



IJM CORPORATION BERHAD

(104131-A)

ANNUAL REPORT 2008

25 *Years*

*of
Landmark Achievements*

1983-2008

80's



Desa Talisai Estate, Sandakan

July 1983

Incorporated as Solidstate Sdn Bhd.

1984

Acquired IGB Construction Sdn Bhd, Jurutama Sdn Bhd and Mudajaya Construction Sdn Bhd. Renamed IJM Engineering & Construction Sdn Bhd with paid-up capital of RM31 million. Expanded into quarrying and property development.



1985

Secured first project in Sydney, Australia. Built residential units in Florida, USA. Ventured into oil palm plantations.



Residential unit in Florida, USA



Commenced planting in Desa Talisai Estate

1986

Listed on Main Board of KLSE (now Bursa Malaysia) with issued share capital of RM50 million. Completed KL-Seremban Toll Expressway.



1987

Established IJM International Limited as a vehicle for overseas investments.

1988

Secured first road project in Bangladesh. Awarded North Klang Valley Expressway (Bukit Raja to Subang), first package of North South Expressway.

1989

Renamed IJM Corporation Berhad with new logo. Completed 1,100 units privatised housing scheme at Batu Lanchang, Penang. Awarded construction of Sarawak Shell Head Office Complex, Lutong.



Sarawak Shell Head Office Complex, Lutong

1983

IJM milestones through the decades...

2008

90's



North Klang Valley Expressway (Bukit Raja-Subang)

1990

Rights issue raised share capital to RM71 million. Completed North Klang Valley Expressway and St George Building Society Building in Sydney, Australia.

1991

Acquired Malaysian Rock Products Sdn Bhd to expand quarry business.

1992

Issued RM63 million nominal loan stocks to finance acquisitions. Implemented first Employee Share Option Scheme (ESOS).

1993

Share price hit an astonishing high - RM11.80. Ventured into Vietnam to develop a water treatment plant.



Binh An Water Supply Project, Vietnam

1994

70%-owned Nilai Cipta Sdn Bhd undertook the first government building complex privatisation in Malaysia. Awarded the Ministry of Works Building project.



Ministry of Works Building, Kuala Lumpur



St George Building Society Building, Sydney, Australia



Malaysian Rock Product's quarry

1995

Share capital exceeded RM300 million with bonus issue, ICULS conversion and ESOS. Total assets breached RM1 billion. Adopted "Excellence Through Quality" as corporate motto.

1996

Industrial Concrete Products Berhad (ICP) was listed on Main Board of Bursa Malaysia. Acquired 20% in Guangdong Provincial Expressway, China and 25% in Western Access Tollway, Argentina. Awarded ISO 9002.



Western Access Tollway, Argentina



Guangdong Provincial Expressway, China

1997

Initial foray into India via 60% interest in Gautami power plant concession.

1998

Despite Asian financial crisis, IJM completed projects such as the National Theatre and 455-room Avilion Hotel in Australia. Secured Mumbai Highway in India.



Avilion Hotel, Australia



Mumbai Highway, India

1999

Completed major projects such as Mid Valley Megamall and 278-unit Horden Towers in Sydney, Australia.



Mid Valley Megamall, Kuala Lumpur



Horden Towers, Australia

2000's

2000

First local construction company awarded OHSAS 18001 and Malaysian International Contractor of the Year. Issued RM150 million bonds with warrants.



2001

Secured RM1.77 billion construction contracts - the highest ever in a single year, including the prestigious Putrajaya Convention Centre and Putrajaya Primary Distributor Road. First toll concession in India - Swarna Tollway, Andra Pradesh.



Putrajaya Convention Centre

2002

Won the Malaysian Business Corporate Governance and KLSE Corporate Merit Awards. First Malaysian company to develop an Integrated Township in Hyderabad, India.



2003

Received CIDB Project, MITI Industry Excellence and NACRA Awards. IJM Plantations Berhad was listed on Bursa Malaysia's Main Board. Invested in second Vivekananda Bridge in Kolkata, India.



IJM Plantations Berhad's listing on Bursa Malaysia

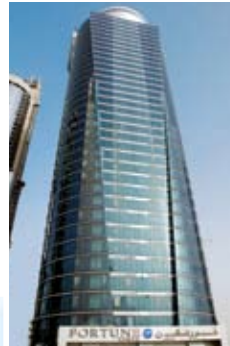


Second Vivekananda Bridge in Kolkata, India

2004/2005*

ICP became an IJM subsidiary. Secured first Middle East project - Fortune Tower. Issued RM300 million CP/MTN papers.

