–	–
Gain on disposal of shares in subsidiaries		–	526	–	1,827
Gain on disposal/liquidation of investments		17,571	1,260	12,633	17

6 EMPLOYEE BENEFITS COST

	Note	The Group 2007 RM'000	The Group 2006 RM'000 (Restated)	The Company 2007 RM'000	The Company 2006 RM'000
Wages, salaries and bonus		139,367	106,250	8,751	7,741
Defined contribution retirement plan		12,362	10,508	1,014	1,208
Defined benefit retirement plan		3,959	2,697	255	297
Other employee benefits		3,234	2,427	930	803
		158,922	121,882	10,950	10,049
Less expenses capitalised into:					
- Property development cost	34	(406)	(105)	–	–
- Plantation development expenditure	35	(2,305)	(4,398)	–	–
		156,211	117,379	10,950	10,049

7 DIRECTORS' REMUNERATION

	The Group		The Company	
	2007 RM'000	2006 RM'000 (Restated)	2007 RM'000	2006 RM'000
Directors of the Company:				
Fees				
- Current year	315	275	245	245
- Over provision in respect of prior year	(30)	–	(24)	–
Defined contribution retirement plan	658	650	473	459
Defined benefit retirement plan	73	84	31	36
Other emoluments	4,063	4,120	2,689	2,593
	5,079	5,129	3,414	3,333
Directors of subsidiaries:				
Fees	336	327	–	–
Defined contribution retirement plan	342	275	–	–
Defined benefit retirement plan	51	60	–	–
Other emoluments	2,913	2,909	–	–
	3,642	3,571	–	–

The estimated monetary value of benefits-in-kind provided to the Directors of the Group and of the Company by way of usage of the Group's and the Company's assets and the provision of other benefits during the financial year amounted to RM331,000 (2006: RM193,000) and RM109,000 (2006: RM58,000) respectively.

Details of the defined contribution and defined benefit plans of the Group and of the Company are set out in Note 23 to the financial statements.

Executive Directors and certain Non-Executive Directors of the Company have been granted options under the Employee Share Option Scheme ("ESOS") on the same terms and conditions as those offered to other employees of the Group (see Note 14(c)) as follows:

			Number of options over ordinary shares of RM 1 each				
Grant Date	Expiry Date	Exercise Price RM/option	Balance at 1.4.2006 '000	Granted '000	Exercised '000	Terminated '000	Balance at 31.3.2007 '000
8 January 2004	10 November 2008	3.99/3.96*/3.93**	1,622	–	1,622	–	–
7 April 2004	10 November 2008	4.47/4.44*/4.41**	840	–	600	–	240
30 April 2004	10 November 2008	4.39/4.36*/4.33**	1,960	–	1,125	–	835
20 May 2004	10 November 2008	4.21/4.18*/4.15**	400	–	300	–	100
30 August 2005	10 November 2008	4.40/4.37**	315	–	245	–	70
26 October 2005	10 November 2008	4.23/4.20**	593	–	353	–	240
			5,730	–	4,245	–	1,485

The exercise price of the ESOS had been adjusted on 30 April 2005 (*) and 1 August 2006 (**) respectively pursuant to Bye-Law 14 of the ESOS Bye-Laws (See Note 14(b)).

7 DIRECTORS' REMUNERATION (cont'd)

Executive Directors and certain Non-Executive Directors of the Company have been allotted warrants under the Warrants 2005/2010 (see Note 14(d)) as follows:

Expiry Date	Exercise Price RM/Warrant	Number of Warrants: Balance at 1.4.2006 '000	Acquired '000	Disposed '000	Balance at 31.3.2007 '000
22 August 2010	4.80	2,348	1,083	2,058	**1,373**

8 AUDITORS' REMUNERATION - STATUTORY AUDIT

	The Group 2007 RM'000	The Group 2006 RM'000 (Restated)	The Company 2007 RM'000	The Company 2006 RM'000
PricewaterhouseCoopers Malaysia *	**709**	642	**221**	211
Other member firms of PricewaterhouseCoopers International Limited *	**207**	49	**–**	–
Other auditors of subsidiaries	**380**	410	**–**	–
	1,296	1,101	**221**	211

* PricewaterhouseCoopers Malaysia and other member firms of PricewaterhouseCoopers International Limited are separate and independent legal entities.

9 FINANCE COST

	Note	The Group 2007 RM'000	The Group 2006 RM'000 (Restated)	The Company 2007 RM'000	The Company 2006 RM'000
Interest expenses arising from:					
- Interest bearing bank borrowings		**49,675**	26,850	**2,259**	1,608
- Advances from subsidiaries		**–**	–	**9,893**	5,458
- Hire purchase and leasing		**1,283**	619	**–**	–
- Bonds		**15,960**	16,842	**–**	–
- Medium Term Notes ("MTN")		**8,250**	8,253	**8,250**	8,253
- Others		**3,786**	9,226	**932**	1,142
		78,954	**61,790**	**21,334**	**16,461**
Less interest capitalised into:					
- Concession assets	27	**(2,990)**	(2,008)	**–**	–
- Property development costs	34	**(2,706)**	(2,049)	**–**	–
- Plantation development expenditure	35	**(954)**	(3,636)	**–**	–
- Construction contract work-in-progress	43	**(15)**	(31)	**–**	–
		(6,665)	(7,724)	**–**	–
		72,289	54,066	**21,334**	16,461

10 INCOME TAX EXPENSE

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000 (Restated)	**RM'000**	RM'000
Current tax:				
- Malaysian income tax	**68,474**	79,034	**27,870**	14,969
- Overseas taxation	**4,157**	14,272	**–**	–
	72,631	93,306	**27,870**	14,969
Deferred taxation (Note 21)	**6,189**	(13,139)	**1,203**	(1,072)
	78,820	80,167	**29,073**	13,897
Current tax:				
- Current year	**71,396**	93,687	**26,627**	15,107
- Benefits from previously unrecognised temporary differences	**(746)**	(1,005)	**–**	–
- Under/(over) accrual in prior years (net)	**1,981**	624	**1,243**	(138)
	72,631	93,306	**27,870**	14,969
Deferred taxation:				
- Origination and reversal of temporary differences	**6,189**	(13,139)	**1,203**	(1,072)
	78,820	80,167	**29,073**	13,897

The explanation of the relationship between income tax expense and profit before taxation is as follows:

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000 (Restated)	**RM'000**	RM'000
Profit before taxation	**318,929**	281,499	**122,814**	53,455
Tax calculated at the Malaysian tax rate of 27% (2006: 28%)	**86,111**	78,820	**33,160**	14,967
Tax effects of:				
- Different tax rates in other countries	**(1,721)**	791	**–**	–
- Lower tax rates for small and medium companies	**(479)**	(243)	**–**	–
- Expenses not deductible for tax purposes	**8,443**	11,261	**6,559**	3,843
- Income not subject to tax	**(20,042)**	(9,180)	**(12,463)**	(4,775)
- Utilisation of tax incentives	**(7,952)**	(1,894)	**–**	–
- Current year's deferred tax assets not recognised	**14,987**	5,166	**–**	–
- Utilisation of previously unrecognised tax losses	**(746)**	(1,005)	**–**	–
- Tax effect of share of results of jointly-controlled entity and associates	**(881)**	(3,789)	**–**	–
- Others	**1,100**	240	**1,817**	(138)
Taxation	**78,820**	80,167	**29,073**	13,897

Included in taxation of the Group are tax savings from utilisation of tax losses as follows:

	The Group	
	2007	2006
	RM'000	RM'000
Tax losses:		
Tax savings as a result of the utilisation of tax losses brought forward for which the related credit is recognised during the year	**746**	1,005

11 EARNINGS PER SHARE

(a) Basic

The basic earnings per share for the financial year has been calculated based on the Group's profit attributable to ordinary equity holders of the Company for the financial year of RM194,336,000 (2006: RM160,433,000) and on the weighted average number of ordinary shares in issue during the financial year of 511,616,000 (2006: 471,457,000) ordinary shares. The weighted average number of ordinary shares in issue was derived at after taking into account the issuance of shares pursuant to the exercise of Employee Share Option Scheme ("ESOS") and the exercise of Warrants 2005/2010.

(b) Fully diluted

The fully diluted earnings per share of the Group is calculated by dividing the Group's profit attributable to ordinary equity holders of the Company for the financial year of RM194,336,000 (2006: RM160,433,000) by the weighted average number of ordinary shares in issue, adjusted to assume the conversion of all dilutive potential ordinary shares, i.e. the ESOS and Warrants 2005/2010. A calculation is done to determine the number of shares that could have been acquired at market price (determined as the weighted average annual share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding ESOS or Warrants 2005/2010. This calculation serves to determine the "bonus" element to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to the net profit for the calculation.

	The Group	
	2007	2006
	RM'000	RM'000
Profit attributable to ordinary equity holders of the Company	**194,336**	160,433
	'000	'000
Weighted average number of ordinary shares in issue	**511,616**	471,457
Adjustments for Warrants 2005/2010	**11,045**	686
Adjustments for ESOS	**1,997**	4,208
Weighted average number of ordinary shares for diluted earnings per share	**524,658**	476,351
Diluted earnings per share	**37.0 Sen**	33.7 Sen

12 DIVIDENDS

Dividends declared in respect of the current financial year are as follows:

	The Company			
	2007		2006	
	Gross dividend per share Sen	**Amount of dividend, net of 27% tax RM'000**	Gross dividend per share Sen	Amount of dividend, net of 28% tax RM'000
First interim dividend	**5**	**27,590**	5	17,223
Special dividend (tax exempt)	**5**	**20,142**	–	–
Second interim dividend	**5**	**31,065***	10	35,668
	15	**78,797**	15	52,891

* *The amount of dividend, net of 27% tax, will be determined based on the number of shareholders entitled to receive the dividend as at 5.00 pm on 31 July 2007.*

On 30 May 2007, the Directors have declared a second interim dividend in respect of the financial year ended 31 March 2007 of 5% less 27% tax to be paid on 17 August 2007 to every member who is entitled to receive the dividend as at 5.00 pm on 31 July 2007. The second interim dividend has not been recognised in the Statement of Changes in Equity as it was declared subsequent to the financial year end.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2007 (2006: Nil).

13 SEGMENTAL REPORTING

The Group has the following principal business segments:

(a) Construction - Construction activities
(b) Property development - Development of land into vacant lots, residential, commercial and/or industrial buildings
(c) Manufacturing & quarrying - Production and sale of concrete products, and quarrying activities
(d) Plantation - Cultivation of oil palm
(e) Infrastructure - Tollway operations

Other operations of the Group comprise mainly investment holding.

Inter-segment revenue comprises rendering of construction services to the property development and infrastructure segments and the sale of manufacturing and quarrying products to the construction segment. These transactions are transacted on agreed terms between the segments.

(a) Primary reporting - Business segments

	Construction RM'000	Property Development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & Others RM'000	Group RM'000
2007							
REVENUE							
Total sales	1,281,110	463,879	690,875	271,633	10,338	65,923	2,783,758
Less: Inter-segment sales	(380,843)	–	(32,043)	–	–	(59,638)	(472,524)
Total segment revenue	900,267	463,879	658,832	271,633	10,338	6,285	2,311,234
RESULTS:							
Segment results	149,408	76,805	78,481	63,285	2,548	14,091	384,618
Finance cost	(30,197)	(377)	(6,075)	(7,000)	(28,640)	–	(72,289)
Share of results of associates	7,013	1,435	1,334	821	3,146	(664)	13,085
Share of results of jointly controlled entities	(5,799)	(686)	–	–	–	–	(6,485)
							318,929
Income tax expense							(78,820)
Net profit for the financial year							240,109
NET ASSETS:							
Segment assets	1,539,792	1,791,852	738,106	833,590	558,020	88,396	5,549,756
Investment in associates	43,969	27,621	12,986	8,881	287,131	2,475	383,063
Investment in jointly controlled entities	15,782	43,140	–	1,500	–	–	60,422
							5,993,241
Unallocated corporate assets							45,568
Consolidated total assets							6,038,809
Segment liabilities	613,710	399,543	156,320	21,424	84,733	2,552	1,278,282
Interest bearing instruments	455,406	73,900	131,870	184,621	589,065	–	1,434,862
Unallocated corporate liabilities							104,913
Consolidated total liabilities							2,818,057
Deferred income	–	–	–	–	58,371	–	58,371

13 SEGMENTAL REPORTING (cont'd)

(a) Primary reporting - Business segments (cont'd)

	Construction RM'000	Property Development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & Others RM'000	Group RM'000
2007							
OTHER INFORMATION:							
Capital expenditure:							
- Property, plant and equipment (Note 25)	86,620	32,135	99,332	21,958	813	–	240,858
- Investment properties (Note 26)	–	5,900	–	–	–	–	5,900
- Concession assets (Note 27)	–	–	–	–	271,546	–	271,546
							518,304
Depreciation charged to income statement :							
- Property, plant and equipment (Note 25)	17,368	756	26,128	19,695	93	–	64,040
- Investment properties (Note 26)	–	66	169	–	–	–	235
							64,275
Amortisation of concession assets (Note 27)	–	–	–	–	7,742	–	7,742
Amortisation of quarry development expenditure (Note 33)	–	–	2,961	–	–	–	2,961
Amortisation of deferred expenditure (Note 33)	46	–	67	–	–	–	113
2006 (Restated)							
REVENUE:							
Total sales	864,036	491,644	510,490	244,630	10,714	55,967	2,177,481
Less: Inter-segment sales	(197,877)	–	(18,995)	–	–	(50,120)	(266,992)
Total segment revenue	666,159	491,644	491,495	244,630	10,714	5,847	1,910,489
RESULTS:							
Segment results	110,998	97,918	48,792	56,858	10,767	(3,190)	322,143
Finance cost	(25,359)	–	(2,069)	(5,254)	(21,384)	–	(54,066)
Share of results of associates	7,828	976	2,683	518	(3,597)	(1,346)	7,062
Share of results of jointly controlled entities	9,635	(3,275)	–	–	–	–	6,360
							281,499
Income tax expense							(80,167)
Net profit for the financial year							201,332

13 SEGMENTAL REPORTING (cont'd)

(a) Primary reporting - Business segments (cont'd)

	Construction RM'000	Property Development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & Others RM'000	Group RM'000
2006 (Restated)							
NET ASSETS:							
Segment assets	1,019,028	1,172,687	605,501	805,001	308,958	155,327	4,066,502
Investment in associates	38,109	27,888	12,474	8,059	300,698	66,301	453,529
Investment in jointly controlled entities	21,580	22,258	–	–	–	–	43,838
							4,563,869
Unallocated corporate assets							45,727
Consolidated total assets							4,609,596
Segment liabilities	383,668	231,965	120,098	99,879	16,885	2,595	855,090
Interest bearing instruments	347,471	48,585	85,969	129,269	463,958	–	1,075,252
Unallocated corporate liabilities							85,728
Consolidated total liabilities							2,016,070
Deferred income	–	–	–	–	63,822	–	63,822
OTHER INFORMATION:							
Capital expenditure:							
- Property, plant and equipment (Note 25)	62,927	4,278	91,232	41,645	542	–	200,624
- Concession assets (Note 27)	–	–	–	–	70,587	–	70,587
							271,211
Depreciation charged to income statement:							
- Property, plant and equipment (Note 25)	17,249	572	22,306	23,356	84	–	63,567
- Investment properties (Note 26)	–	66	–	–	–	–	66
							63,633
Amortisation of concession assets (Note 27)	–	–	–	–	8,108	–	8,108
Amortisation and impairment of goodwill (Note 33)	3,887	22	–	186	–	18	4,113
Amortisation of quarry development expenditure (Note 33)	–	–	2,758	–	–	–	2,758
Amortisation of deferred expenditure (Note 33)	41	–	70	–	–	–	111

13 SEGMENTAL REPORTING (cont'd)

Supplementary information on segmental reporting on revenue of the Group inclusive of the Group's share of revenue of associates and jointly controlled entities are as follows:

	Construction RM'000	Property Development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & Others RM'000	Total RM'000
2007							
Revenue of the Group	900,267	463,879	658,832	271,633	10,338	6,285	2,311,234
Share of operating revenue of associates and jointly controlled entities	225,979	35,715	56,768	31,183	52,850	26,859	429,354
	1,126,246	499,594	715,600	302,816	63,188	33,144	2,740,588
2006 (Restated)							
Revenue of the Group	666,159	491,644	491,495	244,630	10,714	5,847	1,910,489
Share of operating revenue of associates and jointly controlled entities	149,983	25,580	47,475	26,247	50,162	30,462	329,909
	816,142	517,224	538,970	270,877	60,876	36,309	2,240,398

(b) Secondary reporting - Geographical segments

	Revenue from external customers RM'000	Total assets RM'000	Capital expenditure incurred during the year RM'000
Geographical markets			
2007			
Malaysia	1,714,954	4,252,372	173,942
India	469,368	1,111,440	344,234
Other countries	126,912	231,512	128
	2,311,234	5,595,324	518,304
Associates and jointly controlled entities:			
- India	–	188,137	–
- Malaysia	–	80,393	–
- Argentina	–	70,982	–
- Singapore	–	43,723	–
- Vietnam	–	32,958	–
- China	–	755	–
- Australia	–	24,771	–
- Other countries	–	1,766	–
	2,311,234	6,038,809	518,304

13 SEGMENTAL REPORTING (cont'd)

(b) Secondary reporting - Geographical segments (cont'd)

	Revenue from external customers RM'000	Total assets RM'000	Capital expenditure incurred during the year RM'000
2006 (Restated)			
Malaysia	1,683,750	3,325,933	150,023
India	179,339	599,876	119,761
Other countries	47,400	186,420	1,427
	1,910,489	4,112,229	271,211
Associates and jointly controlled entities:			
- India	–	188,723	–
- Malaysia	–	60,433	–
- Argentina	–	69,551	–
- Singapore	–	37,756	–
- Vietnam	–	40,653	–
- China	–	8,331	–
- Australia	–	85,148	–
- Other countries	–	6,772	–
	1,910,489	4,609,596	271,211

In determining the geographical segments of the Group, revenue is based on the country in which the customers are located. Total segment assets and capital expenditure incurred during the financial year are determined according to the country where these assets are located.

14 SHARE CAPITAL

	The Company			
	2007		2006	
	Number of shares '000	Nominal value RM'000	Number of shares '000	Nominal value RM'000
Ordinary shares of RM1 each:				
Authorised:-				
At 1 April	1,000,000	1,000,000	1,000,000	1,000,000
Created during the financial year	2,000,000	2,000,000	–	–
At 31 March	3,000,000	2,000,000	1,000,000	1,000,000
Issued and fully paid:				
At 1 April	479,931	479,931	458,654	458,654
Issuance of shares				
- Exercise of ESOS	30,096	30,096	14,853	14,853
- Excercise of Warrants 2005/2010	60,300	60,300	6,424	6,424
At 31 March	570,327	570,327	479,931	479,931

(a) During the financial year, these authorised share capital of the Company was increased from RM1,000,000,000 to RM3,000,000,000 by way of the creation of RM2,000,000,000 ordinary share of RM1 each.

14 SHARE CAPITAL (cont'd)

(b) During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM479,931,566 to RM570,327,355 by way of:

(i) The issuance of 60,300,139 new ordinary shares of RM1.00 each arising from the exercise of Warrants 2005/2010 at the exercise price of RM4.80 per share in accordance with the Deed Poll dated 22 June 2005; and

(ii) The issuance of 30,095,650 new ordinary shares of RM1.00 each arising from the exercise of options under the Employee Share Option Scheme ("ESOS") at the following issue prices:

Number of shares issued units	ESOS exercise price RM/share
3,747,300	3.93
6,061,800	3.96
300,000	4.15
100,000	4.18
1,609,200	4.20
2,158,950	4.23
7,854,700	4.33
6,978,700	4.36
245,000	4.37
820,000	4.41
220,000	4.44
30,095,650	

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(c) Employee Share Option Scheme

As at the balance sheet date, 5,234,500 (2006: 35,482,050) options under the ESOS remained unexercised. The details of options over ordinary shares of the Company granted but not exercised under the ESOS are as follows:

Grant Date	Expiry Date	Exercise Price RM/share	Number of options over ordinary shares of RM 1 each — At 1.4.2006 '000	Granted '000	Exercised '000	Terminated '000	At 31.3.2007 '000
8 January 2004	10 November 2008	3.99/3.96*/3.93**	10,532	–	9,809	66	657
7 April 2004	10 November 2008	4.47/4.44*/4.41**	1,470	–	1,040	–	430
30 April 2004	10 November 2008	4.39/4.36*/4.33**	17,981	–	14,834	67	3,080
20 May 2004	10 November 2008	4.21/4.18*/4.15**	500	–	400	–	100
30 August 2005	10 November 2008	4.40/4.37**	315	–	245	–	70
26 October 2005	10 November 2008	4.23/4.20**	4,684	–	3,768	19	897
			35,482	–	30,096	152	5,234

Number of share options vested at 31 March 2007	5,234

14 SHARE CAPITAL (cont'd)

(c) Employee Share Option Scheme (cont'd)

The exercise price of the ESOS had been adjusted on 30 April 2005 (*) and 1 August 2006 (**) respectively pursuant to Bye-Law 14 of the ESOS Bye-Laws, which states that the option prices may be adjusted in the event of a capital distribution which may involve the declaration or provision of a dividend unless the aggregate gross dividends declared in respect of the financial year is less than ten per centum (10%) of the nominal value of the shares of the Company. The adjusted option prices on 30 April 2005 and 1 August 2006 respectively are as follows:

Offer Date	Offer Price at Offer Date	Adjusted on 30 April 2005*	Adjusted on 1 August 2006**
8 January 2004	RM3.99	RM3.96	RM3.93
7 April 2004	RM4.47	RM4.44	RM4.41
30 April 2004	RM4.39	RM4.36	RM4.33
20 May 2004	RM4.21	RM4.18	RM4.15
30 August 2005	RM4.40	n/a	RM4.37
26 October 2005	RM4.23	n/a	RM4.20

The weighted average quoted price of shares of the Company at the time when the options were exercised was RM6.46 (2006: RM4.87).

(d) Warrants 2005/2010

The Warrants 2005/2010 are constituted by a Deed Poll dated 22 June 2005.

On 23 August 2005, the Company allotted:

(i) 93,171,576 new Warrants 2005/2010 at an issue price of RM0.05 per Warrant on the basis of one (1) Warrant for every five (5) existing ordinary shares of RM1.00 each held in the Company on 11 July 2005; and

(ii) 10,000,000 new Warrants 2005/2010 at an issue price of RM0.05 per Warrant to eligible management staff of the Company and its subsidiaries.

Each warrant entitles the registered holder to subscribe for one (1) new ordinary share in the Company at any time on or after 23 August 2005 up to the date of expiry on 22 August 2010, at an exercise price of RM4.80 per share or such adjusted price in accordance with the provisions in the Deed Poll dated 22 June 2005. The Warrants 2005/2010 is listed on the Main Board of Bursa Malaysia Securities Berhad with effect from 2 September 2005.

Warrants exercised during the financial year resulted in 60,300,139 new ordinary shares being issued at RM4.80 each. The weighted average share price at the time of exercised was RM7.79 per share.

As at the balance sheet date, 36,448,001 Warrants 2005/2010 (2006: 96,748,140) remain unexercised.

15 CAPITAL RESERVES

	The Group	
	2007 RM'000	2006 RM'000 (Restated)
(a) Capitalisation of post acquisition reserves in subsidiaries and associates:		
At 1 April / At 31 March	**49,592**	49,592
(b) Warrants reserve (Note14(d))		
At 1 April	**4,399**	–
Arising from issuance of Warrants 2005/2010	**–**	5,159
Warrants issue expenses	**–**	(439)
Transferred to share premium upon conversion of Warrants 2005/2010	**(3,016)**	(321)
At 31 March	**50,975**	53,991

15 CAPITAL RESERVES (cont'd)

	The Company	
	2007 RM'000	2006 RM'000
Warrants reserve (Note 14(d))		
At 1 April	4,399	–
Arising from issuance of Warrants 2005/2010	–	5,159
Warrants issue expenses	–	(439)
Transferred to share premium upon conversion of Warrants 2005/2010	(3,016)	(321)
At 31 March	1,383	4,399

16 RETAINED PROFITS

The Company has sufficient tax credits under Section 108 of the Income Tax Act, 1967 and tax exempt income to frank the payment of net dividends up to RM373,243,000 (2006: RM365,515,000) out of its retained profits. The extent of retained profits not covered at that date amounted approximately to RM98,207,000 (2006: RM95,594,000).

17 BONDS

	The Group	
	2007 RM'000	2006 RM'000 (Restated)
8% Secured Fixed Rate Bonds 1999/2009	100,000	100,000
Less:		
Discount on issuance	(4,932)	(4,932)
Amortisation	3,699	3,206
	(1,233)	(1,726)
	98,767	98,274
Al-Bai' Bithaman Ajil Bonds		
- At 1 April	130,000	150,000
- Redeemed during the year	(25,000)	(20,000)
- At 31 March	105,000	130,000
Less:		
Discount on issuance	(731)	(1,254)
Amortisation	352	523
	(379)	(731)
	104,621	129,269
Less:		
Amount redeemable within 12 months (Note 42)	(34,924)	(24,907)
	69,697	104,362
	168,464	202,636

17 BONDS (cont'd)

A. Maturity profile of Bonds

	Carrying amount RM'000	The Group Maturity Profile < 1 year RM'000	1 - 5 years RM'000
31 March 2007:			
8% Secured Fixed Rate Bonds 1999/2009	98,767	–	98,767
Al-Bai' Bithaman Ajil Bonds	104,621	34,924	69,697
	203,388	34,924	168,464
31 March 2006:			
8% Secured Fixed Rate Bonds 1999/2009	98,274	–	98,274
Al-Bai' Bithaman Ajil Bonds	129,269	24,907	104,362
	227,543	24,907	202,636

B. Principal features of Bonds

(a) 8% Secured Fixed Rate Bonds 1999/2009

The principal features of the 8% Secured Fixed Rate Bonds 1999/2009 are as follows:

(i) The RM100,000,000 nominal amount of 8% Secured Fixed Rate Bonds 1999/2009 was issued by a subsidiary at RM95.068 per RM100 nominal value to two local licensed banks, being the primary subscribers, on a bought deal basis. The Bonds are secured by way of assignment of all rights under the Concession Agreement between the subsidiary and the Government of Malaysia referred to in Note 32(b) to the financial statements. The Bonds rank parri passu and rateably among themselves and in priority to all other unsecured indebtedness of the subsidiary.

(ii) The Bonds carry a fixed coupon rate of 8% per annum payable semi-annually in arrears. At the end of its tenure, the Bonds will be redeemed at 100% of its nominal value on 15 October 2009.

(b) Al-Bai' Bithaman Ajil Bonds

The principal features of the Al-Bai' Bithaman Ajil Bonds are as follows:

(i) A subsidiary of the Company, IJM Plantations Berhad, issued RM150,000,000 bonds on 15 December 2003 under the Islamic Financing concept of Al-Bai' Bithaman Ajil to a local licensed bank, being the primary subscriber on a bought deal basis to finance its capital expenditure, refinance subsidiaries' existing bank borrowings including shareholders' advances and for working capital requirements. The bonds were issued in five series as follows:

Series of bonds	Fixed profit rates %	Maturity date	At 1.4.2006 RM'000	Redeemed during the year RM'000	At 31.3.2007 RM'000
1	6.48	15 December 2005	–	–	–
2	6.50	15 December 2006	25,000	25,000	–
3	6.71	15 December 2007	35,000	–	35,000
4	6.93	15 December 2008	35,000	–	35,000
5	7.18	15 December 2009	35,000	–	35,000
			130,000	25,000	105,000

(ii) The fixed profit rates are payable semi-annually in arrears. At the end of the respective tenure, the bonds will be redeemed at 100% of the nominal value.

During the financial year, the subsidiary redeemed the series of bonds with a nominal value of RM20 million, which matured on 15 December 2006. This bond carried a profit rate of 6.50% per annum.

(iii) The bonds are secured by a negative pledge over the present or future assets of the subsidiary and a legal assignment over designated accounts created under this private debt security program.

17 BONDS (cont'd)

B. Principal features of Bonds (cont'd)

(b) Al-Bai' Bithaman Ajil Bonds (cont'd)

(iv) The subsidiary shall not, without the prior approval of the Trustee of the bonds, grant or permit to exist any security upon any of its present or future assets to secure for the benefit of the holders of any existing or future borrowings of the subsidiary unless, at the same time or prior thereto, the subsidiary's obligation under the bonds issued shall be secured equally and rateably with such borrowings.

18 MEDIUM TERM NOTES ("MTN") - UNSECURED

	The Group and The Company	
	2007	2006
	RM'000	RM'000
5.5% MTN 2005/2010	**150,000**	150,000

The MTN was issued under a RM300 million nominal value Commercial Papers ("CP") and MTN Programme ("CP/MTN Programme") which was implemented on 25 February 2005. The CP/MTN Programme can be utilised by the Company during the 7-year tenure commencing from the date of the first issue under the CP/MTN Programme on 24 February 2005 for a total amount of up to RM300 million nominal value subject to:

(a) the aggregate nominal value of outstanding CPs shall not exceed RM150 million at any time; and

(b) the aggregate nominal value of outstanding MTNs shall not exceed RM300 million at any time;

provided always that the outstanding nominal value of the CPs and MTNs issued under the CP/MTN Programme should not exceed RM300 million.

The MTN 2005/2010 is unsecured, carries a coupon rate of 5.5% per annum payable semi-annually, and is repayable in full on 24 February 2010.

The CP/MTN Programme contains covenants which require the Group to maintain its debt to equity ratio.

19 TERM LOANS

	The Group	
	2007	2006
	RM'000	RM'000
Current:		
Secured	**95,454**	23,041
Unsecured	**49,124**	43,943
	144,578	66,984
Non-Current:		
Secured	**171,142**	67,975
Unsecured	**482,943**	422,012
	654,085	489,987
Payable within 1 year (Note 42)	**144,578**	66,984
Payable between 1 and 5 years	**462,138**	285,787
Payable after 5 years	**191,947**	204,200
Payable after 1 year (included in non-current liabilities)	**654,085**	489,987
	798,663	556,971

19 TERM LOANS (cont'd)

The currency exposure profile of term loans is as follows:

	The Group	
	2007	2006
	RM'000	RM'000
Ringgit Malaysia	**46,961**	35,030
Indian Rupee	**261,112**	118,211
Chinese Renminbi	**22,450**	–
United States Dollar	**468,140**	403,730
	798,663	556,971

The net exposure of term loan to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows:

At 31 March 2007

Currency		Effective interest rate as at 31.3.2007 % p.a.	Total carrying amount RM'000	Floating interest rate < 1 year RM'000	Floating interest rate 1-5 years RM'000	Floating interest rate > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed interest rate 1-5 years RM'000	Fixed interest rate > 5 years RM'000
Secured									
Rs	(a)	**9.74**	**257,713**	**89,532**	**148,984**	**19,197**	**–**	**–**	**–**
USD	(a)	**4.47**	**8,883**	**–**	**–**	**–**	**5,922**	**2,961**	**–**
Unsecured									
USD		**6.90**	**27,628**	**27,628**	**–**	**–**	**–**	**–**	**–**
USD		**6.57**	**13,574**	**4,654**	**8,920**	**–**	**–**	**–**	**–**
USD		**5.97**	**72,555**	**–**	**72,555**	**–**	**–**	**–**	**–**
USD	(c)	**6.03**	**345,500**	**–**	**172,750**	**172,750**	**–**	**–**	**–**
RMB		**6.03**	**22,450**	**10,290**	**12,160**	**–**	**–**	**–**	**–**
Rs		**10.00**	**3,400**	**–**	**–**	**–**	**800**	**2,600**	**–**
RM	(b)	**4.80**	**13,400**	**–**	**–**	**–**	**–**	**13,400**	**–**
RM		**5.35**	**33,560**	**–**	**–**	**–**	**5,752**	**27,808**	**–**
			798,663	**132,104**	**415,369**	**191,947**	**12,474**	**46,769**	**–**

At 31 March 2006

Currency		Effective interest rate as at 31.3.2006 % p.a.	Total carrying amount RM'000	Floating interest rate < 1 year RM'000	Floating interest rate 1-5 years RM'000	Floating interest rate > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed interest rate 1-5 years RM'000	Fixed interest rate > 5 years RM'000
Secured									
Rs	(a)	9.00	91,016	–	–	–	23,041	48,025	19,950
Unsecured									
USD		6.08	19,440	4,964	14,476	–	–	–	–
USD		4.47	15,791	10,319	5,472	–	–	–	–
USD	(c)	5.61	368,500	–	184,250	184,250	–	–	–
Rs		9.50	4,812	–	–	–	4,812	–	–
Rs		8.80	22,410	–	–	–	22,410	–	–
RM		5.35	35,002	–	–	–	1,438	33,564	–
			556,971	15,283	204,198	184,250	51,701	81,589	19,950

19 TERM LOANS (cont'd)

(a) The secured term loans are secured by fixed and floating charges over certain subsidiaries' property, plant and equipment (Note 25), concession assets (Note 27) and amounts due from customers on construction contracts (Note 43).

(b) The term loan is supported by way of corporate guarantees given by the Company.

(c) On 23 August 2005, IJM Investment (L) Limited, a wholly-owned subsidiary of the Company, has entered into a Facility Agreement for the acceptance of a USD100 million Syndicated Term Loan Facility with a final maturity date of seven (7) years from the date of the Facility Agreement, which will be used to refinance the existing short-term offshore USD borrowings of the Group, and to fund existing and future investments overseas.

This facility contains covenants which require the Group to maintain minimum shareholders' funds, and limits its debt to capital ratio and earnings before income tax, depreciation and amortisation to finance costs ratio.

20 HIRE PURCHASE AND LEASE CREDITORS

	The Group	
	2007	2006
	RM'000	RM'000
Minimum payments:		
- Payable within 1 year	**14,964**	8,443
- Payable between 1 and 5 years	**10,443**	3,531
	25,407	11,974
Less: Future finance charges	**(2,435)**	(613)
Present value of liabilities	**22,972**	11,361
Present value of liabilities:		
- Payable within 1 year (Note 41)	**13,275**	8,026
- Payable between 1 and 5 years (included in non-current liabilities)	**9,697**	3,335
	22,972	11,361

The currency exposure profile of hire purchase and lease creditors is as follows:

	The Group	
	2007	2006
	RM'000	RM'000
Ringgit Malaysia	**–**	201
Indian Rupee	**22,758**	11,047
United States Dollar	**52**	113
Singapore Dollar	**162**	–
	22,972	11,361

Hire purchase and lease liabilities are effectively secured as the rights to the leased assets revert to the financier in the event of default.

21 DEFERRED TAXATION

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000 (Restated)	**RM'000**	RM'000
Deferred tax assets	**18,862**	18,590	**2,368**	3,571
Deferred tax liabilities	**(90,947)**	(84,486)	**–**	–
	(72,085)	(65,896)	**2,368**	3,571

21 DEFERRED TAXATION (cont'd)

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000 (Restated)	**RM'000**	RM'000
At 1 April	**(65,896)**	(79,115)	**3,571**	2,499
(Charged)/credited to income statement (Note 10)				
- Property, plant and equipment	**81,085**	(13,610)	**(318)**	(381)
- Concession assets	**–**	(3,602)	**–**	–
- Post-employment benefit	**(527)**	(134)	**(233)**	(16)
- Intangible assets	**584**	(380)	**–**	–
- Plantation development expenditure	**(77,960)**	21,594	**–**	–
- Inventories	**(1,060)**	(109)	**(26)**	–
- Tax losses and unabsorbed allowances	**(14,828)**	7,192	**(117)**	1,628
- Payables	**(2)**	(909)	**(498)**	(96)
- Development properties	**572**	1,303	**–**	–
- Foreseeable loss	**3,259**	1,951	**–**	–
- Finance lease receivables	**(908)**	(1,067)	**–**	–
- Others	**3,596**	910	**(11)**	(63)
	(6,189)	13,139	**(1,203)**	1,072
Currency translation differences	**–**	80	**–**	–
At 31 March	**(72,085)**	(65,896)	**2,368**	3,571
<u>**Subject to income tax**</u>				
Deferred tax assets (before offsetting)				
- Property, plant and equipment	**3,256**	1,463	**–**	–
- Development properties	**7,348**	7,348	**–**	–
- Post-employment benefit	**93**	620	**–**	233
- Inventories	**342**	1,402	**342**	368
- Payables	**4,229**	4,231	**1,362**	1,860
- Tax losses and unabsorbed allowances	**65,393**	80,221	**1,511**	1,628
- Foreseeable loss	**5,365**	2,106	**–**	–
- Others	**5,885**	2,552	**149**	160
	91,911	99,943	**3,364**	4,249
Offsetting	**(73,049)**	(81,353)	**(996)**	(678)
Deferred tax assets (after offsetting)	**18,862**	18,590	**2,368**	3,571
Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	**(93,315)**	(172,607)	**(996)**	(678)
- Plantation development expenditure	**(56,366)**	21,594	**–**	–
- Development properties	**(1,008)**	(1,580)	**–**	–
- Intangible assets	**(1,661)**	(2,245)	**–**	–
- Finance lease receivables	**(10,963)**	(10,055)	**–**	–
- Others	**(683)**	(946)	**–**	–
	(163,996)	(165,839)	**(996)**	(678)
Offsetting	**73,049**	81,353	**996**	678
Deferred tax liabilities (after offsetting)	**(90,947)**	(84,486)	**–**	–

21 DEFERRED TAXATION (cont'd)

The amount of unutilised capital allowances and unused tax losses for which no deferred tax asset is recognised in the balance sheet are as follows:

	The Group		The Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Unutilised capital allowances	136,846	142,473	–	–
Unabsorbed agriculture allowances	3,334	1,055	–	–
Unused tax losses	248,801	175,538	–	–
	388,981	319,066	–	–
Deferred tax assets not recognised	101,135	86,148	–	–

22 TRADE AND OTHER PAYABLES

	Note	The Group 2007 RM'000	The Group 2006 RM'000
Trade payable:			
Outstanding purchase consideration on acquisition of land	(a)	63,333	101,000
Less: Amount payable within 12 months (Note 41)		(31,667)	(37,667)
Amount payable after 12 months		31,666	63,333
Other payable:			
Advances from the State Government	(b)	21,000	7,000
		52,666	70,333

(a) This represents the outstanding purchase consideration on acquisition of land for property development of certain subsidiaries, payable over the duration of the development, which is unsecured and interest free.

(b) On 17 January 2003, IJM Properties Sdn Bhd, a wholly-owned subsidiary of the Company, has entered into a Reimbursement Land Cost Agreement (hereinafter referred to as "the RLC Agreement") with the State Government in connection with the completion of the Jelutong Expressway Project.

Under the RLC Agreement, the advances from the State Government for the reimbursement of land cost totalling RM33,180,000 will be received as follows:

Year	RM'000
2005	7,000
2006	7,000
2007	7,000
2008	7,000
2009	5,180
	33,180

22 TRADE AND OTHER PAYABLES (cont'd)

(b) The advances is repayable to the State Government as follows:

	Percentage of advances to be repaid to the State Government
	%
36 months from the commencement of Stage 3 of the Construction Works of Jelutong Expressway or from the completion of alienation of Parcels A2 and B1, whichever is later (1st Payment)	30
12 months from the date of the Certificate of Completion of the entire Jelutong Expressway or from the date of the 1st Payment, whichever is later (2nd Payment)	30
12 months from the date of the 2nd Payment	40
	100

23 RETIREMENT BENEFITS

(a) Defined contribution plan

The Company and its subsidiaries in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

(b) Defined benefit plan

(i) Funded

The Company and certain subsidiaries participated in the IJM Retirement Scheme, which is an approved defined benefits scheme under Section 150 of the Income Tax Act, 1967. The benefits payable on retirement are based on length of service and average basic salary over the last five years of service. The liability in respect of the said defined benefits scheme is determined using the projected unit credit method by an actuarial valuation carried out with sufficient regularity by a qualified actuary.

On 26 September 2006, the Trustees have informed the members of the IJM Retirement Scheme that the Trustees have been served a six (6) months' notice by the Company pursuant to Rule 9.1 of the Rules of the Scheme to the Trust Deed dated 9 June 1997 of its intention to terminate the Scheme with effect from 1 January 2007.

The Company have notified the Trustees that:

(a) the employers' obligation to contribute to the Scheme shall cease with effect from 1 January 2007;

(b) the Company has resolved that the Scheme be closed to employees hired on or after 11 November 2005, effective on the same date;

(c) the Scheme shall be determined and the assets distributed in accordance with the relevant terms of the Trust Deed;

(d) it is the Company's intention to advise the members that their benefits will be secured by the transfer of certain sums to each of their respective accounts with the Employees Provident Fund ("EPF").

The surplus in the value of assets available for distribution to members as at 31 December 2006, after the transfer of amount to the members' respective accounts with the EPF, will be redistributed back to the members.

23 RETIREMENT BENEFITS (cont'd)

(b) Defined benefit plan (cont'd)

(ii) Unfunded

A subsidiary of the Company operates an unfunded defined benefit scheme. The subsidiary's net obligation in respect of the defined benefit scheme is determined by estimating the amount of future benefit that employees earned in return for their service in the current and prior periods and that benefit is discounted to determine the present value of the liability. The subsidiary's obligation in respect of the unfunded defined benefit scheme, calculated using the projected unit method, is determined by an actuarial valuation carried out with sufficient regularity by a qualified actuary. The unfunded defined benefit scheme was terminated on 31 March 2007.

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000	**RM'000**	RM'000
Funded:				
At 1 April	**1,717**	2,588	**831**	891
Charged to the income statement	**3,073**	2,697	**255**	297
Contributions and benefits paid	**(3,069)**	(3,568)	**(255)**	(357)
	1,721	1,717	**831**	831
Reclassified to other payables (Note 41)	**(1,721)**	–	**(831)**	–
At 31 March	**–**	1,717	**–**	831
Unfunded:				
At 1 April	**3,433**	–	**–**	–
Charged to income statement	**886**	–	**–**	–
Contributions paid during the financial year	**(205)**	–	**–**	–
	4,114	–	**–**	–
Reclassified (to)/from other payables (Note 41)	**(4,114)**	3,433	**–**	–
	–	3,433	**–**	–
At 31 March	**–**	5,150	**–**	831

23 RETIREMENT BENEFITS (cont'd)

(b) Defined benefit plan (cont'd)

The expenses recognised in the income statements were analysed as follows:

	The Group		The Company	
	2007 RM'000	2006 RM'000 (Restated)	2007 RM'000	2006 RM'000
Current service cost	1,956	1,828	209	213
Interest cost	1,404	1,409	191	186
Expected return on plan assets	(1,380)	(1,066)	(160)	(117)
Actuarial gain recognised during the year	493	(74)	–	–
Amortisation of transitional liability	600	600	15	15
Total defined benefit retirement plan (funded)	3,073	2,697	255	297
Total defined benefit retirement plan (unfunded)	886	–	–	–
	3,959	2,697	255	297
Defined contribution retirement plan	12,362	10,508	1,014	1,208
Total included in employee benefits cost (Note 6)	16,321	13,205	1,269	1,505

The charges to the income statements were included in the following line items:

	The Group		The Company	
	2007 RM'000	2006 RM'000 (Restated)	2007 RM'000	2006 RM'000
Cost of sales	8,514	4,129	–	308
Administrative expenses	7,807	9,076	1,269	1,197
Total included in employee benefits cost (Note 6)	16,321	13,205	1,269	1,505

24 DEFERRED INCOME

	The Group	
	2007 RM'000	2006 RM'000
At cost:		
Government grants	68,558	69,962
Exchange translation differences	(2,478)	(1,404)
	66,080	68,558
Less: Accumulated amortisation:		
At 1 April	(4,736)	(1,563)
Current amortisation	(3,144)	(3,285)
Exchange translation differences	171	112
At 31 March	(7,709)	(4,736)
	58,371	63,822

The government grants represent grants received from the Indian Government for certain toll road concessions awarded to the Group.

25 PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

The Group

	Land			Plantation		
	Freehold land RM'000	Long term leasehold RM'000	Short term leasehold RM'000	Long term leasehold RM'000	Short term leasehold RM'000	Plantation infrastructure development expenditure RM'000
2007						
Net book value						
At 1 April 2006						
As previously reported	60,766	57,176	13,923	–	–	–
Effects of consolidating IJM Plantations Berhad as a subsidiary (Note 47)	–	5,582	8,833	101,257	3,719	72,401
	60,766	62,758	22,756	101,257	3,719	72,401
Effects of adoption of FRS 140 (Note 47)	(24,152)	–	–	–	–	–
As restated	36,614	62,758	22,756	101,257	3,719	72,401
Additions	85	7,740	17	–	–	9,512
Disposals	–	–	(725)	–	–	–
Written off	–	–	–	–	–	–
Depreciation charges for the year	–	(628)	(674)	(1,386)	(163)	(916)
Impairment loss	(63)	–	–	–	–	–
Exchange differences arising from translation of assets of foreign entities	(24)	–	(92)	–	–	–
Reclassifications	–	–	–	14	2,305	88
Transferred to building stocks	–	–	–	–	–	–
Transferred from property development cost (Note 34)	2,418	–	–	–	–	–
Reversal of over accruals of incidental costs	–	–	–	–	–	–
At 31 March 2007	**39,030**	**69,870**	**21,282**	**99,885**	**5,861**	**81,085**

25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group (cont'd)

	Buildings RM'000	Plant, machinery, equipment & vehicles RM'000	Office equipment, furniture & fittings & renovations RM'000	Capital work-in-progress RM'000	Total RM'000
2007					
Net book value					
At 1 April 2006					
As previously reported	81,860	203,800	9,036	39,484	466,045
Effects of consolidating IJM Plantations Berhad as a subsidiary (Note 47)	26,224	86,127	4,117	14,251	322,511
	108,084	289,927	13,153	53,735	788,556
Effects of adoption of FRS 140 (Note 47)	(4,727)	–	–	–	(28,879)
As restated	103,357	289,927	13,153	53,735	759,677
Additions	10,845	124,470	9,692	78,497	240,858
Disposals	(843)	(3,172)	(420)	(2,159)	(7,319)
Written off	(4)	(179)	(11)	–	(194)
Depreciation charges for the year	(9,109)	(48,666)	(3,473)	–	(65,015)
Impairment loss	–	–	–	–	(63)
Exchange differences arising from translation of assets of foreign entities	(309)	(3,311)	(117)	(448)	(4,301)
Reclassifications	35,374	13,296	648	(51,725)	–
Transferred to building stocks	(16,653)	–	–	–	(16,653)
Transferred from property development cost (Note 34)	–	–	–	8,030	10,448
Reversal of over accruals of incidental costs	–	–	–	(1,407)	(1,407)
At 31 March 2007	**122,658**	**372,365**	**19,472**	**84,523**	**916,031**

25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group (cont'd)