*Represented 15 months ended 31 March 2005



Fortune Tower, Dubai, Middle East

2006

More than 50% construction order book was from overseas. Introduced tallest building development, PJ8. Achieved MS ISO 14001:2004. Renounceable rights issue of 101 million warrants at RM0.05 per warrant.



PJ8 Building Development, Petaling Jaya, Selangor

2007

Secured first Malaysian toll road concession through Lekas.

2008

Acquired Road Builder Group. Share capital reached RM856 million and total assets breached RM10 billion. Construction order book soared to RM6 billion.



IJM Headquarters, Petaling Jaya, Selangor

This year IJM celebrates a sterling 25th anniversary that illuminates a journey strewn with positive achievements. Having weathered economic challenges and emerged even stronger, the IJM story is one that we are proud to share.

...the momentum continues

We take this opportunity to record the many iconic milestones that reinforce IJM's solid foundation. Moving ahead with keen foresight and a passion to lead the pack, IJM continues to evolve and expand; seeking to deliver solutions of outstanding quality to a global market.

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*'Through the wonder of nature, new beginnings emerge...
Through the eyes of children, the future takes shape.'*

Sustaining a continuous momentum of growth requires an evergreen outlook that celebrates fresh ideas and new opportunities. All throughout this annual report images of children and the natural world convey IJM's constant focus on a sustainable future.



Framework & Commitments

- 04 IJM Charter
- 05 Our Vision, Mission and Culture Statement
- 06 Corporate Profile
- 08 Group Structure
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- 11 Corporate Diary



IJM emerged in 1983
with a focus on building
and construction.

Over the last 25 years,
it has built core strengths
in several other industries.

Our strong yet flexible
corporate framework
enhances IJM's ability to
expand our capabilities
and presence throughout
the globe.

Thus, as represented by
the fresh dew sparkling
within the web,
IJM is able to continuously
capitalise on new
opportunities locally
and internationally.

25 years of building expertise



...the momentum continues

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

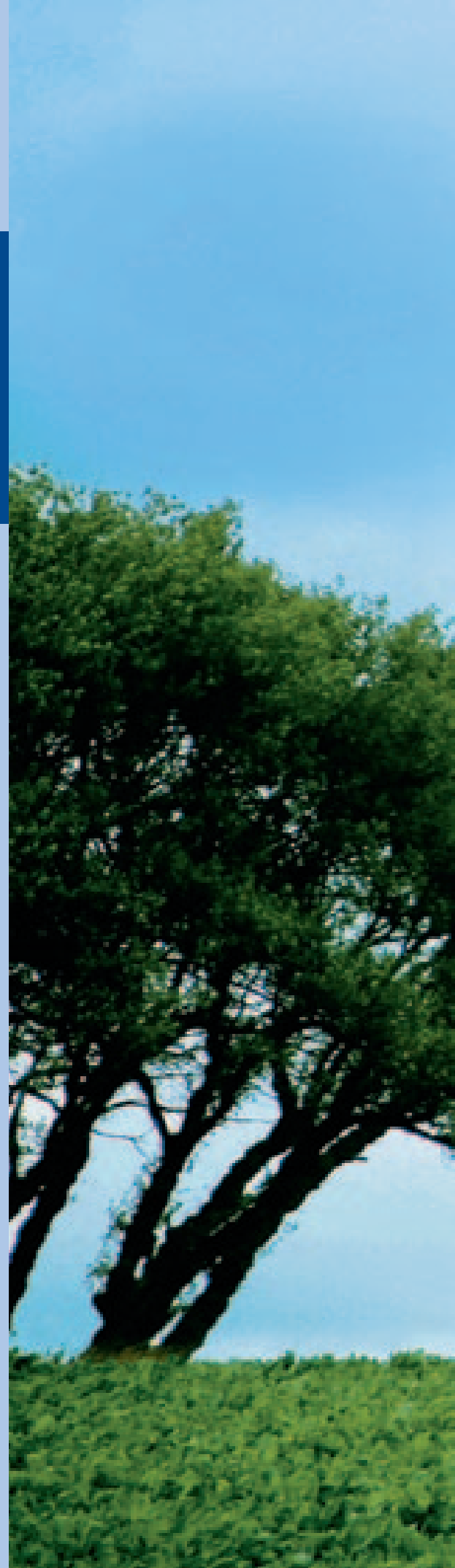
Employee Welfare

Social Responsibility

Good Corporate Governance

Maximising Stakeholder Returns

Ethical Conduct



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.