	Land			Plantation		
	Freehold land RM'000	Long term leasehold RM'000	Short term leasehold RM'000	Long term leasehold RM'000	Short term leasehold RM'000	Plantation infrastructure development expenditure RM'000
2006						
Net book value						
At 1 April 2005						
As previously reported	53,736	54,453	9,291	–	–	–
Effects of consolidating IJM Plantations Berhad as a subsidiary (Note 47)	–	5,639	6,367	103,147	3,854	46,245
	53,736	60,092	15,658	103,147	3,854	46,245
Effects of adoption of FRS 140 (Note 47)	(24,152)	–	–	–	–	–
As restated	29,584	60,092	15,658	103,147	3,854	46,245
Acquisition of subsidiaries	–	–	–	–	–	–
Additions	7,033	2,179	6,761	258	332	28,049
Disposals	–	–	(698)	–	–	–
Written off	–	–	–	–	–	–
Depreciation charges for the year	–	(1,136)	(561)	(1,384)	(140)	(5,262)
Exchange differences arising from translation of assets of foreign entities	(3)	–	–	–	–	–
Reclassifications	–	(392)	1,596	19	–	3,369
Transferred from property development cost (Note 34)	–	2,015	–	–	–	–
Reversal of over accruals of incidental costs in relation to acquisition of land	–	–	–	(783)	(327)	–
At 31 March 2006	36,614	62,758	22,756	101,257	3,719	72,401
Net book value:						
At 31 March 2007						
Cost	**39,093**	**71,898**	**24,840**	**78,346**	**6,421**	**87,263**
Valuation	**–**	**2,808**	**–**	**28,641**	**–**	**–**
Accumulated depreciation	**–**	**(4,836)**	**(3,558)**	**(7,102)**	**(560)**	**(6,178)**
Accumulated impairment	**(63)**	**–**	**–**	**–**	**–**	**–**
Net book value	**39,030**	**69,870**	**21,282**	**99,885**	**5,861**	**81,085**
At 31 March 2006						
Cost	36,614	64,158	20,097	78,332	4,116	77,663
Valuation	–	2,808	5,718	28,641	–	–
Accumulated depreciation	–	(4,208)	(3,059)	(5,716)	(397)	(5,262)
Net book value	36,614	62,758	22,756	101,257	3,719	72,401

25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group (cont'd)

	Buildings RM'000	Plant, machinery, equipment & vehicles RM'000	Office equipment, furniture & fittings & renovations RM'000	Capital work-in-progress RM'000	Total RM'000
2006					
Net book value					
At 1 April 2005					
As previously reported	71,626	150,495	4,651	4,492	348,744
Effects of consolidating IJM Plantations Berhad as a subsidiary (Note 47)	26,999	94,074	5,018	17,412	308,755
	98,625	244,569	9,669	21,904	657,499
Effects of adoption of FRS 140 (Note 47)	(4,727)	–	–	–	(28,879)
As restated	93,898	244,569	9,669	21,904	628,620
Acquisition of subsidiaries	–	939	23	–	962
Additions	8,778	68,261	6,630	72,343	200,624
Disposals	(1,852)	(5,711)	(284)	–	(8,545)
Written off	(77)	(189)	(17)	(3)	(286)
Depreciation charges for the year	(7,110)	(47,864)	(2,809)	–	(66,266)
Exchange differences arising from translation of assets of foreign entities	(49)	(858)	(25)	–	(935)
Reclassifications	9,768	30,780	(33)	(45,107)	–
Transferred from property development cost (Note 34)	–	–	–	5,553	7,568
Reversal of over accruals of incidental costs in relation to acquisition of land	–	–	–	(955)	(2,065)
At 31 March 2006	103,356	289,927	13,154	53,735	759,677
Net book value:					
At 31 March 2007					
Cost	**178,162**	**778,913**	**42,903**	**84,523**	**1,392,362**
Valuation	**5,462**	**3,668**	**–**	**–**	**40,579**
Accumulated depreciation	**(60,966)**	**(410,216)**	**(23,431)**	**–**	**(516,847)**
Accumulated impairment	**–**	**–**	**–**	**–**	**(63)**
Net book value	**122,658**	**372,365**	**19,472**	**84,523**	**916,031**
At 31 March 2006					
Cost	150,647	663,533	33,410	53,735	1,182,305
Valuation	5,462	3,668	–	–	46,297
Accumulated depreciation	(52,753)	(377,274)	(20,256)	–	(468,925)
Net book value	103,356	289,927	13,154	53,735	759,677

25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Company

	Buildings RM'000	Plant, machinery, equipment & vehicles RM'000	Office equipment, furniture & fittings & renovations RM'000	Total RM'000
2007				
Net book value				
At 1 April 2006	6,079	2,084	2,014	10,177
Additions	–	1,301	697	1,998
Disposals	–	(137)	–	(137)
Depreciation charges for the year	(138)	(361)	(424)	(923)
At 31 March 2007	5,941	2,887	2,287	11,115
2006				
At 1 April 2005	6,308	1,687	725	8,720
Additions	–	876	1,667	2,543
Disposals	(90)	(181)	(13)	(284)
Depreciation charges for the year	(139)	(298)	(365)	(802)
At 31 March 2006	6,079	2,084	2,014	10,177
Net book value:				
At 31 March 2007				
Cost	**6,912**	**4,008**	**5,098**	**16,018**
Accumulated depreciation	**(971)**	**(1,121)**	**(2,811)**	**(4,903)**
Net book value	**5,941**	**2,887**	**2,287**	**11,115**
At 31 March 2006				
Cost	6,912	4,077	4,401	15,390
Accumulated depreciation	(833)	(1,993)	(2,387)	(5,213)
Net book value	6,079	2,084	2,014	10,177

(a) Valuation

Property, plant and equipment include long term leasehold land, long term leasehold plantation land, buildings and plant of certain subsidiaries which were last revalued in 1982, 1993 and 1997 based on an open market value basis by firms of independent professional valuers.

Had the revalued long term leasehold land, long term leasehold plantation land, buildings and plant been carried at cost less accumulated depreciation, the net book values would have been as follows:

	The Group	
	2007 RM'000	2006 RM'000 (Restated)
Long term leasehold land	**21,042**	21,204
Buildings	**658**	909
Plant	**1,028**	1,210
	22,728	23,323

25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(b) Assets acquired under finance lease agreements

Included in property, plant and equipment of the Group are the net book values of the following assets acquired under finance lease agreements:

	The Group	
	2007	2006
	RM'000	RM'000
Plant, machinery, equipment and vehicles	**39,921**	15,681

(c) Net book values of assets pledged as security for term loans of certain subsidiaries (Note 19):

	The Group	
	2007	2006
	RM'000	RM'000
Freehold land	**236**	3,140
Plant, machinery, equipment and vehicles	**92,916**	46,143
Office equipment, furniture & fittings & renovations	**37**	53
	93,189	49,336

(d) The title deeds on certain leasehold land of certain subsidiaries with net book values amounting to RM21,334,254 (2006: RM35,510,999) are currently being processed by the relevant authorities and have yet to be issued to the respective subsidiaries.

(e) During the financial year, the following depreciation charges have been included in the aggregate costs incurred to-date of the Group and capitalised as plantation development expenditure respectively:

		The Group	
		2007	2006
	Note	**RM'000**	RM'000
Included in the aggregate costs incurred to-date of the Group	43	**–**	1,096
Capitalised as plantation development expenditure	35	**975**	1,603

26 INVESTMENT PROPERTIES

The Group

	Freehold land RM'000	Freehold Buildings RM'000	Long term leasehold Buildings RM'000	Total RM'000
2007				
Net book value				
At 1 April 2006				
As previously stated	–	–	–	–
Effects of adoption of FRS 140 (Note 47)	24,152	8,154	693	32,999
As restated	24,152	8,154	693	32,999
Additions	–	–	5,900	5,900
Depreciation charges for the year	–	(218)	(17)	(235)
At 31 March 2007	24,152	7,936	6,576	38,664
2006				
Net book value				
At 1 April 2005				
As previously stated	–	–	–	–
Effects of adoption of FRS 140 (Note 47)	24,152	8,203	710	33,065
As restated	24,152	8,203	710	33,065
Depreciation charges for the year	–	(49)	(17)	(66)
At 31 March 2006	24,152	8,154	693	32,999
Net book value:				
At 31 March 2007				
Cost	**24,152**	**8,506**	**6,676**	**39,334**
Accumulated depreciation	**–**	**(570)**	**(100)**	**(670)**
Net book value	**24,152**	**7,936**	**6,576**	**38,664**
At 31 March 2006				
Cost	24,152	8,506	776	33,434
Accumulated depreciation	–	(352)	(83)	(435)
Net book value	24,152	8,154	693	32,999

The above properties are not occupied by the Group and are used to either earn rentals or for capital appreciation, or both.

The fair value of the properties was estimated at RM47,076,000 by the Directors based on valuation by independent professionally qualified valuers. Valuations were based on current prices in an active market for all properties except for the properties in certain locations because this information is not available. For these properties, the Directors estimated the fair value by reference to open market value of properties in the vicinity.

27 CONCESSION ASSETS

	The Group	
	2007	2006
	RM'000	RM'000
At cost:		
At 1 April	**230,148**	163,031
Additions during the financial year	**271,546**	70,587
Exchange translation differences	**(8,317)**	(3,470)
At 31 March	**493,377**	230,148
Less: Accumulated amortisation		
At 1 April	**(11,672)**	(3,841)
Current amortisation	**(7,742)**	(8,108)
Exchange translation differences	**422**	277
At 31 March	**(18,992)**	(11,672)
	474,385	218,476

The concession assets are pledged as security for the term loans of certain subsidiaries (Note 19).

Interest expenses of RM2,990,000 (2006: RM2,008,000) (Note 9) have been capitalised and included in additions during the financial year.

28 SUBSIDIARIES

		The Company	
		2007	2006
	Note	**RM'000**	RM'000
			(Restated)
At cost:			
Quoted shares:			
- in Malaysia		**258,721**	248,471
Unquoted Redeemable Convertible Unsecured Loan Stocks ("RCULS")*		**39,750**	50,000
Unquoted shares:			
- in Malaysia		**306,235**	306,235
- outside Malaysia		**6,436**	6,436
		611,142	611,142
Less: Accumulated impairment losses		**(6,071)**	(6,071)
		605,071	605,071
Amount owing by a subsidiary	(b)	**–**	77,824
		605,071	682,895
<u>Market value</u>			
Quoted shares:			
- in Malaysia		**807,387**	296,204

* The RCULS were issued by a subsidiary, IJM Plantations Berhad ("IJMP") and bear interest at 5% per annum from 2 July 2003 until the date of redemption or maturity, whichever is earlier. The RCULS can be converted at a conversion rate of 1 RCULS for 2 new ordinary shares of RM0.50 each in IJMP during the conversion period from 2 July 2006 to 1 July 2008. All outstanding RCULS will be redeemed in full by IJMP at par on 1 July 2008.

(a) The Group's effective equity interest in the subsidiaries and their respective principal activities and countries of incorporation are set out in Note 55 to the financial statements.

(b) In the preceding financial year, the amount owing by a subsidiary is a loan by the Company to a foreign subsidiary, IJM International (BVI) Pty Ltd, which was on-lent to its associate, Reliance-OSW (Nominees) Pty Limited, which holds a property in Australia. Exchange differences arising from the translation of the loan as at the preceding financial year end of RM8,795,745 was recognised in equity as it represented the Company's net investment in the subsidiary whereby the loan was expected to be recovered only upon disposal of either the Group's investment in the associate or the disposal of the property by the associate. During the financial year, the loan was fully settled upon the associate's disposal of its property in Australia.

29 ASSOCIATES

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000 (Restated)	**RM'000**	RM'000 (Restated)
(a) Associates other than Grupo Concesionario del Oeste S.A ("Grupo")	**312,080**	315,561	**40,572**	40,572
(b) Grupo	**70,983**	69,552	**44,294**	44,294
	383,063	385,113	**84,866**	84,866
Amount owing by an associate	**–**	68,416	**–**	–
	383,063	453,529	**84,866**	84,866
Represented by:				
Group's share of net assets	**383,063**	385,113		
Market value				
Quoted shares:				
- in Malaysia	**4,794**	4,347	**4,794**	4,347
- outside Malaysia (Grupo)	**15,572**	13,161	**15,572**	13,161
	20,366	17,508	**20,366**	17,508

The Group's effective equity interest in the associates and their respective principal activities and countries of incorporation are set out in Note 55 to the financial statements.

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000 (Restated)	**RM'000**	RM'000 (Restated)
(a) Associates other than Grupo:				
At cost:				
Quoted shares:				
- in Malaysia	**17,219**	17,219	**17,219**	17,219
Unquoted shares:				
- in Malaysia	**56,664**	55,974	**40,058**	40,058
- outside Malaysia	**191,144**	204,028	**1,765**	1,765
	265,027	277,221	**59,042**	59,042
Share of post-acquisition retained profits	**59,912**	51,200	**–**	–
Share of post-acquisition reserves	**16,360**	15,517	**–**	–
	341,299	343,938	**59,042**	59,042
Less: Accumulated impairment losses	**(29,219)**	(28,377)	**(18,470)**	(18,470)
	312,080	315,561	**40,572**	40,572

29 ASSOCIATES (cont'd)

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000	**RM'000**	RM'000
		(Restated)		(Restated)
(b) Grupo:				
Quoted shares, at cost	**38,080**	38,080	**38,080**	38,080
Unquoted shares, at cost	**51,214**	51,214	**51,214**	51,214
	89,294	89,294	**89,294**	89,294
Share of post-acquisition retained profits	**28,689**	27,258	**–**	–
Less: Accumulated impairment losses	**(47,000)**	(47,000)	**(45,000)**	(45,000)
	70,983	69,552	**44,294**	44,294

The renegotiation of the Concession Agreement with the Argentine Government had been ratified vide the Presidential Decree Nr 298/06. Grupo is now entitled to receive the increased tariff. However, Grupo is currently still in the process of negotiating the extension of the concession period and the tariff adjustment formula with the Argentine Government.

Following the ratification of the Concession Agreement as well as the current valuation of the Group's share of net assets and best estimates of the net present value of future cash flows, the Directors are of the opinion that the investment in Grupo is not further impaired.

(c) Certain losses of associates of the Group are not recognised when they exceed the Group's cost of investment and advances as the Group has no further obligation beyond these amounts. The Group's share of such losses is as follows:

	The Group	
	2007	2006
	RM'000	RM'000
Current year share of losses	**–**	–
Cumulative share of losses	**(14,656)**	(16,566)

(d) The Group's share of assets and liabilities of the associates is as follows:

	The Group	
	2007	2006
	RM'000	RM'000
		(Restated)
Non-current assets	**594,395**	679,936
Current assets	**263,204**	232,950
Non-current liabilities	**(367,331)**	(354,229)
Current liabilities	**(107,205)**	(173,544)
	383,063	385,113

The Group's share of the revenue and expenses of the associates are as follows:

	The Group	
	2007	2006
	RM'000	RM'000
		(Restated)
Revenue	**329,653**	230,078
Expenses including taxation	**(316,568)**	(223,016)
Net profit for the financial year	**13,085**	7,062

30 JOINTLY CONTROLLED ENTITIES

	The Group	
	2007	2006
	RM'000	RM'000
Share of net assets of jointly controlled entities	**60,422**	43,838

(a) Details of the jointly controlled entities are as follows:

	Group's effective interest in jointly controlled entities		Principal activity
	2007	2006	
	%	%	
Astaka Tegas Sdn Bhd	**50**	50	Property development
Elegan Pesona Sdn Bhd	**50**	50	Property development
Ambang Usaha Sdn Bhd	**50**	50	Construction
IJM-Peremba Joint Venture	**50**	50	Construction
LCL-IJMII International Interiors Private Limited	**49**	50	Manufacturing custom-made furniture, interior design, advisory, consultancy and fit-out works for buildings, offices and homes
Dywidag-IJM Joint Venture	**49**	49	Dormant
IJM-IT&T Joint Venture	**51**	51	Dormant
IJM-Rezeki Joint Venture	**70**	70	Construction
IJM-Perkasa Sutera Joint Venture	**70**	70	Construction
IJM-SCL Joint Venture	**50**	50	Construction
IJM-Gayatri Joint Venture	**60**	60	Construction
WGI-IJM Joint Venture	**40**	40	Dormant
Liberty Properties-IJM Joint Venture	**60**	60	Construction
IJM Properties-JA Manan Development Joint Venture	**50**	50	Property development
Sierra Ukay Sdn Bhd	**50**	50	Property development
Sierra Selayang Sdn Bhd	**50**	50	Property development
IJM Properties-Danau Lumayan Joint Venture	**60**	60	Property development
IJM Management Services-Giat Bernas Joint Venture	**70**	70	Project management services
IJM-NBCC-VRM Joint Venture	**50**	50	Construction
IJMC-Perkasa Sutera Joint Venture	**70**	70	Construction
IJMC-Gayatri Joint Venture	**60**	60	Construction
IJMC-Liberty Properties Joint Venture	**60**	60	Construction
IJMC-Puncabahan Joint Venture	**70**	70	Construction
IJM-Zublin Joint Venture	**50**	50	Construction
Teratai - IJM Joint Venture	**50**	50	Construction
ECC - IJM Joint Venture	**50**	50	Construction
Valencia Terrace Sdn Bhd	**50**	–	Property development
Radiant Pillar Sdn Bhd	**50**	–	Property development
Good Debut Sdn Bhd	**50**	–	Property development
Cekap Tropikal Sdn Bhd	**50**	–	Property development
IJM Biofuel Sdn Bhd	**60**	–	Manufacture and sale of biodiesel
Perdana Highway Operations Private Ltd	**49**	49	Dormant

30 JOINTLY CONTROLLED ENTITIES (cont'd)

(b) The Group's share of assets and liabilities of the jointly controlled entities is as follows:

	The Group	
	2007	2006
	RM'000	RM'000
Non-current assets	**37,599**	308,054
Current assets	**336,832**	325,829
Non-current liabilities	**(32,672)**	(250,275)
Current liabilities	**(281,337)**	(339,770)
	60,422	43,838

The Group's share of the revenue and expenses of the jointly controlled entities are as follows:

	The Group	
	2007	2006
	RM'000	RM'000
		(Restated)
Revenue	**99,701**	99,831
Expenses including taxation	**(106,186)**	(93,471)
Net (loss)/profit for the financial year	**(6,485)**	6,360

31 LONG TERM INVESTMENTS

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000	**RM'000**	RM'000
At cost:				
Quoted shares:				
- in Malaysia	**4,143**	63,588	**–**	56,332
Unquoted shares:				
- in Malaysia	**48,589**	48,589	**6,500**	6,500
- outside Malaysia	**264**	4	**260**	–
	48,853	48,593	**6,760**	6,500
Quoted corporate bonds:				
- in Malaysia	**55,486**	30,516	**–**	–
	108,482	142,697	**6,760**	62,832
Less: Allowance for diminution in value:				
Quoted shares	**(2,175)**	(5,644)	**–**	–
Unquoted shares:				
- in Malaysia	**(5,325)**	(5,325)	**(4,450)**	(4,450)
- outside Malaysia	**(260)**	–	**(260)**	–
	(7,760)	(10,969)	**(4,710)**	(4,450)
	100,722	131,728	**2,050**	58,382
Market value				
Quoted shares:				
- in Malaysia	**1,968**	58,792	**–**	57,181
Quoted corporate bonds:				
- in Malaysia	**56,415**	30,973	**–**	–
	58,383	89,765	**–**	57,181

31 LONG TERM INVESTMENTS (cont'd)

The currency exposure profile of investments outside Malaysia is as follows:

	The Group		The Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Indian Rupee	4	4	–	–

32 LONG TERM RECEIVABLES

	Note	The Group 2007 RM'000	The Group 2006 RM'000
Lease receivables	(a)	89,948	66,184
Less: Amount receivable within 12 months (included in trade and other receivables - Note 37)		(9,048)	(6,260)
		80,900	59,924
Receivable for construction of the Kementerian Kerja Raya Office Blocks	(b)	26,239	33,895
Less: Amount receivables within 12 months (included in trade and other receivables - Note 37)		(7,656)	(7,656)
		18,583	26,239
Amount due from a jointly controlled entity	(c)	3,071	–
Amount receivable after 12 months		102,554	86,163

(a) Lease receivables

	The Group 2007 RM'000	The Group 2006 RM'000
Lease receivables	285,146	238,806
Less: Unearned interest income	(195,198)	(172,622)
	89,948	66,184
Lease receivables		
- Payable within 1 year	9,048	6,260
- Payable between 1 and 5 years	39,304	27,667
- Payable after 5 years	41,596	32,257
	89,948	66,184

The lease receivables arise from the following lease arrangements entered into by a subsidiary:

(i) Lease arrangement I

A finance lease arrangement entered into by a subsidiary to develop and construct a special purpose building pursuant to a 30-year lease agreement with a third party. The construction of the special purpose building was completed in October 2004.

(ii) Lease arrangement II

A leasing agreement entered into by a subsidiary to lease a building to a third party for a period of 15 years commencing 1 March 2007.

(b) The cost of construction of the Kementerian Kerja Raya Office Blocks by a subsidiary is reimbursable upon completion of construction in instalments by the Government of Malaysia over a period of 13 1/2 years commencing from 1 March 1997, pursuant to a Concession Agreement. In connection with the concession, the subsidiary will also receive fees over the duration of the concession period for the maintenance, operation and management of the Kementerian Kerja Raya Office Blocks from the Government of Malaysia commencing from 1 March 1997. All rights under the above Concession Agreement have been assigned to secure the Bond referred to in Note 17 to the financial statements.

32 LONG TERM RECEIVABLES (cont'd)

(c) The amount due from a jointly controlled entity bears interest at a fixed rate of 7.25% (2006: NIL) per annum. The amount is unsecured and is to be settled in cash after the Start Up Business Plan has been achieved and completed as set out in the Shareholders' Agreement entered into between the Company with CTI Biofuels Malaysia LLC on 23 March 2006.

33 INTANGIBLE ASSETS

The Group

	Goodwill on consolidation RM'000	Negative goodwill RM'000	Quarry development expenditure RM'000	Premium paid on quarry rights RM'000	Licence fees RM'000	Total RM'000
2007						
Cost						
At 1 April 2006						
- As previously reported	71,078	(8,946)	11,391	202	287	74,012
- Effects of consolidating IJM Plantations Berhad as a subsidiary (Note 47)	–	(2,092)	–	–	–	(2,092)
As restated	71,078	(11,038)	11,391	202	287	71,920
Elimination of the carrying amount of related accumulated amortisation of goodwill upon adoption of FRS 3	(6,764)	–	–	–	–	(6,764)
As restated	64,314	(11,038)	11,391	202	287	65,156
Transferred to opening retained earnings (Note 47)	–	11,038	–	–	–	11,038
	64,314	–	11,391	202	287	76,194
Additions	–	–	975	–	–	975
Written off	–	–	(213)	–	–	(213)
At 31 March 2007	64,314	–	12,153	202	287	76,956
Less: Accumulated impairment losses						
At 1 April 2006	(4,000)	–	–	–	–	(4,000)
- Impairment of goodwill during the financial year	(216)	–	–	–	–	(216)
At 31 March 2007	(4,216)	–	–	–	–	(4,216)
Less: Accumulated amortisation						
At 1 April 2006						
- As previously reported	(6,764)	1,247	(3,085)	(84)	(41)	(8,727)
Elimination of the carrying amount of related accumulated amortisation of goodwill upon adoption of FRS 3	6,764	–	–	–	–	6,764
As restated	–	1,247	(3,085)	(84)	(41)	(1,963)
Transferred to opening retained earnings (Note 47)	–	(1,247)	–	–	–	(1,247)
	–	–	(3,085)	(84)	(41)	(3,210)
Current amortisation	–	–	(2,961)	(71)	(42)	(3,074)
Written off	–	–	213	–	–	213
At 31 March 2007	–	–	(5,833)	(155)	(83)	(6,071)
	60,098	–	6,320	47	204	66,669

33 INTANGIBLE ASSETS (cont'd)

The Group

	Goodwill on consolidation RM'000	Negative goodwill RM'000	Quarry development expenditure RM'000	Premium paid on quarry rights RM'000	Licence fees RM'000	Total RM'000
2006						
Cost						
At 1 April 2005						
- As previously reported	65,279	(8,998)	15,731	364	–	72,376
- Effects of consolidating IJM Plantations Berhad Berhad as a subsidiary (Note 47)	–	(2,092)	–	–	–	(2,092)
As restated	65,279	(11,090)	15,731	364	–	70,284
Arising from acquisition of subsidiaries/additional equity interest in subsidiaries	5,799	–	–	–	287	6,086
Additions	–	–	4,137	–	–	4,137
Written off	–	52	–	(162)	–	(110)
Fully amortised	–	–	(8,477)	–	–	(8,477)
At 31 March 2006	71,078	(11,038)	11,391	202	287	71,920
Less: Accumulated impairment losses						
At 1 April 2005	–	–	–	–	–	–
Impairment of goodwill during the financial year	(4,000)	–	–	–	–	(4,000)
At 31 March 2006	(4,000)	–	–	–	–	(4,000)
Less: Accumulated amortisation						
At 1 April 2005	(6,651)	841	(8,804)	(176)	–	(14,790)
Current amortisation	(113)	406	(2,758)	(70)	(41)	(2,576)
Written off	–	–	–	162	–	162
Fully amortised	–	–	8,477	–	–	8,477
At 31 March 2006	(6,764)	1,247	(3,085)	(84)	(41)	(8,727)
	60,314	(9,791)	8,306	118	246	59,193

	The Group		The Company	
	2007 RM'000	2006 RM'000	**2007 RM'000**	2006 RM'000
Amortisation charged/(credited) was included in the following income statement line items:				
- Cost of sales	**3,032**	2,828	**–**	–
- Other operating expenses	**42**	(272)	**–**	–
	3,074	2,556	**–**	–

34 PROPERTY DEVELOPMENT

(a) Land held for property development

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000	**RM'000**	RM'000
Freehold land, at cost	**244,807**	184,008	**281**	281
Leasehold land, at cost	**69,083**	53,797	**–**	–
Development costs	**5,147**	8,676	**–**	–
	319,037	246,481	**281**	281
At 1 April	**246,481**	154,467	**281**	281
Additions during the year	**125,875**	172,725	**–**	–
Transferred to property development costs (Note 34(b)):				
- Land cost	**(47,941)**	(58,615)	**–**	–
- Development costs	**(4,150)**	(11,107)	**–**	–
	(52,091)	(69,722)	**–**	–
Disposals during the year	**(1,228)**	(10,989)	**–**	–
At 31 March	**319,037**	246,481	**281**	281

(b) Property development costs

	The Group	
	2007	2006
	RM'000	RM'000
At 1 April		
Freehold land - at cost	**146,481**	87,595
Freehold land - at valuation	**6,299**	7,169
Leasehold land - at cost	**267,245**	125,803
Development costs	**964,864**	722,374
Accumulated costs charged to income statement	**(861,999)**	(610,249)
Completed units transferred to stocks	**(63,565)**	–
	459,325	332,692
Less: Completed development properties in previous years:		
Leasehold land - at cost	**(6,693)**	–
Development costs	**(136,532)**	–
Accumulated costs charged to income statement	**142,665**	–
Completed units transferred to stocks	**560**	–
	–	–
	459,325	332,692
Costs incurred during the financial year:		
- Purchase of land	**76,569**	165,846
- Development costs	**436,379**	301,128
	512,948	466,974
Disposal of land	**(663)**	(121)
Transferred from/(to) land held for property development (Note 34(a)):		
- Land cost	**47,941**	58,615
- Development costs	**4,150**	11,107
	52,091	69,722

34 PROPERTY DEVELOPMENT (cont'd)

(b) Property development costs (cont'd)

	The Group 2007 RM'000	The Group 2006 RM'000
Costs charged to income statement	**(315,019)**	(340,005)
Completed units transferred to inventories	**(9,836)**	(64,658)
Exchange differences	**(2,910)**	2,289
Transferred to capital work-in-progress in property, plant and equipment (Note 25)	**(8,030)**	(5,553)
Land transferred to property, plant and equipment (Note 25)	**(2,418)**	(2,015)
At 31 March	**685,488**	459,325
At 31 March:		
Freehold land - at cost	**242,790**	146,481
Freehold land - at valuation	**–**	6,299
Leasehold land - at cost	**291,990**	267,245
Development costs	**1,257,902**	964,864
Accumulated costs charged to income statement	**(1,034,353)**	(861,999)
Completed units transferred to building stocks	**(72,841)**	(63,565)
	685,488	459,325

Interest expenses of RM2,706,000 (2006: RM2,049,000) (Note 9) and employee benefits costs of RM406,000 (2006: RM105,000) (Note 6) respectively have been capitalised and included in development costs incurred during the financial year.

35 PLANTATION DEVELOPMENT EXPENDITURE

	The Group 2007 RM'000	The Group 2006 RM'000 (Restated)
At Cost:		
1 April		
- As previously reported	**–**	–
- Effects of consolidating IJM Plantations Berhad as a subsidiary (Note 47)	**230,575**	213,439
- As restated	**230,575**	213,439
Additions during the year	**9,192**	17,136
At 31 March	**239,767**	230,575
At valuation:		
1 April		
- As previously reported	**–**	–
- Effects of consolidating IJM Plantations Berhad as a subsidiary (Note 47)	**168,733**	168,733
At 31 March	**168,733**	168,733
	408,500	399,308

a) The plantation development expenditure of certain subsidiaries were last revalued in 1997 based on an open market value basis by firms of independent professional valuers.

Had the revalued plantation development expenditure of the Group been carried under the cost model, the carrying amount would have been RM64,116,744 (2006: RM64,116,744).

35 PLANTATION DEVELOPMENT EXPENDITURE (cont'd)

b) Plantation development expenditure capitalised during the financial year include the following:

	Note	The Group 2007 RM'000	The Group 2006 RM'000 (Restated)
Depreciation	5	**975**	1,603
Finance cost	9	**954**	3,636
Employee benefits expense	6	**2,305**	4,398

36 INVENTORIES

	The Group 2007 RM'000	The Group 2006 RM'000 (Restated)	The Company 2007 RM'000	The Company 2006 RM'000
At cost:				
Raw materials:				
- Construction materials	**38,681**	1,931	**842**	24
- Other raw materials	**49,391**	31,322	**–**	–
Finished goods:				
- Completed buildings	**59,194**	60,436	**–**	–
- Quarry and manufactured products	**51,166**	38,214	**–**	–
- Compost	**304**	462	**–**	–
- Crude palm kernel oil	**1,359**	2,432	**–**	–
- Crude palm oil	**6,220**	7,061	**–**	–
- Palm kernel	**827**	1,688	**–**	–
Oil palm seeds	**797**	549	**–**	–
Oil palm nursery	**970**	1,239	**–**	–
Fertilisers and chemicals	**1,435**	4,345	**–**	–
Stores, spares & consumables	**8,362**	9,425	**–**	–
Work-in-progress	**329**	2,209	**–**	–
	219,035	161,313	**842**	24
At net realisable value:				
Finished goods:				
- Completed buildings	**11,759**	12,259	**4,786**	4,786
- Crude palm oil	**2,571**	–	**–**	–
	14,330	12,259	**4,786**	4,786
	233,365	173,572	**5,628**	4,810

37 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000 (Restated)	**RM'000**	RM'000
Trade receivables	**961,951**	701,135	**66,693**	50,105
Less: Allowance for doubtful debts	**(29,601)**	(31,926)	**(11,692)**	(11,692)
	932,350	669,209	**55,001**	38,413
Trade and tender deposits	**766**	914	**766**	914
Trade advances	**34,485**	20,689	**34,485**	20,689
Less: Allowance for doubtful debts	**(1,356)**	(1,356)	**(1,356)**	(1,356)
	33,129	19,333	**33,129**	19,333
Other debtors	**18,980**	27,119	**–**	–
Less: Allowance for doubtful debts	**(1,856)**	(584)	**–**	–
	17,124	26,535	**–**	–
Amounts due from customers on construction contracts (Note 43)	**104,752**	**38,152**	**–**	5
Amounts owing by subsidiaries	**–**	–	**1,452,519**	805,581
Amounts owing by associates	**91,294**	102,135	**74,676**	67,090
Less: Allowance for doubtful debts	**(5,304)**	(5,600)	**(2,598)**	(2,598)
	85,990	96,535	**72,078**	64,492
Amounts owing by jointly controlled entities	**353,782**	180,234	**28,818**	31,169
Less: Allowance for doubtful debts	**(9,000)**	(9,000)	**–**	–
	344,782	171,234	**28,818**	31,169
	1,518,893	1,021,912	**1,642,311**	959,907
Deposits and prepayments	**239,993**	145,457	**3,466**	4,405
	1,758,886	1,167,369	**1,645,777**	964,312

The currency exposure profile of trade and other receivables is as follows:

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000 (Restated)	**RM'000**	RM'000
Ringgit Malaysia	**1,078,162**	780,862	**1,626,624**	949,645
Indian Rupee	**287,053**	136,440	**15,687**	10,262
Australian Dollar	**6,814**	26,890	**–**	–
United States Dollar	**57,016**	58,441	**–**	–
Sterling Pound	**437**	3,796	**–**	–
UAE Dirham	**41,014**	14,838	**–**	–
NZ Dollar	**52**	245	**–**	–
Euro Dollar	**14**	180	**–**	–
Chinese Renminbi	**–**	220	**–**	–
Singapore Dollar	**48,331**	–	**–**	–
	1,518,893	1,021,912	**1,642,311**	959,907

Credit terms of trade receivables range from payment in advance to 90 days (2006: range from payment in advance to 90 days).

The amounts owing by subsidiaries and associates are unsecured, bear interest at rates ranging from 4.0% to 8.0% (2006: 6.0% to 8.0%) per annum and have no fixed terms of repayment.

Trade receivables include the current portion of the following items:

	The Group	
	2007	2006
	RM'000	RM'000
Lease receivable (Note 32(a))	**9,048**	6,260
Amount due for construction of the Kementerian Kerja Raya Office Blocks (Note 32(b))	**7,656**	7,656

38 SHORT TERM INVESTMENTS

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000	**RM'000**	RM'000
At cost:				
Quoted shares				
- In Malaysia	**10,282**	20,565	**10,221**	19,741
- Outside Malaysia*	**67,312**	73,579	**–**	–
	77,594	94,144	**10,221**	19,741
Unquoted shares				
- In Malaysia	**839**	–	**839**	–
Quoted warrants in Malaysia	**47**	2	**47**	1
Quoted debentures in Malaysia	**–**	175	**–**	175
	78,480	94,321	**11,107**	19,917
Less: Allowance for diminution in value of investments:				
- Quoted shares in Malaysia	**(6,413)**	(10,233)	**(6,371)**	(10,233)
- Unquoted shares in Malaysia	**(839)**	–	**(839)**	–
	(7,252)	(10,233)	**(7,210)**	(10,233)
	71,228	84,088	**3,897**	9,684

* The short term investments quoted outside Malaysia represent the Group's investment in Guangdong Provincial Expressway Development Co. Ltd ("GPED"), a corporation incorporated in The People's Republic of China.

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000	**RM'000**	RM'000
Market value:				
Quoted shares:				
- In Malaysia	**3,322**	10,574	**3,303**	9,674
- Outside Malaysia	**117,995**	97,649	**–**	–
	121,317	108,223	**3,303**	9,674
Quoted warrants in Malaysia	**612**	2	**612**	1
Quoted debentures in Malaysia	**–**	9	**–**	9
	121,929	108,234	**3,915**	9,684

The currency exposure profile of investments outside Malaysia is as follows:

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000	**RM'000**	RM'000
Hong Kong Dollar	**67,312**	73,579	**–**	–

39 DEPOSITS WITH LICENSED BANKS

Included in deposits with licensed banks are the deposits of a subsidiary amounting to RM22,107,000 (2006: RM34,562,000) which are assigned to the trustee of the bond holders to hold as security in connection with the 8% Secured Fixed Rate Bonds issued by a subsidiary referred to in Note 17 to the financial statements. The short term deposits are maintained by the trustee for the payment of interest, income tax and for the redemption of the bond. Surplus funds could only be released to the subsidiary with the consent of the trustee.

The currency exposure profile of the deposits is as follows:

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000 (Restated)	**RM'000**	RM'000
Ringgit Malaysia	**102,485**	131,594	**28,186**	44,600
Australian Dollar	**307**	9,227	**–**	–
United States Dollar	**56,662**	36,850	**–**	–
UAE Dirham	**10,995**	2,062	**–**	–
Hong Kong Dollar	**3,624**	–	**–**	–
	174,073	179,733	**28,186**	44,600

The interest rates per annum during the year and the effective interest rates per annum as at the end of the financial year for the Group and the Company are as follows:

	The Group and The Company	
	2007	2006
	%	%
Interest rates during the year:		
Deposits with licensed banks	**2.40 to 4.90**	1.50 to 5.52
Effective interest rates as at the end of the financial year:		
Deposits with licensed banks	**3.76**	3.04

Deposits with licensed banks have a maturity period ranging between 1 and 30 days (2006: 1 and 87 days).

40 CASH AND BANK BALANCES

Cash and bank balances include balances amounting to RM62,035,595 (2006: RM15,007,955) which are maintained in designated Housing Development Accounts pursuant to the Housing Developers (Control and Licensing) Act, 1966 and Housing Regulations, 1991 in connection with the Group's property development projects. The utilisation of these balances are restricted before completion of the housing development and fulfilling all relevant obligations to the purchasers, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects concerned.

The interest rates per annum during the year and the effective interest rates per annum as at the end of the financial year for the Group are as follows:

	The Group	
	2007	2006
	%	%
Interest rates during the year:		
Cash at bank held under Housing Development Accounts	**1.80 to 4.59**	2.00 to 2.10
Effective interest rates as at the end of the financial year:		
Cash at bank held under Housing Development Accounts	**2.00**	2.05

40 CASH AND BANK BALANCES (cont'd)

The currency exposure profile of cash and bank balances is as follows:

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000 (Restated)	**RM'000**	RM'000
Ringgit Malaysia	**165,782**	46,216	**39,611**	4,149
Indian Rupee	**24,930**	43,948	**1,001**	1,603
Hong Kong Dollar	**4,807**	11	**–**	–
Singapore Dollar	**12,852**	370	**79**	359
Australian Dollar	**371**	350	**–**	–
United States Dollar	**3,579**	2,127	**–**	–
Chinese Renminbi	**–**	2,044	**–**	–
UAE Dirham	**14,539**	461	**–**	–
	226,860	95,527	**40,691**	6,111

The above bank balances are deposits at call with banks and earn no interest.

41 TRADE AND OTHER PAYABLES

		The Group		The Company	
		2007	2006	**2007**	2006
	Note	**RM'000**	RM'000 (Restated)	**RM'000**	RM'000
Trade payables	22	**924,487**	521,128	**40,153**	37,734
Amounts due to customers on construction contracts	43	**84,659**	61,454	**23,795**	22,491
Progress billings in respect of property development		**715**	1,345	**–**	–
Amounts owing to subsidiaries		**–**	–	**238,408**	179,374
Amounts owing to associates		**8,678**	24,386	**6,207**	21,596
Amounts owing to jointly controlled entities		**17,333**	15,320	**7,077**	7,187
Hire purchase and lease creditors	20	**13,275**	8,026	**–**	–
Trade accruals		**10,459**	11,485	**10,458**	11,485
Other payables and accruals		**179,218**	144,375	**17,783**	13,687
Dividend payable		**67**	114	**67**	114
		1,238,891	787,633	**343,948**	293,668

The currency exposure profile of trade and other payables is as follows:

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000 (Restated)	**RM'000**	RM'000
Ringgit Malaysia	**705,460**	611,469	**338,825**	281,075
Indian Rupee	**336,799**	98,790	**445**	–
Singapore Dollar	**54,072**	42,619	**4,678**	12,593
Australian Dollar	**63**	585	**–**	–
United States Dollar	**90,016**	762	**–**	–
UAE Dirham	**29,107**	12,123	**–**	–
Chinese Renminbi	**21,285**	21,285	**–**	–
Japanese Yen	**2,089**	–	**–**	–
	1,238,891	787,633	**343,948**	293,668

41 TRADE AND OTHER PAYABLES (cont'd)

Credit terms of trade and other payables range from payments in advance to 180 days (2006: range from payment in advance to 180 days).

The amounts owing to subsidiaries, associates and jointly controlled entities are unsecured, bear interest at rates ranging from 5.5% to 8.0% (2006: 6.0% to 8.0%) per annum and have no fixed terms of repayment.

Included in trade payables is the current portion of the outstanding purchase consideration arising from acquisition of land for property development by a subsidiary of RM31,667,000 (2006: RM37,667,000) (Note 22).

42 INTEREST BEARING BANK BORROWINGS

	Note	The Group 2007 RM'000	The Group 2006 RM'000 (Restated)	The Company 2007 RM'000	The Company 2006 RM'000
Secured:					
Term loans	19	95,454	23,041	–	–
Bank overdrafts		47,507	19,197	–	–
		142,961	42,238	–	–
Unsecured:					
Term loans	19	49,124	43,943	–	–
Bonds	17	34,924	24,907	–	–
Bankers' acceptances		76,380	38,943	44,948	3,846
Revolving credits		56,426	62,500	20,000	55,000
Bank overdrafts		79,526	8,737	73,419	–
		296,380	179,030	138,367	58,846
		439,341	221,268	138,367	58,846

The secured bank overdrafts are secured by fixed and floating charges over amounts due from customers on construction contracts (Note 43) of a subsidiary.

The currency exposure profile of the above bank borrowings is as follows:

	The Group 2007 RM'000	The Group 2006 RM'000 (Restated)	The Company 2007 RM'000	The Company 2006 RM'000
Ringgit Malaysia	230,983	136,525	138,367	58,846
Indian Rupee	139,114	69,460	–	–
United States Dollar	55,479	15,283	–	–
Chinese Renminbi	13,765	–	–	–
	439,341	221,268	138,367	58,846

42 INTEREST BEARING BANK BORROWINGS (cont'd)

The interest rates per annum during the financial year and the effective interest rates per annum as at the balance sheet date of the Group and of the Company for the above bank borrowings are as follows:

	The Group and The Company					
	2007			2006		
Functional currency	**Bankers' acceptance %**	**Revolving credit %**	**Bank overdraft %**	**Bankers' acceptance %**	**Revolving credit %**	**Bank overdraft %**
Interest rates during the year:						
Ringgit Malaysia	**2.90 to 5.01**	**4.13 to 4.65**	**4.30 to 8.25**	2.85 to 4.40	3.20 to 4.35	6.50 to 7.00
Indian Rupee	**–**	**9.80 to 11.60**	**9.00 to 10.50**	–	–	9.00 to 10.00
United States Dollar	**–**	**6.23 to 6.60**	**–**	–	–	–
Chinese Renminbi	**–**	**–**	**5.22 to 5.67**	–	–	–
Effective interest rates as at the end of the financial year:						
Ringgit Malaysia	**3.99**	**4.33**	**6.68**	3.85	4.23	7.25
Indian Rupee	**–**	**10.70**	**9.75**	–	–	9.50
United States Dollar	**–**	**6.58**	**–**	–	–	–
Chinese Renminbi	**–**	**–**	**5.67**	–	–	–

43 AMOUNTS DUE FROM / (TO) CUSTOMERS ON CONSTRUCTION CONTRACTS

	The Group		The Company	
	2007 RM'000	2006 RM'000	**2007 RM'000**	2006 RM'00
Aggregate costs incurred to-date	**4,762,182**	4,091,796	**701,516**	744,346
Attributable profits less recognised losses	**593,371**	480,684	**213,868**	194,687
	5,355,553	4,572,480	**915,384**	939,033
Less: Progress billings on contracts	**(5,335,460)**	(4,595,782)	**(939,179)**	(961,519)
	20,093	(23,302)	**(23,795)**	(22,486)
Amounts due from customers on construction contracts (included in trade and other receivables - Note 37)	**104,752**	38,152	**–**	5
Amounts due to customers on construction contracts (included in trade and other payables - Note 41)	**(84,659)**	(61,454)	**(23,795)**	(22,491)
	20,093	(23,302)	**(23,795)**	(22,486)
Advances received on contracts (included in trade payables)	**41,303**	157,182	**–**	181
Retention sums on contracts (included in trade receivables)	**69,329**	62,410	**14,090**	5,252

During the financial year, the following expenses have been included in the aggregate costs incurred to-date of the Group:

		The Group	
	Note	**2007 RM'000**	2006 RM'000
Depreciation of property, plant and equipment	25	**–**	1,096
Finance cost	9	**15**	31

Amounts due from customers on construction contracts amounting to RM50,223,000 (2006: RM19,403,000) are pledged as security for term loan (Note 19) and bank overdrafts (Note 42) of certain subsidiaries.

44 IMPAIRMENT OF ASSETS

Impairment tests for goodwill

The carrying amounts of goodwill allocated to the Group's cash-generating units ("CGUs") are as follows:

	The Group	
	2007 RM'000	2006 RM'000
Manufacturing and quarrying	56,026	56,026
Others (individually insignificant to the respective CGUs)	5,642	5,642
	61,668	61,668

The recoverable amount of the manufacturing and quarrying CGU is determined based on value-in-use calculations, using pre-tax cash flow projections based on financial budgets approved by the Directors covering a five-year period.

The key assumptions used in the value-in-use calculations are as follows:

	Manufacturing and quarrying %
Gross margin	16 to 18
Growth rate	7
Pre-tax discount rate	12

The Directors have determined the budgeted gross margin and the average growth rate based on past performance and their expectations of market development. The discount rate used is pre-tax and reflects specific risks relating to the segment.

45 ACQUISITION OF SUBSIDIARIES

(a) During the current financial year, the Group acquired the following subsidiaries/additional interest in subsidiaries:

(i) On 15 August 2006, a wholly-owned subsidiary of the Company, IJM Construction Sdn Bhd, acquired 700,000 ordinary shares of RM1 each representing 70% equity interest in Insitu Envirotech (M) Sdn Bhd, a private limited company incorporated in Malaysia, from Insitu Envirotech Pte Ltd, also a wholly-owned subsidiary of IJM Construction Sdn Bhd.

(ii) On 15 September 2006, the Company converted RM10,250,000 Redeemable Convertible Unsecured Loan Stocks ("RCULS") in IJM Plantations Berhad, a subsidiary of the Company, into 20,500,000 ordinary shares of RM0.50 each, resulting in the Group holding an effective interest of 48.37% in IJM Plantations Berhad.

The above acquisitions have no significant effect on the financial results of the Group in the current financial year and the financial position of the Group as at the end of the current financial year.

(b) In the preceding financial year, the Group acquired the following subsidiaries/additional interest in subsidiaries:

(i) On 11 April 2005, a wholly-owned subsidiary of the Company, IJM Construction Sdn Bhd, entered into an "Instrument of Transfer" to acquire 3,000,002 ordinary shares of S$1 each representing the entire equity interest in Insitu Envirotech Pte Ltd, a corporation incorporated in Singapore.

The effect of the acquisition on the financial results of the Group during the preceding financial year was as follows:

	2006 RM'000
Operating revenue	5,640
Cost of sales	(4,359)
Gross profit	1,281
Other operating income	51
Administrative expenses	(3,310)
Operating profit before finance cost	(1,978)
Finance cost	(20)
Loss before tax	(1,998)
Income tax expense	(9)
Net loss for the year	(2,007)

45 ACQUISITION OF SUBSIDIARIES (cont'd)

The effect of the acquisition on the Group's financial position at the end of the preceding financial year was as follows:

	2006 RM'000
Non-current assets (including goodwill)	8,309
Current assets	3,059
Current liabilities	(3,052)
Increase in Group's net assets	8,316

Details of net assets acquired, goodwill and cash flow arising from the acquisition in the preceding financial year were as follows:

	2006 RM'000
Non-current assets (including goodwill)	1,255
Non-current liabilities	(201)
Current assets	9,672
Current liabilities	(6,153)
Fair value of net assets acquired	4,573
Goodwill	5,799
Cost of acquisition	10,372
Total purchase consideration	10,372
Purchase consideration discharged by offsetting of amount due from ultimate holding company	(1,594)
Purchase consideration discharged by cash	8,778
Less: Cash and cash equivalents of subsidiary acquired	(3,044)
Cash outflow of the Group on acquisition	5,734

(ii) On 20 August 2005, Industrial Concrete Products Berhad ("ICP"), a subsidiary of the Company, increased its equity interest in a subsidiary, ICP Jiangmen Co. Ltd., from 73% to 79% by the acquisition of an additional 6% shares at a consideration of RM1,656,000. The acquisition had no significant effect on the financial results of the Group in the preceding financial year and the financial position of the Group as at the end of the preceding financial year.

(iii) On 30 September 2005, ICP acquired from the minority shareholders of Concrete Mould Engineering Sdn Bhd ("CME") the remaining 175,000 ordinary shares of RM1 each, representing 35% equity interest in CME, for a total cash consideration of RM1,356,250. The acquisition had no significant effect on the financial results of the Group in the preceding financial year and the financial position of the Group as at the end of the preceding financial year.

46 DISPOSAL OF INTEREST IN SUBSIDIARIES

In the preceding financial year, the Group disposed the following subsidiaries/interest in subsidiaries:

(a) On 16 December 2005, a wholly-owned subsidiary, Torsco Berhad, disposed of its entire 2,000,400 Class "A" ordinary shares of RM1 each, representing 40% of the issued and paid up capital of IMPSA (Malaysia) Sdn Bhd, for a total cash consideration of RM3,500,700.

(b) In the preceding financial year, the Company's equity interest in a subsidiary, Industrial Concrete Products Berhad, decreased from 71.5% to 66.3% following the disposal of 7,500,000 ordinary shares in ICP in April and May 2005 pursuant to Bursa Malaysia Securities Berhad's public shareholding spread requirement.

(c) On 20 March 2006, Industrial Concrete Products Berhad, a subsidiary of the Company, disposed of its entire equity interest in Cosmic Centre Sdn Bhd for a consideration of RM2.

The above disposals have no significant effect on the financial results of the Group in the preceding financial year and the financial position of the Group as at the end of the preceding financial year.

47 CHANGES IN ACCOUNTING POLICIES

The following describes the impact of new standards, amendments to published standards and IC interpretations to existing standards on the financial statements of the Group and of the Company.

(a) FRS 2 "Share-based Payment"

The adoption of FRS 2 has resulted in a change in the accounting policy for share-based payments arising from share options granted by the Company to employees (including Directors) of the Group.

Prior to 1 April 2006, no compensation expense was recognised in the income statement for share options granted to employees of the Group. Upon the adoption of FRS 2, where the Group pays for services of its employees using share options, the fair value of the transaction is recognised as an expense in the income statement over the vesting periods of the grants, with a corresponding increase in equity. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share option at the date of the grant and the number of share options to be vested by vesting date.

The Group had applied the transitional provisions of FRS 2 in relation to the share options granted after 31 December 2004 and not vested as at 1 January 2006.

The adoption of FRS 2 has no significant impact on the financial statements of the Group and of the Company in the current financial year.

(b) FRS 3 "Business Combinations", FRS 136 "Impairment of Assets" and FRS 138 "Intangible Assets"

The adoption of FRS 3, FRS 136 and FRS 138 have resulted in a change in the accounting policy for goodwill prospectively from 1 April 2006.

Prior to 1 April 2006, goodwill with a determinable useful economic life was amortised on a straight-line basis over its estimated useful economic life or 20 years, whichever is shorter. All other goodwill was stated at cost less impairment losses. Negative goodwill was presented in the same balance sheet classification as goodwill and was amortised using the straight-line method over a period of 20 years.

The adoption of these new standards has resulted in the Group ceasing annual amortisation of goodwill and negative goodwill.

Goodwill will be carried at cost less accumulated impairment losses and will be tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Any identified impairment loss will be recognised in the income statement immediately and will not be reversed.

Any excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over the cost of acquisition (previously referred to as "negative goodwill"), after reassessment, will be recognised immediately in the income statement.

Upon the adoption of these standards, the carrying value of goodwill of RM60,315,000 as at 31 March 2006 was carried forward as cost and will be tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and the carrying value of negative goodwill of RM9,791,000 as at 31 March 2006 was transferred to opening retained earnings.

The effects of the change in accounting policy on the current year consolidated financial statements are disclosed in Note 47 (n).

47 CHANGES IN ACCOUNTING POLICIES (cont'd)

(c) FRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

The adoption of FRS 5 has resulted in a change in the accounting policy for non-current assets (or disposal groups) held for sale prospectively from 1 April 2006.

Upon adoption of FRS 5, assets or disposal groups that are classified as "held-for-sale" are carried at the lower of the carrying amount and fair value less costs to sell, are classified under current assets or liabilities, and are not depreciated.

The change in accounting policy has no impact on the financial statements of the Group and of the Company as there are no assets or disposal groups which meet the criteria to be classified as "held-for-sale" or "discontinued operations".

(d) FRS 101 "Presentation of Financial Statements"

The adoption of the revised FRS 101 has affected the presentation of the following items:

(i) Minority interests

Minority interest is now presented within total equity in the consolidated balance sheet and as an allocation from net profit for the financial year in the consolidated income statement. The movement of minority interest is now presented in the consolidated statement of changes in equity. The presentation of the comparative financial statements of the Group has been restated to conform with the current year's presentation.

(ii) Share of results in associates and jointly controlled entities

Share of results in associates and jointly controlled entities are now shown net of income tax expense. The presentation of the comparative financial statements of the Group has been restated to conform with the current year's presentation.

(e) FRS 116 "Property, plant and equipment"

With the adoption of FRS 116, the residual values and useful lives of assets are reviewed, and adjusted as appropriate, at each balance sheet date. Any revision in depreciation rates will be accounted for as a change in estimates.

The impact of the revision in depreciation rates following the Group's reassessment of the residual values and useful lives of assets in the current financial year are disclosed in Note 47(m).

(f) FRS 121 "The Effects of Changes in Foreign Exchange Rates"

Prior to 1 April 2006, exchange differences arising on a monetary item that in substance forms part of the Company's net investment in a foreign entity is classified as equity until the disposal of the net investment, at which time the exchange differences are taken to the income statement. With the adoption of FRS 121, such exchange differences are recognised immediately in the income statement.

The effects of the change in accounting policy on the Company's financial statements are disclosed in Note 47(j) and (k).

(g) FRS 140 "Investment Property"

Upon the adoption of FRS 140, properties held for rental yields or capital appreciation, or both, and are not occupied by the Group, which were previously classified under property, plant and equipment, have been reclassified to investment properties, a separate line item on the face of the balance sheet within non-current assets.

The investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, and are depreciated on a straight-line basis to write off the cost of the assets to their residual values over their estimated useful lives.

The effects of adoption of FRS 140 on the financial statements of the Group are disclosed in Note 47 (k).

(h) The adoption of FRS 1, 102, 108, 110, 128, 131, 132, 133, the 'asset ceiling' amendment to FRS 119_{2004} and ICs did not have a material impact on the financial statements of the Group and of the Company.

47 CHANGES IN ACCOUNTING POLICIES (cont'd)

(i) Other changes in accounting policies - Consolidation of entities in which the Group exercises de facto control

During the financial year, the Group had changed its accounting policy to consolidate entities in which the Group exercises de facto control from the date on which the Group obtained de facto control over the entities. De facto control arises where an entity owns less than one half of the voting shares in another entity, but is deemed to have control as the balance of the shareholdings is dispersed and the other shareholders have not organised their interests in such a way that they exercise more votes than the entity.

As a result of the change in accounting policy to consolidate entities in which the Group exercises de facto control, IJM Plantations Berhad, which was previously accounted for as an associate of the Group, is consolidated as a subsidiary by virtue of the existence of de facto control effective from 30 June 2003. In assessing the existence of de facto control, the Directors considered the dispersed shareholdings in IJM Plantations Berhad and concluded that the Group exercised de facto control over IJM Plantations Berhad effective from 30 June 2003.

Accordingly, IJM Plantations Berhad is consolidated as a subsidiary effective from 30 June 2003 and the comparative Group income statement, balance sheet, statement of changes in equity and cash flow statement have been restated.

The effects of the change in accounting policy on the current year and prior year financial statements of the Group are set out in Note 47(j), (k) and (l) respectively.

(j) Restatement of the income statements for the financial year ended 31 March 2006

		Changes in accounting policies		
The Group	**As previously reported 31.3.2006 RM'000**	**FRS 101 Note (d) RM'000**	**Effects of consolidating IJM Plantations Bhd as a subsidiary Note (i) RM'000**	**As restated 31.3.2006 RM'000**
Operating revenue	1,665,859	–	244,630	1,910,489
Cost of sales	(1,323,111)	–	(145,707)	(1,468,818)
Gross profit	342,748	–	98,923	441,671
Other operating income	61,825	–	(1,668)	60,157
Tendering, selling and distribution expenses	(13,409)	–	(27,294)	(40,703)
Administrative expenses	(61,162)	–	(12,917)	(74,079)
Other operating expenses	(64,717)	–	(186)	(64,903)
Operating profit before finance cost	265,285	–	56,858	322,143
Finance cost	(48,812)	–	(5,254)	(54,066)
Operating profit after finance cost	216,473	–	51,604	268,077
Share of results of associates	35,962	(11,727)	(17,173)	7,062
Share of results of jointly controlled entities	7,339	(979)	–	6,360
Profit before taxation	259,774	(12,706)	34,431	281,499
Income tax expense				
Company and subsidiaries	(63,723)	–	(16,444)	(80,167)
Associates	(11,727)	11,727	–	–
Jointly controlled entities	(979)	979	–	–
	(76,429)	12,706	(16,444)	(80,167)
Profit after taxation	183,345	–	17,987	201,332
Minority interest	(22,912)	22,912	–	–
Net profit for the financial year	160,433	22,912	17,987	201,332

47 CHANGES IN ACCOUNTING POLICIES (cont'd)

(j) Restatement of the income statements for the financial year ended 31 March 2006 (cont'd)

The Group	As previously reported 31.3.2006 RM'000	Changes in accounting policies: FRS 101 Note (d) RM'000	Changes in accounting policies: Effects of consolidating IJM Plantations Bhd as a subsidiary Note (i) RM'000	As restated 31.3.2006 RM'000
Attributable to:				
Equity holders of the Company	–	160,433	–	160,433
Minority interest	–	22,912	17,987	40,899
Net profit for the financial year	–	183,345	17,987	201,332
Earnings per share attributable to ordinary equity holders of the Company:				
- basic (sen)	34.0			34.0
- diluted (sen)	33.7			33.7

The Company	As previously reported 31.3.2006 RM'000	Changes in accounting policies: FRS 121 Note (f) RM'000	As restated 31.3.2006 RM'000
Other operating expenses	11,708	8,796	20,504
Operating profit before finance cost	78,712	(8,796)	69,916
Finance cost	(16,461)	–	(16,461)
Operating profit after finance cost/ Profit before taxation	62,251	(8,796)	53,455
Income tax expense	(13,897)	–	(13,897)
Net profit for the financial year	48,354	(8,796)	39,558

47 CHANGES IN ACCOUNTING POLICIES (cont'd)

(k) Restatement of the balance sheets at 31 March 2006 and reserves at 31 March 2005

		Changes in accounting policies		
The Group	**As previously reported RM'000**	**Effects of consolidating IJM Plantations Bhd as a subsidiary Note (i) RM'000**	**FRS 140 RM'000**	**As restated RM'000**
Capital and reserves attributable to equity holders of the Company				
Share capital	479,931	–	–	479,931
Share premium	420,401	–	–	420,401
Revaluation reserve	25,515	–	–	25,515
Exchange translation reserve	14,298	–	–	14,298
Capital reserves	53,991	–	–	53,991
Retained profits	1,071,916	–	–	1,071,916
	2,066,052	–	–	2,066,052
Minority interest	169,288	294,364	–	463,652
Total equity	2,235,340	294,364	–	2,529,704
Non-current liabilities				
Bonds	98,274	104,362	–	202,636
Medium term notes	150,000	–	–	150,000
Term loans	489,987	–	–	489,987
Hire purchase and lease creditors	3,335	–	–	3,335
Deferred tax liabilities	30,849	53,637	–	84,486
Trade and other payables	70,333	–	–	70,333
Retirement benefits	5,150	–	–	5,150
	847,928	157,999	–	1,005,927
Deferred income	63,822	–	–	63,822
	3,147,090	452,363	–	3,599,453
Non-current assets				
Property, plant and equipment	466,045	322,511	(28,879)	759,677
Investment properties	–	–	32,999	32,999
Concession assets	218,476	–	–	218,476
Associates	769,494	(315,965)	–	453,529
Jointly controlled entities	43,838	–	–	43,838
Long term investments	131,728	–	–	131,728
Long term receivables	86,163	–	–	86,163
Intangible assets	61,285	(2,092)	–	59,193
Deferred tax assets	14,518	4,072	–	18,590
Land held for property development	246,481	–	–	246,481
Plantation development expenditure	–	399,308	–	399,308
	2,038,028	407,834	4,120	2,449,982

47 CHANGES IN ACCOUNTING POLICIES (cont'd)

(k) Restatement of the balance sheets at 31 March 2006 and reserves at 31 March 2005 (cont'd)

The Group	As previously reported RM'000	Changes in accounting policies: Effects of consolidating IJM Plantations Bhd as a subsidiary Note (i) RM'000	Changes in accounting policies: FRS 140 RM'000	As restated RM'000
Current assets				
Property development costs	459,325	–	–	459,325
Inventories	150,008	23,564	–	173,572
Trade and other receivables	1,152,600	18,889	(4,120)	1,167,369
Short term investments	84,088	–	–	84,088
Deposits with licensed banks	138,505	41,228	–	179,733
Cash and bank balances	94,078	1,449	–	95,527
	2,078,604	85,130	(4,120)	2,159,614
Less:				
Current liabilities				
Trade and other payables	767,763	19,870	–	787,633
Interest bearing bank borrowings	196,361	24,907	–	221,268
Current tax liabilities	5,418	(4,176)	–	1,242
	969,542	40,601	–	1,010,143
Net current assets	1,109,062	44,529	(4,120)	1,149,471
	3,147,090	452,363	–	3,599,453
At 31 March 2005				
Minority interest	135,033	265,346	–	400,379

The Company	As previously reported RM'000	Changes in accounting policies: FRS 121 Note (f) RM'000	Changes in accounting policies: Effects of consolidating IJM Plantations Bhd as a subsidiary Note (i) RM'000	As restated RM'000
At 31 March 2006				
Exchange translation reserve	11,460	(11,413)	–	47
Retained profits	449,696	11,413	–	461,109
Subsidiaries	632,895	–	50,000	682,895
Associates	134,866	–	(50,000)	84,866
At 31 March 2005				
Exchange translation reserve	20,702	(20,209)	–	493
Retained profits	418,565	20,209	–	438,774

47 CHANGES IN ACCOUNTING POLICIES (cont'd)

(l) Restatement of the consolidated cash flow statement for the year ended 31 March 2006

The Group	As previously reported RM'000	Changes in accounting policies: Effects of consolidating IJM Plantations Bhd as a subsidiary Note (i) RM'000	Reclassificati--ons* RM'000	As restated RM'000
At 31 March 2006				
OPERATING ACTIVITIES				
Receipt from customers	1,711,872	237,868	–	1,949,740
Payments to contractors, suppliers and employees	(1,534,502)	(173,926)	58,736	(1,649,692)
Interest received	24,152	(1,464)	–	22,688
Interest paid	(36,647)	(8,121)	–	(44,768)
Income tax paid	(65,617)	(8,131)	–	(73,748)
Net cash flow from operating activities	99,258	46,226	58,736	204,220
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(145,149)	(29,598)	–	(174,747)
Disposal of property, plant and equipment	12,924	745	–	13,669
Cost incurred on concession assets	–	–	(58,736)	(58,736)
Dividends received from associates	6,413	(5,823)	–	590
Advances to associates	(2,278)	(7)	–	(2,285)
Repayment of advances from associates	13,773	(102)	–	13,671
Net cash flow used in investing activities	(296,989)	(34,785)	(58,736)	(390,510)
FINANCING ACTIVITIES				
Issuance of shares by subsidiaries to minority interest in subsidiaries	150	6,344	–	6,494
Dividends paid by subsidiaries to minority shareholders	(8,763)	(6,424)	–	(15,187)
Repayment of bonds	–	(20,000)	–	(20,000)
Net cash flow from financing activities	330,841	(20,080)	–	310,761
Net increase in cash and cash equivalents during the financial year	133,110	(8,639)	–	124,471
Cash and cash equivalents at beginning of the financial year	36,505	51,316	–	87,821
Foreign exchange differences on opening balances	472	–	–	472
Cash and cash equivalents at end of the financial year	170,087	42,677	–	212,764

* The costs incurred on concession assets have been reclassified from "Payments to contractors, suppliers and employees" within "Operating activities" to "Costs incurred on concession assets" within "Investing activities" as the Directors are of the view that the presentation better reflects the nature of the concession arrangement.

47 CHANGES IN ACCOUNTING POLICIES (cont'd)

(m) Effects of changes in accounting policies on the income statements for financial year ended 31 March 2007

The Group	Before impact of changes in accounting policies	Changes in accounting policies		After impact of changes in accounting policies
		FRS 101 Note (d)	FRS 116 Note (e)	
	RM'000	RM'000	RM'000	RM'000
Cost of sales	(1,840,901)	(346)	3,394	(1,837,853)
Gross profit	525,131	(346)	3,394	528,179
Other operating expenses	(42,027)	–	6,315	(35,712)
Share of results of associates	18,340	(5,255)	–	13,085
Share of results of jointly controlled entities	(7,234)	749	–	(6,485)
Profit before taxation	314,072	(4,852)	9,709	318,929
Income tax expense	(80,676)	4,506	(2,650)	(78,820)
Net profit for the financial year	233,396	(346)	7,059	240,109
Earnings per share attributable to ordinary equity holders of the Company:				
- basic (sen)	36.8			38.0
- diluted (sen)	35.8			37.0

(n) Effects of changes in accounting policies on the balance sheets as at 31 March 2007

	Changes in accounting policies			
	FRS 3,136 and 138 Note (b)	FRS 101 Note (d)	FRS 116 Note (e)	Total
	RM'000	RM'000	RM'000	RM'000
The Group				
Retained profits	9,791	(169)	4,588	14,210
Minority interest	–	(177)	2,471	2,294
Deferred tax liabilities	–	–	2,650	2,650
Property, plant and equipment	–	(9,538)	9,709	171
Plantation development expenditure	–	9,192	–	9,192
Intangible assets	(9,791)	–	–	(9,791)

48 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Group's and the Company's cash flow statements comprise the following:

	The Group		The Company	
	2007	2006	**2007**	2006
	RM'000	RM'000	**RM'000**	RM'000
Deposits with licensed banks (Note 39)	**174,073**	179,733	**28,186**	44,600
Cash and bank balances (Note 40)	**226,860**	95,527	**40,691**	6,111
Bank overdrafts (Note 42)				
- Secured	**(47,507)**	(19,197)	**–**	–
- Unsecured	**(79,526)**	(8,737)	**(73,419)**	–
	(127,033)	(27,934)	**(73,419)**	–
	273,900	247,326	**(4,542)**	50,711
Less:				
Restricted deposits with licensed banks (Note 39)	**(22,107)**	(34,562)	**–**	–
	251,793	212,764	**(4,542)**	50,711

49 FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. These include, amongst others, investments, deposits, cash and bank balances, receivables, payables, borrowings as well as derivative instruments.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

The fair value of a financial instrument is assumed to be the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

Quoted market prices, when available, are used as a measure of fair values. However, for a significant portion of the Group's and of the Company's financial instruments, quoted market prices do not exist. For such financial instruments, fair values presented are estimates derived using the discounted value of future cash flows or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values.

(a) Off balance sheet financial instruments

(i) Forward foreign exchange contracts

As at 31 March 2007, the Group has no outstanding forward foreign exchange contract.

As at 31 March 2006, the settlement dates on open forward contracts ranged between 3 - 6 months. The foreign currency amounts to be received and contractual exchange rates of the Group's outstanding contracts as at 31 March 2006, for the purpose of overseas business and certain business ventures in India, were as follows:

Duration	Currency to be received	Amount in foreign currency to be received '000	Contractual rate	Amount to be paid RM'000	Unrecog -nised gain RM'000
29.03.06 - 17.04.06	Sterling Pound	114	6.3725	726	–
29.03.06 - 17.04.06	Sterling Pound	114	6.3725	726	–
29.03.06 - 17.04.06	Sterling Pound	114	6.3725	726	–
20.03.06 - 15.11.07	US Dollar	6,372	3.66 - 3.76	23,680	–

49 FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES (cont'd)

(a) Off balance sheet financial instruments (cont'd)

(ii) Interest Rate Swaps

From floating rate to fixed rate

The Group has entered into interest rate swap contracts to hedge the floating rate interest payable on its long term borrowings and bonds. The contracts entitle the Group to pay interest at fixed rates on notional principal amounts and oblige it to receive interest at floating rates on the same amounts. Under the interest rate swaps, the Group agrees with the other parties to exchange the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The floating rates of the Group's interest rate swap contracts are linked to the London Inter Bank Offer Rate ("LIBOR"). The weighted average effective interest rate of the Group's floating rate borrowings during the financial year is 6.30% (2006: 5.52%) per annum (Note 19). After the interest rate swaps, the Group's weighted average effective rates during the financial year is 5.72% (2006: 5.11%) per annum.

The remaining terms, notional principal amounts and fair values of the outstanding interest rate swap contracts of the Group at the balance sheet date, which are denominated in United States Dollars, were as follows:

Duration	Floating rate	Fixed rate	Amount in foreign currency USD'000	Amount in RM equivalent '000	Fair value Gain/(loss) RM'000
31.05.06 - 29.07.12	6-month LIBOR + 0.7%	5.00%	80,000	301,520	38
02.06.05 - 29.07.12	6-month LIBOR + 0.7%	4.95%	20,000	75,380	(1,658)
22.03.06 - 22.02.10	12-month LIBOR + 1.25%	6.45%	3,929	13,573	(61)

From fixed rate to floating rate

A subsidiary of the Company has entered into interest rate swap contracts which entitle the subsidiary to pay interest at floating rates on notional principal amounts and oblige it to receive interest at fixed rates on the same amounts. Under the interest rate swaps, the Group agrees with the other parties to exchange the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The floating rates of the Group's interest rate swap contracts are linked to the Kuala Lumpur Inter Bank Offer Rate ("KLIBOR"). The weighted average effective interest rate of the Group's fixed rate borrowings during the financial year is 6.90% (2006: 6.90%) per annum (Note 19). After the interest rate swaps, the Group's weighted average effective rate during the financial year is 6.50% (2006: 6.10%) per annum.

The remaining terms, notional principal amounts and fair values of the outstanding interest rate swap contracts of the Group at the balance sheet date were as follows:

Duration	Fixed rate	Floating rate	Amount in RM equivalent '000	Fair value Gain/(loss) RM'000
18.02.04 - 15.12.07	6.40%	6-month KLIBOR + 2.05%	35,000	–
18.02.04 - 15.12.08	6.65%	6-month KLIBOR + 1.90%	35,000	–

49 FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES (cont'd)

(b) On balance sheet financial instruments

Except as stated below, the carrying values of other financial assets and financial liabilities of the Group and of the Company at the balance sheet date approximated their fair values.

	Note	The Group Carrying value RM'000	The Group Fair value RM'000	The Company Carrying value RM'000	The Company Fair value RM'000
Financial Assets					
At 31 March 2007					
(i) Long term investments	31				
- Quoted corporate bonds		55,486	56,415	–	–
- Unquoted shares		43,268	Note (aa)	2,050	Note (aa)
		98,754		2,050	
(ii) Short term investments	38				
- Quoted shares		71,181	121,317	3,850	3,303
- Quoted warrants		47	612	47	612
		71,228		3,897	
(iii) Long term receivables	32				
- Receivables for construction of the Kementerian Kerja Raya Office Block		26,239	28,799	–	–
At 31 March 2006					
(i) Long term investments	31				
- Quoted shares		57,944	58,792	56,332	57,181
- Quoted corporate bonds		30,516	30,973	–	–
- Unquoted shares		43,268	Note (aa)	2,050	Note (aa)
		131,728		58,382	
(ii) Short term investments	38				
- Quoted shares		83,911	108,223	9,508	9,674
- Quoted debentures		175	9	175	9
- Quoted warrants		2	2	1	1
		84,088		9,684	
(iii) Long term receivables	32				
- Receivables for construction of the Kementerian Kerja Raya Office Block		33,895	39,449	–	–

(aa) It is not practicable to estimate the fair value of the Group's unquoted investments because of the lack of reference market prices and the inability to estimate fair value without incurring excessive costs. However, the Directors believe that the carrying values represent the recoverable amounts.

49 FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES (cont'd)

(b) On balance sheet financial instruments (cont'd)

	Note	The Group Carrying value RM'000	The Group Fair value RM'000	The Company Carrying value RM'000	The Company Fair value RM'000
Financial Liabilities					
At 31 March 2007					
(i) Bonds	17	**98,767**	**112,758**	**–**	**–**
(ii) Medium term notes	18	**150,000**	**152,563**	**150,000**	**152,563**
(iii) Term loans	19	**654,085**	**644,698**	**–**	**–**
(iv) Other payable	22(a)	**31,666**	**28,271**	**–**	**–**
(v) Other payable	22(b)	**21,000**	**16,191**	**–**	**–**
At 31 March 2006					
(i) Bonds	17	98,274	114,608	–	–
(ii) Term loan	19	489,987	469,146	–	–
(iii) Other payable	22(a)	63,333	56,249	–	–
(iv) Other payable	22(b)	7,000	5,113	–	–

The above financial liabilities will be realised at their carrying values and not at their fair values as the Directors have no intention to settle these liabilities other than in accordance with their contractual obligations.

50 SIGNIFICANT RELATED PARTY DISCLOSURES

Upon adoption of FRS 124 on "Related Party Disclosures", the Company is no longer exempted from having to disclose its related party disclosures. In addition, FRS 124 requires the disclosure of the compensation of key management personnel. Accordingly, the Company's related party disclosures and the key management compensation of the Group and of the Company are disclosed below.

In addition to related party disclosures mentioned in Note 5 to the financial statements, set out below are other significant related party transactions and balances.

A General Mandate has been obtained from shareholders vide a Circular to Shareholders dated 26 July 2006 for Recurrent Related Party Transactions with the following related parties:

(i) Tronoh Consolidated Malaysia Berhad ("TCMB") and its subsidiaries ("TCMB Group") (Now known as Zelan Berhad)
(ii) MMC Corporation Berhad ("MMC") and its subsidiaries ("MMC Group")
(iii) Industrial Concrete Products Berhad ("ICP") and its subsidiaries ("ICP Group")
(iv) Minconsult Sdn Bhd ("MSB")
(v) IJM Plantations Berhad ("IJMP") and its subsidiaries ("IJMP Group")
(vi) Yayasan Albukhary ("YA")

50 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

The Group

(a) The following transactions with related parties were carried out in the normal course of business under terms and conditions which are obtainable in transactions with unrelated parties or negotiated amongst related parties.

	2007 RM'000	2006 RM'000
(aa) Associates:		
(i) Sales/progress billings in respect of construction contract:		
- Swarna Tollway Pte Ltd	**3,428**	8,410
(ii) Interest charged to:		
- Worldwide Ventures Sdn Bhd	**5,128**	4,041
(iii) Advances/repayment to:		
- Emas Utilities Corporation Sdn Bhd	**7,430**	–
- Worldwide Ventures Sdn Bhd	**4,418**	2,183
- Hexacon Construction Pte Ltd	**7,910**	–
- OSW Properties Pty Ltd	**–**	1,729
- DML-MRP Resources (M) Sdn Bhd	**–**	2,906
(iv) Advances/repayment from:		
- IJM Australia Pty Ltd	**21,498**	–
- Gautami Power Limited	**–**	7,571
- Emas Utilities Corporation Sdn Bhd	**–**	5,808
(v) Purchase of fertilisers and chemicals:		
- Loongsyn Sdn Bhd	**11,560**	15,523
(bb) Jointly controlled entities:		
(i) Progress billings in respect of construction contract by:		
- IJM Construction-Perkasa Sutera Joint Venture	**18,679**	18,415
(ii) Project management fees charged by:		
- IJM Management Services-Giat Bernas Joint Venture	**1,575**	–
(iii) Interests charged to:		
- Sierra Selayang Sdn Bhd	**1,504**	–
- IJM Properties-JA Manan Joint Venture	**2,135**	1,741
(iv) Advances/repayment to:		
- IJM Biofuel Sdn Bhd	**3,084**	–
- IJM Properties-JA Manan Joint Venture	**23,914**	–
- Radiant Pillar Sdn Bhd	**52,843**	–
- IJM-Gayatri Joint Venture	**1,986**	6,768
- Sierra Ukay Sdn Bhd	**6,908**	2,562
- Sierra Selayang Sdn Bhd	**5,005**	10,151
- Elegan Pesona Sdn Bhd	**9,568**	4,798
- Good Debut Sdn Bhd	**25,644**	–
- Valencia Terrace Sdn Bhd	**39,402**	–
- Cekap Tropikal Sdn Bhd	**16,415**	–
(cc) IJM Retirement Scheme:		
(i) Contribution to the Scheme	**2,056**	2,639

50 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

The Group (cont'd)

(b) Significant outstanding balances arising from the non-trade transactions during the financial year:

Related party	Type of transaction	2007 RM'000	2006 RM'000
Receivables:			
- Sierra Ukay Sdn Bhd	Advances	6,908	–
- Sierra Selayang Sdn Bhd	Advances	5,005	–
- Radiant Pillar Sdn Bhd	Advances	52,843	–
- Good Debut Sdn Bhd	Advances	25,644	–
- Valencia Terrace Sdn Bhd	Advances	39,402	–
- Cekap Tropikal Sdn Bhd	Advances	16,415	–
- Worldwide Ventures Sdn Bhd	Advances	4,418	4,021
- IJM-Gayatri Joint Venture	Advances	1,986	298
Payables:			
- Emas Utilities Corporation Sdn Bhd	Advances	–	5,808

The Company

(a) The following transactions with related parties were carried out in the normal course of business under terms and conditions which are obtainable in transactions with unrelated parties or negotiated amongst related parties.

	2007 RM'000	2006 RM'000
(aa) Subsidiaries:		
(i) Interest charged to:		
- IJM Construction Sdn Bhd	19,885	13,509
- IJM Properties Sdn Bhd	26,996	17,750
- Jelutong Development Sdn Bhd	6,658	2,027
- Suria Bistari Sdn Bhd	2,783	2,375
(ii) Interest charged by:		
- Jurutama Sdn Bhd	(6,575)	(2,174)
- Nilai Cipta Sdn Bhd	(2,768)	(2,866)
(iii) Management fees charged to:		
- IJM Construction (Middle East) LLC	3,541	2,304
(iv) Advances to:		
- IJM Construction Sdn Bhd	134,821	2,722
- IJM Properties Sdn Bhd	245,231	100,227
- IJM International Limited	96,092	–
- Suria Bistari Development Sdn Bhd	69,914	312
- Jelutong Development Sdn Bhd	52,372	42,869
- IJM Investments (M) Limited	–	33,159
- Torsco Sdn Bhd	14,042	–
- IJM Construction (Middle East) LLC	8,393	4,498
(v) Repayment from:		
- Jurutama Sdn Bhd	42,439	50,005
- IJM Overseas Ventures Sdn Bhd	12,327	11,655
- IJM Australia Pty Limited	25,567	4,488
- IJM Investment (M) Limited	32,192	–
- IJM International Limited	–	12,575
- Torsco Sdn Bhd	–	6,163

50 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

The Company (cont'd)

	2007 RM'000	2006 RM'000
(bb) Associates:		
(i) Sales/progress billings in respect of: Construction contract		
- Swarna Tollway Pte Ltd	**3,428**	8,410
(ii) Interest charged to:		
- Worldwide Ventures Sdn Bhd	**5,128**	4,000
(iii) Advances/repayment to:		
- Emas Utilities Corporation Sdn Bhd	**7,430**	–
- Worldwide Ventures Sdn Bhd	**2,018**	21
- Hexacon Construction Pte Ltd	**7,910**	321
(iv) Net repayment from:		
- Emas Utilities Corporation Sdn Bhd	**–**	5,808

(b) Significant outstanding balances arising from the non-trade transactions during the financial year:

<u>Related party</u>	<u>Type of transaction</u>	2007 RM'000	2006 RM'000
Receivables:			
- IJM Construction Sdn Bhd	Advances	**134,821**	2,722
- IJM Properties Sdn Bhd	Advances	**245,231**	100,227
- IJM International Limited	Advances	**96,092**	(12,575)
- Suria Bistari Development Sdn Bhd	Advances	**69,914**	312
- Jelutong Development Sdn Bhd	Advances	**52,372**	42,869
- Worldwide Ventures Sdn Bhd	Advances	**2,018**	21
- Torsco Sdn Bhd	Advances	**14,042**	–
- IJM Construction (Middle East) LLC	Advances	**8,393**	4,498
- Worldwide Ventures Sdn Bhd	Advances	**134,821**	2,722
Payables:			
- Jurutama Sdn Bhd	Advances	**42,439**	(50,005)
- IJM Overseas Ventures Sdn Bhd	Advances	**12,327**	11,655

(c) Key management compensation during the financial year:

	The Group		The Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Wages, salaries and bonus	**6,052**	5,696	**3,272**	3,047
Defined contribution retirement plan	**909**	837	**573**	535
Defined benefit retirement plan	**90**	110	**48**	61
Other employee benefits	**187**	135	**134**	109
	7,238	6,778	**4,027**	3,752

50 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

The Company (cont'd)

(c) Key management compensation during the financial year: (cont'd)

Certain key management of the Company have been granted options under the ESOS on the same terms and conditions as those offered to other employees of the Group (see Note 14(c)) as follows:

			Number of options over ordinary shares				
Grant Date	**Expiry Date**	**Exercise Price RM/share**	Balance at 1.4.2006 '000	**Granted '000**	**Exercised '000**	**Terminated '000**	**Balance at 31.3.2007 '000**
8 January 2004	10 November 2008	3.99/3.96*/3.93**	2,022	–	1,840	–	**182**
7 April 2004	10 November 2008	4.47/4.44*/4.41**	1,110	–	780	–	**330**
30 April 2004	10 November 2008	4.39/4.36*/4.33**	2,550	–	1,560	–	**990**
30 August 2005	10 November 2008	4.40/4.37**	315	–	245	–	**70**
26 October 2005	10 November 2008	4.23/4.20**	739	–	409	–	**330**
			6,736	–	4,834	–	**1,902**

The exercise price of the ESOS had been adjusted on 30 April 2005 (*) and 1 August 2006 (**) respectively pursuant to Bye-Law 14 of the ESOS Bye-Laws (See Note 14(c)).

Certain key management of the Company have been allotted warrants under the Warrants 2005/2010 (see Note 14(d)) as follows:

		Number of Warrants			
Expiry Date	**Exercise Price RM/Warrant**	Balance at 1.4.2006 '000	**Acquired '000**	**Disposed '000**	**Balance at 31.3.2007 '000**
22 August 2010	4.80	1,728	1,159	1,513	**1,374**

51 CAPITAL COMMITMENTS

	The Group	
	2007 RM'000	2006 RM'000
Approved and contracted for	**752,894**	334,406
Approved but not contracted for	**429,954**	384,106
	1,182,848	718,512
Analysed as follows:		
Purchases of property, plant and equipment	**109,619**	108,023
Purchases of development land	**117,914**	1,746
Investment in associates disclosed in Note 53(a)	**33,145**	33,145
Participation in a concession disclosed in Note 53(b)	**290,000**	250,000
Concession assets	**594,612**	325,598
Share of capital commitments of jointly controlled entities	**37,558**	–
	1,182,848	718,512

In addition to the above, the Group also has a commitment to acquire the entire business and undertakings of Road Builder (M) Holdings Berhad. The acquisition was completed on 2 April 2007 as disclosed in Note 54 to the financial statements.

52 CONTINGENT LIABILITIES (UNSECURED)

	The Group		The Company	
	2007 RM'000	2006 RM'000 (Restated)	**2007 RM'000**	2006 RM'000
Bank borrowings of subsidiaries guaranteed by the Company	**–**	–	**483,595**	384,292
Bank borrowings of associates guaranteed by the Company/Group	**8,000**	94,240	**8,000**	94,240
Share certificates pledged for term loan facility granted to an associate	**46,296**	48,008	**46,296**	48,008
Performance guarantees in respect of the contract performance of concession agreements	**–**	–	**13,048**	–
Contingent equity support for investment in subsidiaries	**–**	–	**125,424**	130,127
	54,296	142,248	**676,363**	656,667

53 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) The Company had on 30 May 2005 entered into a Share Purchase Agreement ("SPA") to acquire 118,373,600 ordinary shares of RM1.00 each in Kumpulan Europlus Berhad ("KEB"), representing 25% of the equity interest in KEB from Intelbest Corporation Sdn Bhd (39,127,104 shares), Pengurusan Projek Bersistem Sdn Bhd (33,440,200 shares), Ambang Sepakat Sdn Bhd (33,675,896 shares), Tan Sri Dato' (Dr) Ir Chan Ah Chye (12,130,400 shares) for a total cash consideration of RM33,144,608 or RM0.28 per share ("the Proposed Acquisition").

The Company had on 28 February 2007 announced that the Company and the Vendors; namely, Intelbest Corporation Sdn Bhd, Pengurusan Projek Bersistem Sdn Bhd, Ambang Sepakat Sdn Bhd and Tan Sri Dato' (Dr) Ir Chan Ah Chye, have agreed to a further extension of three (3) months to 31 May 2007 for the fulfilment of the conditions precedent for the Proposed Acquisition, which includes the finalisation of the revised terms of the proposed concession agreement for the West Coast Highway concession.

(b) The Company had on 30 September 2005 entered into a Definitive Agreement with Antah Holdings Berhad ("Antah"), KASEH Lebuhraya Sdn Bhd ("KASEH"), and Lebuhraya Kajang-Seremban Sdn Bhd ("LEKAS") to participate in the Concession for the 48km new highway linking Kajang to Seremban for a period of 32.5 years. The Company will be participating in the Concession by way of management, and subscription of 50 million new ordinary shares of RM1 each (representing 50%) and RM240 million 7% Redeemable Convertible Unsecured Loan Stocks ("RCULS") in LEKAS. LEKAS, a special purpose vehicle, was incorporated on 22 June 2005 to carry out and undertake the Concession which was novated by KASEH on 8 November 2006.

The transaction has yet to be completed, pending the fulfilment of conditions precedent.

54 SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

On 25 January 2007, the shareholders of the Company had approved the proposed privatisation of Road Builder (M) Holdings Bhd ("RBH") by way of:

(a) A proposed acquisition of all the assets and liabilities of RBH for a total purchase consideration of up to RM1.56 billion to be satisfied entirely by the issuance of redeemable unsecured loan stocks of IJM Corporation Berhad ("IJM") having a total redemption value equivalent to the purchase consideration; and

(b) A proposed conditional take-over offer by IJM for all the ordinary shares of RM1.00 each of RBH ("RBH Shares") at the offer price of RM3.00 per share to be satisfied by the issuance of up to 273,293,885 new ordinary shares of RM1.00 each in IJM ("IJM Shares") on the basis of one (1) new IJM Share at the issue price of RM6.00 for every two (2) existing RBH Shares held.

The acquisition was completed on 2 April 2007 upon the issuance of IJM shares on the basis of one new ordinary share of RM1.00 each in IJM at the issue price of RM8.70 per share, being the market price of IJM shares as at 2 April 2007, for every two (2) existing RBH shares held. A total of 272,661,369 IJM shares were issued to the shareholders of RBH; 258,889,538 new IJM shares were issued on 2 April 2007 and a further 13,771,831 new IJM shares were issued on 27 April 2007. Upon the completion of the acquisition, RBH becomes a wholly-owned subsidiary of IJM.

It is not practicable to disclose the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition as the Company effectively obtained control over RBH only on 2 April 2007.

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2007

SUBSIDIARIES

Name	Country of incorporation	Effective equity interest 2007 %	2006 %	Principal activities
Held by the Company				
GR Commerce Sdn Bhd	Malaysia	100	100	Trading of building materials and insurance agent services
Industrial Concrete Products Berhad *	Malaysia	65	66	Manufacture of precast concrete products
IJM Construction Sdn Bhd	Malaysia	100	100	Civil and building construction and investment holding
IJM Properties Sdn Bhd	Malaysia	100	100	Property development and investment holding
IJM Argentina Sociedad Anomina *	Argentina	100	100	Investment holding
IJM Australia Pty Limited #	Australia	80	80	Engineering and construction consultancy and property development
IJM Investments (M) Limited #	Republic of Mauritius	100	100	Investment holding
IJM International (BVI) Pty Ltd *	British Virgin Islands	100	100	Investment holding
IJM International Limited #	Hong Kong	100	100	Investment holding
IJM Investments (L) Ltd *	Federal Territory of Labuan	100	100	Investment holding
IJM Overseas Ventures Sdn Bhd	Malaysia	100	100	Investment holding
Kamad Quarry Sdn Bhd	Malaysia	100	100	Quarrying, manufacture and sale of premix products and road pavement construction
Kemena Industries Sdn Bhd *	Malaysia	55	55	Manufacture of ready-mixed concrete and reinforced concrete products
Nilai Cipta Sdn Bhd *	Malaysia	70	70	Office complex concession holder
Styrobilt Sdn Bhd	Malaysia	100	100	Investment holding
Torsco Sdn Bhd (Formerly known as Torsco Berhad)*	Malaysia	100	100	Engineering, fabrication and construction
IJM Construction (Middle East) Limited Liability Company *	Dubai, United Arab Emirates	100	100	Construction

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2007 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2007 %	2006 %	Principal activities
Held by IJM Construction Sdn Bhd				
IJM Building Systems Sdn Bhd	Malaysia	**100**	100	Prefabricated building construction
Jurutama Sdn Bhd	Malaysia	**100**	100	Civil and building construction and property development
Kami Builders Sdn Bhd	Malaysia	**100**	100	Civil construction and property development
Prebore Piling & Engineering Sdn Bhd	Malaysia	**80**	80	Piling, engineering and other construction works
Insitu Envirotech Pte Ltd *	Singapore	**100**	100	Investment holding
IJM Investments J.A. Limited *	Dubai, United Arab Emirates	**100**	–	Investment holding
Insitu Envirotech (M) Sdn Bhd ^	Malaysia	**100**	–	Design, installation and rehabilitation of pipes, conduits and vertical shafts
Held by IJM Properties Sdn Bhd				
Aqua Aspect Sdn Bhd	Malaysia	**80**	80	Property development
Chen Yu Land Sdn Bhd	Malaysia	**100**	100	Property development
IJM Management Services Sdn Bhd	Malaysia	**100**	100	Project and construction management services
Jalinan Masyhur Sdn Bhd	Malaysia	**51**	51	Property development
Jelutong Development Sdn Bhd	Malaysia	**80**	80	Civil construction and property development
Liberty Heritage (M) Sdn Bhd	Malaysia	**100**	100	Property management and car parking services
Maxharta Sdn Bhd	Malaysia	**100**	100	Property development, civil and building construction
NS Central Market Sdn Bhd	Malaysia	**70**	70	Property development
Sinaran Intisari (M) Sdn Bhd	Malaysia	**51**	51	Property development
Suria Bistari Development Sdn Bhd	Malaysia	**51**	51	Property development
Wedec Sdn Bhd	Malaysia	**100**	100	Interior fit-out services, upgrades and renovation works
Manda'rina Sdn Bhd (formerly known as Xylocorp (M) Sdn Bhd)	Malaysia	**100**	100	Property development
Mewah Kota Sdn Bhd	Malaysia	**70**	70	Property development

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2007 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2007 %	2006 %	Principal activities
Held by Styrobilt Sdn Bhd				
IJM Plantations Berhad * (of which 4% is held directly by the Company)	Malaysia	**49**	48	Cultivation of oil palm and investment holding
Held by IJM Plantations Bhd				
Berakan Maju Sdn Bhd *	Malaysia	**49**	48	Cultivation of oil palm
Desa Talisai Sdn Bhd *	Malaysia	**49**	48	Cultivation of oil palm
Dynasive Enterprise Sdn Bhd *	Malaysia	**49**	48	Investment holding
Excellent Challenger (M) Sdn Bhd *	Malaysia	**49**	48	Cultivation of oil palm
Gunaria Sdn Bhd *	Malaysia	**49**	48	Investment holding
IJM Agri Services Sdn Bhd *	Malaysia	**49**	48	Provision of agricultural management services to plantations
IJM Edible Oils Sdn Bhd *	Malaysia	**49**	48	Palm kernel milling
Minat Teguh Sdn Bhd *	Malaysia	**49**	48	Investment holding
Mowtas Bulkers Sdn Bhd *	Malaysia	**29**	29	Multi-user bulking terminal
Rakanan Jaya Sdn Bhd *	Malaysia	**49**	48	Cultivation of oil palm
Ratus Sempurna Sdn Bhd *	Malaysia	**49**	48	Property holding
Sabang Mills Sdn Bhd *	Malaysia	**49**	48	Palm oil milling
Sijas Plantations Sdn Bhd *	Malaysia	**49**	48	Cultivation of oil palm
Ampas Maju Sdn Bhd *	Malaysia	**49**	48	Cultivation of oil palm
Gapas Mewah Sdn Bhd *	Malaysia	**49**	48	Cultivation of oil palm
Golden Grip Sdn Bhd *	Malaysia	**49**	48	Cultivation of oil palm
Kulim Mewah Sdn Bhd *	Malaysia	**49**	48	Cultivation of oil palm
Laserline Sdn Bhd *	Malaysia	**49**	48	Cultivation of oil palm
Macmillion Group Sdn Bhd *	Malaysia	**49**	48	Dormant
Rantajasa Sdn Bhd *	Malaysia	**49**	48	Cultivation of oil palm
Sri Kilau Sdn Bhd *	Malaysia	**49**	48	Cultivation of oil palm
Isu Mutiara Sdn Bhd *	Malaysia	**49**	48	Investment holding
Akrab Perkasa Sdn Bhd *	Malaysia	**49**	48	Palm oil milling
Desa Talisai Palm Oil Mill Sdn Bhd *	Malaysia	**49**	48	Palm oil milling
IJM Biofuel Sdn Bhd (Formerly known as Logistic Planner Sdn Bhd) *	Malaysia	**–**	48	Manufacture and sale of biodiesel
IJMP Investments (L) Ltd	Malaysia	**49**	–	Investment holding

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2007 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2007 %	2006 %	Principal activities
Held by Desa Talisai Sdn. Bhd				
Cahaya Adil Sdn Bhd *	Malaysia	49	48	Investment holding
Firdana Corporation Sdn Bhd *	Malaysia	49	48	Investment holding
Gerbang Selasih Sdn Bhd *	Malaysia	49	48	Investment holding
Sihat Maju Sdn Bhd *	Malaysia	49	48	Investment holding
Held by Industrial Concrete Products Berhad				
Arca Permata (M) Sdn Bhd *	Malaysia	65	66	Investment holding
Concrete Mould Engineering Sdn Bhd *	Malaysia	65	66	Engineering works and mould making
Durabon Sdn Bhd *	Malaysia	65	66	Processing of steel bars
Glamour Development Sdn Bhd *	Malaysia	65	66	Dormant
Expedient Resources Sdn Bhd *	Malaysia	65	66	Manufacture of rubber underlays and other rubber products
ICP Investment (L) Limited *	Malaysia	65	66	Dormant
ICP Jiangmen Co. Ltd. *	People's Republic of China	51	52	Dormant
ICP Marketing Sdn Bhd *	Malaysia	65	66	Trading of pretensioned spun concrete piles, building materials and plant and machinery and investment holding
Malaysian Rock Products Sdn Bhd *	Malaysia	65	66	Quarrying, sale of rock products and investment holding
Ubon Steel Sdn Bhd *	Malaysia	65	66	Marketing of steel bars
Held by Expedient Resources Sdn Bhd				
Tadmansori Rubber Industries Sdn Bhd *	Malaysia	65	66	Trading of rubber products
Held by ICP Investment (L) Limited				
ICPB (Mauritius) Limited *	Malaysia	65	66	Investment holding
IJM Concrete Products Private Limited *	India	65	66	Supply of ready mixed concrete

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2007 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2007 %	2006 %	Principal activities
Held by Malaysian Rock Products Sdn Bhd				
Aggregate Marketing Sdn Bhd *	Malaysia	65	66	Sale of rock products
Azam Ekuiti Sdn Bhd *	Malaysia	65	66	Quarry owner
Bohayan Industries Sdn Bhd *	Malaysia	45	46	Dormant
Damansara Rock Products Sdn Bhd *	Malaysia	65	66	Quarrying, road pavement construction, manufacture and sale of premix products
Global Rock Marketing Sdn Bhd *	Malaysia	65	66	Sale of rock products
Kuang Rock Products Sdn Bhd *	Malaysia	65	66	Quarrying and sale of rock products
Oriental Empire Sdn Bhd *	Malaysia	65	66	Quarry owner
Scaffold Master Sdn Bhd *	Malaysia	65	66	Sale and rental of steel scaffolding
Strong Mixed Concrete Sdn Bhd *	Malaysia	65	66	Production and supply of ready-mixed concrete
Warga Sepakat Sdn Bhd *	Malaysia	65	66	Leaseholder of quarry land
Held by IJM Investments (M) Limited				
IEMCEE Infra (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJMII (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Rewa (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Rajasthan (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Trichy (Mauritius) Ltd #	Republic of Mauritius	100	–	Investment holding
Held by IJMII (Mauritius) Limited				
IJM (India) Infrastructure Limited #	India	97	97	Construction
Held by IJM Rewa (Mauritius) Limited				
Rewa Tollway Private Limited #	India	100	100	Infrastructure development

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2007 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2007 %	2006 %	Principal activities
Held by IJM (India) Infrastructure Limited				
Swarnandhra-IJMII Integrated Township Development Company Private Limited #	India	50	50	Property development
Swarnandhra Road Care Private Limited #	India	97	97	Road maintenance
Roadstar (India) Infrastructure Private Limited *	India	68	68	Development of infrastructure projects and construction & operation of toll gates
IJM (India) Geotechniques Private Limited*	India	97	97	Soil investigation & testing, foundation laying & treatment & piling
IJM Lingamaneni Township Private Limited*	India	54	54	Property development
Held by IJM Rajasthan (Mauritius) Limited				
Jaipur-Mahua Tollway Private Limited #	India	100	100	Highway development
Held by IJM Trichy (Mauritius) Ltd				
Trichy Tollway Private Limited #	India	50	–	Highway development
Held by Torsco Sdn Bhd (formerly known as Torsco Berhad)				
Sang Kee Enterprise Sdn Bhd *	Malaysia	100	100	Property investment
Sang Kee Feedmills Sdn Bhd *	Malaysia	100	100	Property investment
Torsco Overseas Sdn Bhd *	Malaysia	100	100	Provision of engineering, fabrication and construction works
Held by Insitu Envirotech Pte Ltd				
Insitu Envirotech (HK) Limited *	Hong Kong	–	100	Dormant and in the process of deregistration
Insitu Envirotech (S.E.Asia) Pte Ltd *	Singapore	100	100	Design, installation and rehabilitation of pipes, conduits and vertical shafts
Held by IJM Investments J.A. Limited				
IJM Gulf Limited *	Dubai, United Arab Emirates	60	–	Civil and building construction

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2007 (cont'd)

ASSOCIATES

Name	Country of incorporation	Effective equity interest 2007 %	2006 %	Principal activities
Held by the Company				
CIDB Inventures Sdn Bhd *	Malaysia	34	34	Infrastructure investment
Cofreth (M) Sdn Bhd *	Malaysia	25	25	Total facilities management, operations & maintenance, co-generation and district cooling system/service provider
Community Resort Development System Sdn Bhd*	Malaysia	20	20	Dormant
Deltabumi Sdn Bhd	Malaysia	40	40	Special purpose vehicle
Emas Utilities Corporation Sdn Bhd *	Malaysia	40	40	Investment holding
Grupo Concesionario del Oeste S.A. #	Argentina	20	20	Construction, renovation, repair, conservation and operation of Acesso Oeste highway
IJM-Yorkville (BVI) Pty Ltd *	British Virgin Islands	50	50	Special purpose vehicle for financing
Inversiones e Inmobiliaria Sur-Sur S.A. *	Chile	25	25	Property development
JWS Projects Sdn Bhd	Malaysia	50	50	Investment holding
Macroland Holdings Sdn Bhd *	Malaysia	30	30	Under members' voluntary liquidation
MASSCORP-Chile Sdn Bhd *	Malaysia	32	32	Investment holding
Precast Property Sdn Bhd *	Malaysia	50	50	Dormant
Precast Technology Sdn Bhd *	Malaysia	50	50	In members' voluntary liquidation
Metech Group Berhad (Formerly known as Sin Kean Boon Group Berhad) *	Malaysia	20	20	Manufacture of roller shutters and aluminium extrusions and investment holding
Spirolite (M) Sdn Bhd *	Malaysia	38	38	Manufacture of straight extruded pipes and "spiral" pipes, tubes, tanks and containers

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2007 (cont'd)

ASSOCIATES (cont'd)

Name	Country of incorporation	Effective equity interest 2007 %	2006 %	Principal activities
Held by IJM Construction Sdn Bhd				
Hexacon Construction Pte Limited #	Singapore	46	46	Civil and building construction
Highway Master Sdn Bhd	Malaysia	50	50	Road pavement construction
Integrated Water Services (M) Sdn Bhd *	Malaysia	35	35	Operation and maintenance of a water treatment plant
IT&T Builders Sdn Bhd	Malaysia	45	45	Building construction
Malaysian Construction Ventures (Overseas) Sdn Bhd *	Malaysia	20	20	Project consultancy services
Nekadsatu Jaya Sdn Bhd	Malaysia	50	50	Construction and property development
THB-IJM Joint Venture Sdn Bhd	Malaysia	49	49	Construction
Held by IJM Plantations Bhd				
Cekap Tropikal Sdn Bhd *	Malaysia	–	29	Dormant
Loongsyn Sdn Bhd *	Malaysia	25	24	Trading in agricultural fertilisers and chemicals
Mowtas Multi-User Jetty Sdn Bhd *	Malaysia	22	22	Logistics, port and jetty operations, warehousing and shipping
Held by IJM International (BVI) Pty Ltd				
Avillion Hotels International (Sydney) Pty Limited *	Australia	49	49	Hotel operator
Reliance-OSW (Nominees) Pty Limited *	Australia	49	49	Trustee company
Held by IJM International Limited				
Grapevine Investments (Hong Kong) Limited #	Hong Kong	50	50	Investment holding
OSW Properties Pty Limited *	Australia	50	50	Property development
Held by IEMCEE Infra (Mauritius) Limited				
Gautami Power Private Limited *	India	20	20	Power generation
Held by IJMII (Mauritius) Limited				
Swarna Tollway Pte Ltd #	India	35	35	Infrastructure development
Pacific Alliance-Stradec Group Infrastructure Company LLC *	Republic of Mauritius	50	50	Project management, investment holding and supply of toll equipments

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2007 (cont'd)

ASSOCIATES (cont'd)

Name	Country of incorporation	Effective equity interest 2007 %	2006 %	Principal activities
Held by IJM Overseas Ventures Sdn Bhd				
Earning Edge Sdn Bhd	Malaysia	**22**	22	Property development
MASSCORP-Namibia Sdn Bhd *	Malaysia	**40**	40	Investment holding
Held by IJM Properties Sdn Bhd				
Ever Mark (M) Sdn Bhd	Malaysia	**50**	50	Property development
MASSCORP-Vietnam Sdn Bhd	Malaysia	**20**	20	Investment holding
Wilmington Sdn Bhd	Malaysia	**50**	50	Property development
Worldwide Ventures Sdn Bhd	Malaysia	**50**	50	Property development and investment holding
Held by Malaysian Rock Products Sdn Bhd				
Batu Kenangan Sdn Bhd *	Malaysia	**26**	27	In members' voluntary liquidation
DML-MRP Resources (M) Sdn Bhd *	Malaysia	**32**	33	Dormant

Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers, Malaysia

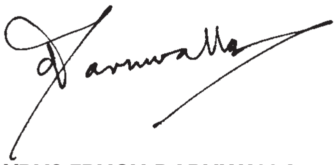
* Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers, Malaysia

^ This subsidiary company was previously held by a wholly owned subsidiary, Insitu Envirotech Pte Ltd

STATUTORY DECLARATION

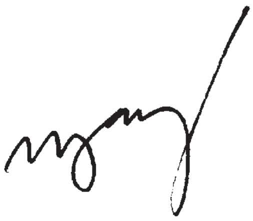
I, Cyrus Eruch Daruwalla, being the officer primarily responsible for the financial management of IJM Corporation Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements set out on pages 109 to 209 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at Petaling Jaya on 30 May 2007.



CYRUS ERUCH DARUWALLA

Before me:



G. VIJAYAN BASKARAN PPN
Commissioner for Oaths
Petaling Jaya

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
(AF 1146)
Chartered Accountants
11th Floor Wisma Sime Darby
Jalan Raja Laut
P O Box 10192
50706 Kuala Lumpur, Malaysia
Telephone +60 (3) 2693 1077
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www.pwc.com/my

Report of the auditors to the members of
IJM Corporation Berhad
Company No: 104131-A

We have audited the financial statements set out on pages 109 to 209. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purposes. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and MASB approved accounting standards in Malaysia for Entities Other than Private Entities so as to give a true and fair view of:

  (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

  (ii) the state of affairs of the Group and of the Company as at 31 March 2007 and of the results and cash flows of the Group and of the Company for the financial year ended on that date;

and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiaries of which we have not acted as auditors are indicated in Note 55 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

PricewaterhouseCoopers

PricewaterhouseCoopers
(AF: 1146)
Chartered Accountants

Loh Lay Choon
(2497/03/08 (J))
Partner

Kuala Lumpur
30 May 2007

Location	Description	Area Hectares	Tenure	Existing use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (years)	Net Book Value (RM'000)
JOHORE							
Mount Austin Lot 117039 Mukim Tebrau	Mixed development	101.21	Freehold	Vacant; for future development	A: 2005	–	73,801
Lot 1704 & 1705 City Plaza, Johor Bahru	Commercial	0.05	Freehold	To Let/ Own Use	A: 1996	11	1,396
Unit No.13-A City Plaza Johor Bahru	Commercial		Freehold	To Let	A: 2000	6	3,682
Unit 08 Level 5 City Plaza Johor Bahru	Commercial	0.14	Freehold	To Let	A: 2000	6	474
Unit 02 Level 6 City Plaza Johor Bahru	Commercial		Freehold	To Let	A: 2000	6	390
H.S.(D) No. 132606 PTD No. 8798 Mukim Senai / Kulai District of Johor Bahru	Industrial Land & Building	1.62	Leasehold (expiring 2046)	Factory building	A: 2003	20	7,386
Lot Nos. 810, 811 and MLO 23, GM 66, 68 & H.S. (M) 937, Mukim Sedenak Air Bembau, Kulai	Agriculture land	8.15	Freehold	Vacant; for future development	A: 1998	–	2,000
Lot No. 656 and 657 H.S.(M) 268 and H.S.(M) 881 Mukim Kluang	Agriculture land	8.03	Freehold	Vacant; for future development	A: 1997	–	3,473
E-2-1 Block Mawar Anjung Seri Condo Jalan Persiaran Seri Alam 81750 Masai	Condominium	0.01	Freehold	Residential	A: 1999	8	211
E-2-6, 3-2, 3-5 Block Mawar Anjung Seri Condo Jalan Persiaran Seri Alam 81750 Masai	Condominium	0.03	Freehold	Residential; Vacant	A: 1999	8	450
Lot PTB 19233 H.S.(D) 210937 Unit 1701-1703 Jalan Tebrau, Johor Bahru	Commercial land	0.06	Freehold	Office space (3 units; 643 sq.m.)	A:1996	10	2,021
PTB 21509 Mukim and Daerah Johor Bahru	Residential	2.12	Leasehold (expiring 2105)	Under development	A:1992	–	5,186
PTB 21510 Mukim and Daerah Johor Bahru	Residential	1.42	Leasehold (expiring 2105)	Under development	A:1992	–	6,606
PTB 21403 Mukim and Daerah Johor Bahru	Residential	3.36	Leasehold (expiring 2105)	Vacant; for future development	A:1992	–	13,821
PN 10939 Lot 25077 Bandar & Daerah Johor Bahru	Residential	1.89	Leasehold (expiring 2105)	Under development	A:1992	–	37,950
Lot PTD 48124A Mukim Plentong Johor Bahru (TM Land)	Commercial & Residential	10.12	Freehold	Vacant; for future development	A:2005	–	11

Location	Description	Area Hectares	Tenure	Existing use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (years)	Net Book Value (RM'000)
KUALA LUMPUR Seksyen 46, Kuala Lumpur HSD00110191, Lot 136	Commercial	1.05	Freehold	Under development	A: 2004	–	39,896
Mukim of Petaling Kuala Lumpur HS(D) NO. 16953-16962, 16979-16988, 17014 -17023, 17072-17076, 17087-17096, 17106-17115, 17146-17153, 17383-17384, 18385, 17407-17417, 17440-17450, 17461-17472, 16843, 16885-16896, 16918-16932, 16943-16952, 16989, 16842, 17078-17086, 17116-17125, 17178 -17187, 17251-17260, 17296-17305, 17316-17325, 16761-16764, 6990, 17169, and 17077 LOT NO. 25547-25560, 5778-25781, 25783-25839, 25841-25929, 26003-26039, 26078-26111, 26113-26120, 26308-26322.	Residential, Commercial	26.71	Leasehold (expiring 2078)	Vacant; for future development	A: 2003	–	74,802
A-1-10 Greenfields Apartments No.8, Jalan 1/155B Bukit Jalil, 57000 Kuala Lumpur	Apartment	0.01	Freehold Vacant	Residential;	A: 1999	8	171
A-3-5 Greenfields Apartments No.8, Jalan 1/155B Bukit Jalil, 57000 Kuala Lumpur	Apartment	0.01	Freehold Vacant	Residential;	A: 1999	8	181
B-4-6 Greenfields Apartments No.8, Jalan 1/155B Bukit Jalil, 57000 Kuala Lumpur	Apartment	0.01	Freehold	Residential; Vacant	A: 1999	8	182
B7-6 Puncak Prima Condominium Sri Hartamas, Kuala Lumpur	Condominium	0.01	Freehold	Residential	A: 2001	9	310
19-05, Golden City Condominium, Jalan Ipoh 51200 Kuala Lumpur	Condominium	0.01	Freehold	Residential	A: 1995	11	178
PN 27017-18, Lot 80-81 Seksyen 63, Kuala Lumpur	Residential	0.84	Leasehold (expiring 2105)	Under development	A:2004	–	37,238
HSD 00110190 Lot 135 Seksyen 46 Kuala Lumpur	Commercial	1.02	Freehold	Under development	A:2004	–	34,669
Part of Lot 2787 & 2789 (original lot), Lot 25547-25560, 25778-25929, 6003-26039, 26078-26120, Part of Lot 26311-26313, 26314, Part of Lot 26315-26317,26318-26321, Part of Lot 26322, 26328-26341 (new lot) Mukim Petaling Wilayah Perseketuan	Residential & Commercial	0.39	Leasehold (expiring 2078)	Sales office	A :2003	3	810

Location	Description	Area Hectares	Tenure	Existing use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (years)	Net Book Value (RM'000)
23 Jalan Kia Peng 50450 Kuala Lumpur (HSD 113053 PT 57 Seksyen 63 Kuala Lumpur)	Residential	0.00	Leasehold (expiring 2105)	Sales office	A:2007	1	661
Unit No. K2/01/05 & K1/02/01 (23-1 & 1-2 Desa Seri Puteri Jalan 2/125G 57100 Kuala Lumpur)	Commercial	0.03	Leasehold (expiring 2093)	Commercial office	A:2002	4	278
Unit No K1/02/04 Desa Seri Puteri Jalan 2/125G 57100 Kuala Lumpur	Commercial	0.02	Leasehold (expiring 2093)	Commercial Office	A:2003	5	165
NEGERI SEMBILAN							
Part of Lot No. 5777 H.S.(D) No.101262 P.T. No.8, Perkan Nilai Pajakan Negeri 684 Mukim Setul District of Seremban	Industrial Land & Building	4.02	Leasehold (expiring 2046)	Factory building	R: 1995	13	5,138
Lot No. 6171, PN 3273 Mukim Pekan Nilai District of Seremban	Industrial Land	2.06	Leasehold (expiring 2046)	Vacant; for future development	A: 2003	–	1,678
H.S. (D) 77335, P.T. 6322 Mukim Labu Daerah Seremban	Industrial Land	14.16	Leasehold (expiring 2053)	Quarrying	A: 1993	–	1,010
H.S. (D) 75235, P.T. 6054 Mukim Labu Daerah Seremban	Industrial Land	17.00	Leasehold (expiring 2053)	Quarrying	A: 1993	–	2,924
H.S.(D) 151681, P.T. 23506 Mukim Labu Daerah Seremban	Industrial Land	4.05	Leasehold (expiring 2063)	Quarrying	A: 2003	–	548
GRN35124 Lot 1173 & GRN64327 Lot 311 Mukim Pelin, & GRN 74041 Lot 472 & GRN71580 Lot 879 Mukim Kundur District of Rembau	Agricultural land	95.51	Freehold	Vacant; for future development	A:2005	–	25,873
PENANG							
Parcel A1 Seksyen 8, Jelutong Daerah Timur Laut	Residential, Mixed development, Commercial	4.28	Freehold	Yet to be reclaimed	N/A	–	84,722
Lot P.T. No. 1305 H.S.(D) No. 463 Mukim 12, Seberang Perai Selatan	First Grade Land & Building	7.20	Freehold	Factory building	A: 1996	11	7,536
Lot No. 398, 414 418, Mukim 12 Sebarang Perai Selatan	First Grade Land	11.46	Freehold	Vacant; for future development	A: 1996	–	6,134
33-G-21A, Ground Floor Jalan Dr Lim Chwee Leong Prangin Mall, 10100 Penang	Commercial building	0.01	Leasehold (expiring 2096)	Shoplot	A: 2000	6	1,136

Location	Description	Area Hectares	Tenure	Existing use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (years)	Net Book Value (RM'000)
33-5-88, 5th Floor Jalan Dr Lim Chwee Leong Prangin Mall, 10100 Penang	Commercial building	0.13	Leasehold (expiring 2096)	Food Court	A: 2003	3	1,831
Parcel No. M/0/05/20 & M/0/05/21 Pusat Perdagangan Tanjung	Office	0.05	Leasehold (expiring 2089)	Office (548 sq.m.)	A:1994	11	608
PT 35, No HS (D) 11743 Seksyen 4, Daerah Timur Laut Bandar Jelutong	Commercial	0.56	Freehold	Hypermarket	A:2001	–	14,545
Lot 777, No HS (D) 77968 Seksyen 4, Daerah Timur Laut Bandar Jelutong	Office	0.44	Freehold	Under development	A:2001	–	2,418
Lot 777, No HS (D) 77968 Seksyen 4, Daerah Timur Laut Bandar Jelutong	Office	0.44	Freehold	Work In Progress	A:2001	–	8,030
9th Floor, Wisma Penang Garden 42, Jalan Sultan Ahmad Shah 10050 Penang	Office	0.08	Freehold	Office (852 sq. m.)	A:2004	24	1,789
PT 1935, HS (D) 5541 Mukim 13 Daerah Timur Laut	Commercial land	1.00	Leasehold (expiring 2099)	Commercial use, partly tenanted	A:2004	–	7,200
Lots 721 to 739 & 745 1721 and 1727, Seksyen 4 Bandar Butterworth Daerah Seberang Prai Utara	Residential land	5.38	Freehold	Vacant; for future development	A:1992	–	18,198
Lots 395 & 396, Mukim 1 Pulau Betong Daerah Barat Daya	Agriculture land	2.10	Freehold	Vacant; for future development	A:1992	–	1,306
Lot 425, 426, 428, 461-496 498-517, 524,525, 586, 447 585, 426, 425, 446, 522 Ferringhi, Seksyen 2 Daerah Timur Laut	Mixed Dev	17.00	Freehold	Vacant; for future development	–	–	5,507
Lot Nos. 1686 & 1729 Mukim 14 Seberang Prai Tengah	Mixed development	5.23	Freehold	Vacant; for future development	A:1995	–	2,879
Lot No. 1627, Mukim 14 Seberang Prai Tengah	Mixed development	7.28	Leasehold (expring 2876)	Vacant; for future development	A:1995	–	4,006
Lot No. 1628, Mukim 14 Seberang Prai Tengah	Mixed development	1.17	Freehold	Vacant; for future development	A:1995	–	646
Lot 1727, 1728, Mukim 14 Seberang Prai Tengah	Mixed development	1.49	Freehold	Vacant; for future development	A:1995-96	–	822
Lot 742, Seksyen 4 No HS (D) 70691 Bandar Jelutong Daerah Timur Laut	Residential	1.91	Freehold	Under development	A:2001	–	6,276
Lot 779, Seksyen 4 No HS (D) 77970 Bandar Jelutong Daerah Timur Laut	Residential	1.41	Freehold	Under development	A:2001	–	11,421

Location	Description	Area Hectares	Tenure	Existing use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (years)	Net Book Value (RM'000)
Lot 776, Seksyen 4 No HS (D) 77967 Bandar Jelutong Daerah Timur Laut	Residential	1.13	Freehold	Under development	A:2001	–	7,076
Lot 775, Seksyen 4 No HS (D) 77966 Bandar Jelutong Daerah Timur Laut	Residential	0.94	Freehold	Under development	A:2001	–	8,434
Holding No. 299 300 & 304, Mukim 14 Seberang Prai Selatan	Commercial and residential land	4.57	Freehold	Under development	A:1994	–	2,616
Lot No. 862, Mukim 14 Seberang Prai Selatan (comprised in No. Pendaftaran 3754)	Commercial and residential land	2.22	Freehold	Vacant; for future development	A:1994	–	2,421
Lot 590, 592, 583, 1781 1639, 1640, 1789, 1768 Mukim 14 Seberang Perai Tengah	Mixed development	46.60	Freehold	Vacant; for future development	A:1994	–	16,284
Parcel A2, Seksyen 8 Georgetown Daerah Timur Laut	Mixed development, Commercial	11.85	Freehold	Yet to be reclaimed	–	–	29,523
HS (D) 14096 PT 169 Seksyen 8 Bandar Georgetown Daerah Timur Laut	Residential	1.94	Leasehold (expiring 2105)	Under development	–	–	18,878
HS (D) 14015 to 14092 PT 88 to PT 165 Seksyen 8 Bandar Georgetown Daerah Timur Laut	Residential	1.94	Leasehold (expiring 2105)	Under development	–	–	29,218
HS(D) 13782 PT64 Seksyen 8 Georgetown Daerah Timur Laut	Residential	2.68	Leasehold (expiring 2104)	Under development	–	–	19,323
HS(D) 13803 PT85 Seksyen 8 Georgetown Daerah Timur Laut	Residential	1.56	Leasehold (expiring 2104)	Under development	–	–	9,754
Parcel B1, Seksyen 8 Georgetown Daerah Timur Laut	Residential, Commercial	19.17	Leasehold	Yet to be reclaimed	–	–	22,413
HS(D) 13788 - 13801 PT 70 - 83, Seksyen 8 Georgetown Daerah Timur Laut	Commercial	0.46	Leasehold	Under development	–	–	–
HS(D) 13805 PT 87 Seksyen 8 Georgetown Daerah Timur Laut	Commercial	1.68	Leasehold (expiring 2104)	Vacant; for future development	–	–	4,264
HS(D) 13786 PT 68 Seksyen 8 Georgetown Daerah Timur Laut	Commercial	1.07	Leasehold	Vacant; for future development	–	–	2,062
HS(D) 13785 PT 67 Seksyen 8 Georgetown Daerah Timur Laut	Commercial	1.28	Leasehold	Vacant; for future development	–	–	2,088

Location	Description	Area Hectares	Tenure	Existing use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (years)	Net Book Value (RM'000)
Parcel C2 (excl. C2-2 & C2-3) Seksyen 8 Georgetown Daerah Timur Laut	Residential Public amenities	7.90	Leasehold (expiring 2104)	Vacant; for future development	–	–	8,788
PT 1953, HS (D) 8207 Mukim 13 Daerah Timur Laut	Residential	6.13	Leasehold (expiring 2100)	Vacant; for future development	A:2004	–	5,860
PERAK							
Lot 11004, 4-3/4 Miles Jalan Lahat Mukim Ulu Kinta	Industrial Land & Building	2.72	Leasehold (Exp 2053)	Plant 1 Office Bldg & Wshop (8,757 sq.m.)	R:1981	– 27	651 798
	W'shop extension			(1,344 sq.m.)	A: 2005	2	768
PT No. 595, H.S. (D) Dgs 1276/88 & PT No. 538, H.S. (D) Dgs 1272/88 Mukim Lumut Daerah Manjung	Industrial Land & Building	1.01 1.01	Leasehold (Exp 2087)	Plant 2A C& D (Office Bldg/ wshop (6,930 sq.m.)	R: 1993 A: 2006	– – 12	153 723 3,911
Lot I1, Mukim Lumut Daerah Manjung	Industrial Land & Building	2.50	Leasehold (Exp 2094)	Plant 2B Wshop (3,600 sq.m.) Plant 2E Wshop (1,800 sq.m.)	A: 1995 A: 2002	– 6 4	1,239 2,099 1,021
	W'shop Extension			Ws Extension (3,300 sq.m.)	A: 2005	2	2,491
PT H4, Mukim Lumut Daerah Manjung	Industrial Land	8.93	Leasehold (Exp 2094)	Plant 2 new ext	A: 2007	1	6,660
Lot D-2, Mukim Lumut Daerah Manjung	Industrial Land & Building	5.08	Leasehold (Exp 2093)	Plant 3 Office Bldg W'shop & jetty	A: 1996	– 5	3,835 6,712
Lot No. PT 2272 H.S.(D) No. Dgs. 6200 Mukim Lumut District of Manjung	Industrial Land & Building	4.04	Leasehold (expiring 2093)	Factory building	R: 1995	14	6,703
Lot No. PT 10425 H.S.(D) No. 23565 Mukim Lumut District of Manjung	Industrial Land & Building	2.43	Leasehold (expiring 2105)	Stockyard & Factory building	R: 1995	12 1	7,967
Lot No. PT 10426 H.S.(D) No. 23566 Mukim Lumut District of Manjung	Industrial Land	2.07	Leasehold (expiring 2105)	Stockyard	A: 2005	1	2,221
L.O.No. Plot No.1 Q.T.(R) Ka 81/66 Mukim Ulu Kinta District of Kinta	Industrial Land & Building	4.05	Leasehold (expiring 2062)	Factory building	R: 1995	13	4,981
Lot HS (D) KA 27107-9 PT No, 123935-7 Mukim of Hulu Kinta Daerah Kinta	Residential land	1.55	Leasehold (expiring 2092)	Vacant; for future development	A:2001	–	4,106

Location	Description	Area Hectares	Tenure	Existing use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (years)	Net Book Value (RM'000)
SABAH District of Beluran CL 085330141 (Desa Talisai North Estate, Desa Talisai South Estate)	Agriculture land	4032.30	Leasehold (expiring 2082)	Oil Palm Cultivation	R: 11/12/1997	–	105,825
District of Sandakan CL 075471251, CL 075471279, CL 075487759, CL 075475866, NT 073059622, NT 073061006, NT 073066476, NT 073066485, NT 073066494, NT 073066501, NT 073066510, NT 073066476, NT 073066485, NT 073066494, NT 073066501, NT 073066510. (Minat Teguh Estate)	Agriculture land	2712.67	Leasehold (expiring 2031 to 2887)	Oil Palm Cultivation	R: 11/12/1997	–	75,105
District of Beluran CL 085322881, CL 085331488 (Meliau Estate)	Agriculture land	2193.11	Leasehold (expiring 2087 & 2097)	Oil Palm Cultivation	R: 11/12/1997	–	50,340
District of Labuk/Sugut a) Berakan Maju Estate (788 titles) b) Sabang Estate (882 titles) c) Rakanan Jaya South Estate (148 titles) d) Excellent Challenger Estate I & II (595 titles)	Agriculture land	3957.00 6715.00 968.00 5218.00	Leasehold (expiring	Oil Palm Cultivation 2030 to 2098)	A: 1999 A: 1999 A: 1999 A: 1997	–	307,340
District of Beluran CL 085331559, CL 085331568 CL 085330098, CL 085333875 CL 085334738, CL 085334729 CL 085333973 and 191 Others NT titles (Rakanan Jaya North Estate)	Agriculture land	4193.00	Leasehold (expiring 2032 to 2099	Oil Palm Cultivation	A: 2001	–	80,546
District of Beluran CL 085330150 (Desa Talisai Palm Oil Mill)	Industrial land	40.00	Leasehold (expiring 2082)	Palm Oil Mill & ancillary building	A: 2002	–	1,386
District of Beluran Desa Talisai South Estate Km 81.5 Jalan Labuk Sandakan - Telupid - Kota Kinabalu Highway (Desa Talisai Palm Oil Mill)	Building			Palm Oil Mill & ancillary building	R: 11/12/1997	16	3,107
District of Sandakan Minat Teguh Estate km 39.1, Jalan Labuk, Sandakan (Minat Teguh Palm Oil Mill)	Building			Palm Oil Mill & ancillary building	A: 2000	8	6,452
District of Sandakan Pulau Penakid / Sungai Segaliud / Pulau Pengantin CL 075371461 & 17 Others CL lands, FR 07400748, FR 07400749, NT 073020023, FR 07400745, NT 073017508, (Minat Teguh Estate)	Agriculture land	120.94	Leasehold (expiring 2031 to 2098)	Vacant; for future development	A: 2004	–	792
District of Beluran CL 085328310 (Meliau Estate)	Agriculture land	12.87	Leasehold (expiring	Oil Palm Cultivation 2094)	A: 2000	–	77

Location	Description	Area Hectares	Tenure	Existing use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (years)	Net Book Value (RM'000)
District of Beluran Kampung Ensuan NT 083052224 & 6 others NT lands (Meliau Estate)	Agriculture land	38.45	Leasehold (expiring 2097)	Oil Palm Cultivation	A: 1998	–	114
District of Beluran NT 083171153, NT 083171162, NT 083171171, NT 083171180 (Meliau Estate)	Agriculture land	12.59	Leasehold (expiring 2032)	Oil Palm Cultivation	A: 2002	–	32
District of Labuk/Sugut CL 085321535 (Sijas Estate)	Agriculture land	1010.91	Leasehold (expiring 2087)	Oil Palm Cultivation	R: 11/12/1997	–	23,978
District of Labuk/Sugut Quality, Training & Research Centre (QTRC) off KM 13 Jalan Beluran, Sandakan (Sijas Estate)	Building			Seed Production, Training & Research		5	2,120
District of Beluran NT 083143677, NT 083143702, NT083143659, NT 083143668, NT 083143695, NT 083143622 (Sabang Palm Oil Mill)	Agriculture land	30.00	Leasehold (expiring 2099)	Palm Oil Mill & ancillary building		–	413
District of Beluran Sabang Estate 78 km due north west of Sandakan Sugut Region (Sabang Palm Oil Mill)	Building			Palm Oil Mill & ancillary building	A: 2002	5	15,023
District of Sandakan CL 075165774 (Mile 8, Sandakan)	Residential land	3.17	Leasehold (expiring 2892)	Vacant; for Future development	A: 1996	–	999
District of Sandakan Sungai Mowtas CL 075512239	Industrial	3.15	Leasehold (expiring 2100)	Vacant; for future development	A: 2002	–	901
District of Sandakan Sungai Mowtas CL 075360048, NT 073008232, NT 073008241 & NT 073005250	Industrial	9.33	Leasehold (expiring 2038 to 2095)	Kernel Crushing Plant; Vacant; for future development	A: 1996	–	4,701
District of Sandakan Sungai Mowtas NT 073008296, NT 073019299 NT 073016645, NT 073016663 NT 073021075, NT 073012932	Industrial/ Agriculture land	10.26	Leasehold (expiring 2034)	Kernel Crushing Plant; Vacant; for future	A: 1997	–	5,496
District of Sandakan KM 12 Jalan Batu Sapi, S Mowtas, Sandakan (Kernel Crushing Plant)	Building	–	–	Kernel Crushing Plant	A: 2003	4	7,458
Wisma IJM Plantations Lot 1, Jalan Bandar Utama Mile 6, Jalan Utara 90000 Sandakan	Building	5,755 m^2	Leasehold (expiring 2081)	4-storey office building	A: 2000	7	5,823
2 units Double Storey Semi-Detach House Lot 43A & Lot 45, Phase I Taman Utama, Mile 6 Jalan Utara, 90000 Sandakan	Building	626 m^2	Leasehold (expiring 2081)	Residential Bungalow	A: 2002	5	474

Location	Description	Area Hectares	Tenure	Existing use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (years)	Net Book Value (RM'000)
District of Sugut Permit No. : JP(BN)OP 01/99 (Sabang Jetty)	TOL	4.00	TOL Permit to occupy land (expiring 2039)	Jetty Operations & Land Transportation	–	–	7,679
Part of CL 075477584 District of Sandakan	Commercial	6.85	Leasehold (expiring 2081)	Hypermarket land	A:2005	–	887
CL 075477584 District of Sandakan 6th North Road	Residential, Commercial	127.07	Leasehold (expiring 2102)	Under development	A:1998	–	35,155
CL 075204269 District of Sandakan	Residential, Commercial	3.97	Leasehold	Vacant; for future development	A:2002	–	882
CL 075204241 District of Sandakan	Residential, Commercial	5.91	Leasehold	Vacant; for future development	A:2003	–	1,354
SARAWAK Lot 7978, Section 65 KTLD (Balance of Lot 5238 Section 65 KTLD, Kuching)	Agricultural	11.34	Leasehold (expiring 2024)	Under development	A:1991	–	7,014
Lot 5536, Section 65 KTLD Kuching	Agricultural	2.75	Leasehold (expiring 2038)	Under conversion to residential	A:1996	–	
SELANGOR PN7225 Lot 726 PN7224 Lot 727 HSD175348 PT1 Bandar Petaling Daerah Petaling	Commercial	1.54	Leasehold (expiring 2069 to 2070)	Under development	A: 2004	–	60,702
Lot 170, Section 7, Jalan Yong Shook Lin 46050 Petaling Jaya	Commercial land & Building	0.76	Leasehold (expiring 2069)	2 office buildings (7,088 sq.m)	A: 1985	24	26,706
Lot P.T.Nos. 2183, 2184 and 72901, H.S.(D) Nos. 35650, 35649 and 90786 Mukim and District of Klang	Industrial Land & Building	8.30	Freehold	Factory building	R: 1995	22	20,937
Lot No. 35774 No. Hakmilik 7888 Mukim Kapar, District of Klang	Industrial Land & Building	11.25 2096)	Leasehold (expiring	Factory building	A: 1998	17	11,729
Lot No. 27, Lebuh Sultan Mohamed 1 Bandar Sultan Suleiman Klang	Industrial Land	10.71	Leasehold (title yet to issue)	Vacant; for future development	A: 1997	–	21,334
Lot P.T.Nos. 7902 and 7903 H.S.(D) Nos. 8199 and 8200 Bandar Banting Tambahan District of Kuala Langat	Industrial Land & Building	0.81	Leasehold (expiring	Factory building 2099)	A: 1997	8	1,879
Workshop 3.5KM Jalan Kampung Jawa, Klang	Workshop	0.02	Leasehold	Workshop	A: 2000	6	16
EMR 5364, Lot 2775 District of Klang	Workshop	0.04		Workshop	A: 1999	7	11

Location	Description	Area Hectares	Tenure	Existing use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (years)	Net Book Value (RM'000)
21D Jalan BRP 6/10 Seksyen U20 Bukit Rahman Putra 47000 Sungai Buluh	Workshop	0.02	Freehold	Shop-office	A: 2004	7	150
41 Jalan Sungai Besi Indah 5/2 Taman Sungai Besi Indah 43300 Sri Kembangan	Building	0.02	Leasehold (expiring 2088)	Shop-office; Vacant	A: 1999	7	485
55 Jalan TS6/10A Subang Industrial Park Subang Jaya H.S.(D) 97263, P.T. 27731 Mukim of Petaling	Industrial Land & Building	0.02	Leasehold (expiring 2090)	3-storey industrial building	A: 1996	12	629
Lot No 197, Mukim Rawang Daerah Gombak Kundang Industrial Park	Industrial land	0.19	Freehold	Vacant; for future development	A:2000	–	396
P.T 17308, H.S. (D) 30887 Mukim Kapar, Daerah Klang	Industrial	1.70	Freehold	Vacant; for future development	A:2003	–	6,397
PN7225 Lot 726, PN7224 Lot 727 & HSD 175348 PT 1 Bandar Petaling Daerah Petaling	Commercial	0.10	Leasehold	Work In Progress	–	–	21,790
HS(D) 66844, PT2925 Mukim Ampang Daerah Ulu Langat	Residential land	0.02	Leasehold	Work In Progress	–	–	74
Lot 100, Seksyen 7 Jalan Ru, Petaling Jaya	Residential land	0.08	Leasehold	Work In Progress	–	–	155
HSD 69884 PT 85480 & HSD 70254-70257 PT 85855-85858 Mukim Klang, Daerah Klang	Residential Commercial	2.67	Freehold	Vacant; for future development	A:1994	–	5,406
HSD0070258 PT 85862 Mukim Klang, Daerah Klang	Residential	3.21	Freehold	Vacant; for future development	A:1994	–	8,459
HSD 69819-69867 PT 85415-85463 Mukim Klang, Daerah Klang	Commercial	0.81	Freehold	Under development	A:1994	–	2,392
PT 27334-27494 HS(D) 56569-56729 Mukim Kapar, Daerah Klang	Industrial land	7.78	Freehold	Under development	A:1989	–	20,269
Lot 4446 & Lot 6497 C.T. 26645	Agricultural land	7.21	Freehold	Vacant; for future development	A:1984 & 1996	–	8,662
HS(D) 66844, PT2925 Mukim Ampang Daerah Ulu Langat	Residential land	3.16	Leasehold (expiring 2100)	Under development	A:11/03/2005	–	15,174
HSD143296 PT50610 (Lot16928), Mukim Petaling Daerah Petaling	Residential	19.44	Leasehold (expiring 2091)	Vacant; for future development	A : 08/04/2005 & 21/03/2006	–	43,534

Location	Description	Area Hectares	Tenure	Existing use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (years)	Net Book Value (RM'000)
TERENGGANU							
Lot P.T. 10321K, 18928K and 17201, H.S.(M) 6395, H.S.(D) 4859, PM 945 Mukim Kuala Nerus District of Kuala Terengganu	Industrial Land & Building	3.99	Leasehold (expiring 2047 to 2056)	Factory building	R: 1995	21	3,110
CHINA							
No 6, Sihang Avenue, Gujing Town, Xinhui District Jiangmen, Guangdong, 529145 People's Republic of China	Industrial Land & Building	11.23	Leasehold (expiring 2055)	Factory building	A: 2005	1	14,716
INDIA							
Plot No-21, S.V. Cooperative Industrial Estate, Quthbullapur Mandal Bachupally Revenue Village R.R. District, Hyderabad 500062	Industrial Land & Building	1.06	Freehold	Office building & concrete plant	A: 2004	–	1,176
Doddanekkundi 1st Phase Industrial Area, In Sy.No.48 of Doddanekkundi Village K.R. Puram Hobli	Building	0.13	Leasehold	Office building & concrete plant	A: 2005	–	806
Bangalore South Taluk Bangalore, Sy. No.63, Kadaiganahalli, Jala Hobli Bangalore North - 562157 Karnataka	Building	0.13	Leasehold	Office building & concrete plant	A: 2007	–	707
Village & Post Bodhanam Chillakur Mandal Kadivedu Sub-post Nellore District Andhra Pradesh - 524410	Agricultural land	19.18	Freehold	For installing plants, quarrying & office	A:2002	–	264
Koppuravuru Village Peddakakani Mandalam Guntur District, Andhra Pradesh	Dry Land	8.89	Freehold	For installing plants, quarrying & office	A:2006	–	1,988
Survey No-148/1,149/1a, 149/2a,148/1,Kanteru Village Peddakakani Mandalam Guntur District, Andhra Pradesh	Dry Land	2.35	Freehold	For installing plants, quarrying & office	–	–	813
Survey No.135, Khedili Village Dausa District	Normal Land	4.05	Leasehold	For installing plants, quarrying & office	–	–	241
Survey No.20, Kalwan Village Dausa District	Normal Land	5.00	Leasehold	For installing plants quarrying & office	–	–	105
Survey No-262/1 Rajadhok Village Tehsil Bassi, Jaipur District Kilometer-202, Rajasthan	Normal Land	8.09	Leasehold	For installing plants quarrying & office	A:2006	–	256

Location	Description	Area Hectares	Tenure	Existing use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (years)	Net Book Value (RM'000)
Survey No-363A,363AA, 362A & 362AA. Chandapur Village, Hanthnura Mandal, Medak district. Andhrapradesh	Industrial Land	6.34	Freehold	For Central workshop Purpose	A:2006	–	1,040
Survey No-31/E,42/1a3b, 42/1a6,42/1a3b,421A6, 42/1A3b Eraiyur Village Peramvular Distict, Tamilnadu	Normal Land	1.67	Freehold	For Base camp	–	–	158
Survey No-169/2,171/4, 169/1c,171/3,170/1A Devayur South, Veppanthattan Taluk,Peramvular District Tamilnadu	Normal Land	6.45	Freehold	For Stone Quarry	–	–	418
Survey No. 1009/(1 Part) KPHB Colony, Kukatpally Village, Ranga Reddy District Hyderabad, Andhra Pradesh	Residential	34.05	Freehold	Under development	A:2003	–	102,484
Village-Kaza Kamtheru Numburu. Opposite of Nagarjuna University Guntur District Andhra Pradesh	Residential	48.157	Freehold	Under development	A:2005	–	32,429
Niripak Mandal Rampur Naikin Panchayat Budgaon Tehsil Rampur Naikin (Dist) Bhagwar Toll Plaza	Commercial land	0.170		Toll Operations & Management	A: 2004	–	19,850
Grampanchayat Baruka Block Sohangpur Mouza Rohaniya Rohaniya Toll Plaza	Commercial land	0.204		Toll Operations & Management	A: 2004	–	11,066
Gram Kirar Panchayat Kirar Teshil Anupur Amarkantak Toll Plaza	Commercial land	0.639		Toll Operations & Management	A: 2004	–	5,744
Sonvari Saralanagar Sonvari Toll Plaza	Commercial land	0.648		Toll Operations & Management	A: 2004	–	35,171
Survey No. 806/1 Katni District Barhi Toll Plaza	Commercial land	0.630		Toll Operations & Management	A: 2007	–	36,640
Plot No. 58 Gat. No.227 Village Devghar	Commercial land	0.056		Toll Operations & Management	A: 2002	–	41,917
SINGAPORE Lot No. 1384K (Parcel No. B10B-3) Lot No. 1385N (Parcel No. B10B-4) Lot No. 1386X (Parcel No. B10B-5)	Bungalow	0.21	Leasehold (expiring 2106)	Under development	A:2005	–	686
Land Parcel T2/2 Lot 1410A of Mukim 34	Terrace	0.24	Title yet to be issued	Under development	A:2005	–	22,729

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 23rd Annual General Meeting (AGM) of IJM CORPORATION BERHAD (104131-A) will be held at Classics 2, Level 1, Holiday Villa Hotel & Suites, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 29 August 2007, at 9.30 a.m. to transact the following matters:-

1. To receive the audited financial statements for the year ended 31 March 2007 together with the reports of the Directors and Auditors thereon. **Resolution 1**
2. To elect retiring Directors as follows:-
   a) Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor **Resolution 2**
   b) Dato' Tan Boon Seng @ Krishnan **Resolution 3**
   c) Dato' Goh Chye Koon **Resolution 4**
   d) Tan Sri Abdul Halim bin Ali **Resolution 5**
   e) A K Feizal Ali **Resolution 6**
   f) Datuk Lee Teck Yuen **Resolution 7**
   g) Dato' David Frederick Wilson **Resolution 8**
3. To reappoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. **Resolution 9**
4. As special business to consider and pass the following ordinary resolutions:-
   a) "That the Directors' fees of RM220,875 for the year ended 31 March 2007 be approved to be divided amongst the Directors in such manner as they may determine." **Resolution 10**
   b) "That the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act 1965, to allot and issue not more than ten percent (10%) of the issued share capital of the Company at any time upon such terms and conditions and for such purposes as the Directors in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof." **Resolution 11**

By Order of the Board

Jeremie Ting Keng Fui
MAICSA 0777605
Company Secretary

Petaling Jaya
31 July 2007

Notes:

1. APPOINTMENT OF PROXY

   A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and such a proxy need not be a member of the Company. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised. The instrument appointing a proxy must be deposited at the Registered Office not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting. The Annual Report and Form of Proxy are available for access and download at IJM website at http://www.ijm.com.

2. RETIREMENT OF DIRECTORS

   The Resolution 2, if approved, will authorise the continuity in office of the Director (who is over the age of 70 years) until the next AGM pursuant to Section 129 (6) of the Companies Act, 1965 (the Act). The particulars of all Directors including those seeking re-election are contained in the Annual Report.

3. DIRECTORS FEES

   The Resolution 10, if approved, will authorise the payment of Directors' fees pursuant to Article 100 of the Articles of Association.

4. AUTHORITY TO ISSUE SHARES UNDER SECTION 132D

   The Resolution 11, if approved, will renew the authorisation obtained at the last AGM, pursuant to Section 132D of the Act, for issuance of up to 10% of the issued share capital of the Company, subject to compliance with the regulatory requirements. The approval is sought to avoid any delay and cost in convening a general meeting for such issuance of shares. The authorisation, unless in pursuance of offers, agreements or options granted by the Directors while the approval is in force, will expire at the next AGM.

FORM OF PROXY

I/We ____

of ____

being a member of **IJM CORPORATION BERHAD** (104131-A) __________________________________

hereby appoint ____

of ____

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the 23rd Annual General Meeting (AGM) of IJM CORPORATION BERHAD (104131-A) to be held on Wednesday, 29 August 2007, at 9.30 a.m. and, at any adjournment thereof, in the manner indicated below:

No.	Resolutions	For	Against
1.	To receive the audited financial statements for the year ended 31 March 2007 together with the reports of the Directors and Auditors		
2.	To reappoint Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor as Director to hold office until the next AGM		
3.	To reappoint Dato' Tan Boon Seng @ Krishnan as Director		
4.	To reappoint Dato' Goh Chye Koon as Director		
5.	To reappoint Tan Sri Abdul Halim bin Ali as Director		
6.	To reappoint A K Feizal Ali as Director		
7.	To reappoint Datuk Lee Teck Yuen as Director		
8.	To reappoint Dato' David Frederick Wilson as Director		
9.	To reappoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration		
10.	To approve the payment of Directors' fees of RM220,875		
11.	To authorise the issuance of up to 10% of the issued share capital of the Company		

Please indicate with "X" how you wish your vote to be cast. In the absence of specific instruction, your Proxy will vote or abstain as he/she thinks fit.

Number of Shares Held

Signed (and sealed) this_____________ day of _________________ 2007

Signature(s):____

Notes:

A member or holder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and such a proxy need not be a member of the Company. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised. The instrument appointing a proxy must be deposited at the Registered Office not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting. The Annual Report and Form of Proxy are available for access and download at the website at http://www.ijm.com.

Please Fold Here

Stamp

The Company Secretary
IJM CORPORATION BERHAD (104131-A)
2nd Floor, Wisma IJM
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46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Please Fold Here

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(104131-A)

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MS ISO 9001 REG. NO. AR 0911 | CERTIFIED TO OHSAS 18001 Certification No:1014101110 | MS ISO 14001 CERT. NO. 100220001

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- ABN AMRO Bank Berhad
- AmInvestment Bank Berhad
- CIMB Bank Berhad
- HSBC Bank Malaysia Berhad
- Malayan Banking Berhad
- RHB Bank Berhad
- Standard Chartered Bank Malaysia Berhad
- United Overseas Bank (Malaysia) Berhad

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STOCK EXCHANGE LISTING
Main Board of
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Berhad since 29 September 1986
BMSB Code : 3336
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