*Strongly rooted by a solid foundation, IJM continues to thrive and grow with vigor.
The tree symbolises 25 years of robust growth and our ever expanding potential.*

25 years ago... in order to compete more effectively against bigger foreign rivals, three innovative and established local construction companies - IGB Construction Sdn Bhd, Jurutama Sdn Bhd and Mudajaya Sdn Bhd merged and IJM was born. The Company quickly transformed into a professionally managed construction group that gained immediate market acceptance, and had the financial capacity and repute to compete effectively against other established players. Today, the Group is a leading general contractor in the country and has a substantial international presence in India and the Middle East.

In the past two and a half decades, IJM's exponential growth has been the result of its focus on core competencies, diversification into related businesses and expansion into new emerging markets.

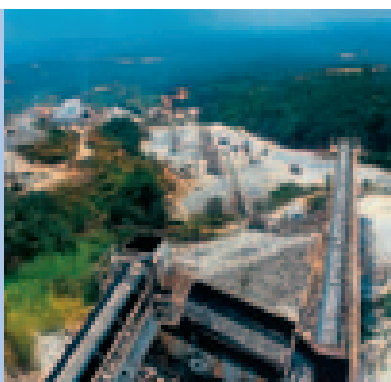
Leveraging on its intrinsic construction expertise, IJM ventured into property development and successfully merged its resources to offer quality delivery at great value to the Malaysian market. Today, the Property Development is a major part of the Group's activities.



Putrajaya Hospital



Riana Green Condominium, Petaling Jaya



Quarry site at Kuang, Selangor



Sabang Palm Oil Mill, Sabah

2ND

**biggest builder
in the country**

RM5 BILLION

**Group's market
capitalisation
as at 31 March 2008**

RM11 BILLION

**total assets of Group
as at 31 March 2008**

Further growth was fueled by the demand for building materials. 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 continued to expand its operations in this sector with strategic acquisitions such as the takeover of Industrial Concrete Products Berhad in 2004 and market diversifications into China, India and Pakistan.

The Group showed great foresight by venturing into plantations in 1985 as a source of steady income to cushion the cyclical nature of its core construction business. This investment has since



Besraya Highway

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. It is now expanding its plantation land bank into Indonesia.

Building on its construction expertise, the Group targeted infrastructure investments to create 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 achieved tremendous success. These include investments in major infrastructure projects such as Western Access Tollway in Argentina, the Guangdong Provincial Expressway in China, Swarna and Rewa tolled highways in India, and the Binh An water treatment concession in Vietnam, amongst others.



With several Indian concessions under construction and, for the first time, an opportunity to participate in Malaysian toll roads such as LEKAS and West Coast Expressway, the infrastructure concession business is geared to become a major segment of the Group's future operations.

IJM's recent acquisition of the Road Builder Group (RBH) in April 2007 made it the country's second biggest builder and a larger conglomerate by enhancing its capacity and capability across its three major core businesses. In addition to a sizeable order book for the Construction Division, and ample land banks for the Properties Division, the addition of RBH toll and port concessions gives new credence to the Infrastructure Division. This landmark event has significantly enhanced IJM's financial standing and reputation.

Over the years, 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 and 2002
- The Project Award in Major Building Category in 2003 and Major Skill Project in 2004
- The MITI Excellence Award for Export of Services in 2003 and 2007
- The Road Engineering Excellence Award in 2004
- The Malaysian Construction Industry Excellence (International Achievement) Award in 2001, 2006 and 2007

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

- The inaugural Malaysian Business Corporate Governance Award in 2002
- The KLSE Corporate Merit Award (Construction Sector) in 2001, 2002 and 2003
- The Asia Money Best Managed Company (Mid Cap) in Malaysia in 2006
- The NACRA Industry Excellence Awards (Construction and Infrastructure) in 2003, 2004, 2006 and 2007
- The Top 200 PLCs Corporate Governance Survey Report in 2006 (Ninth Place)
- The ACCA Malaysia Environmental and Social Reporting Award in 2006 (Second Runner-up in Best Social Reporting)
- The Prime Minister's CSR Awards (Environment Category) in 2007

When IJM went public in 1986, it had a market capitalisation of RM66 million and total assets of RM172 million. Today, the Group's market capitalisation and total assets are in excess of RM5 billion and RM11 billion respectively as at 31 March 2008.

On the back of solid fundamentals and strategic foresight, steady growth, uninterrupted earnings and an international business presence, continue to characterise IJM today. Of greater importance is its excellent reputation for quality and delivery attained through years of professionalism, performance and good governance within the Group.

GROUP STRUCTURE



IJM CORPORATION BERHAD



CONSTRUCTION

IJM Construction Sdn Bhd

SUBSIDIARIES

- IJM Building Systems Sdn Bhd
- IJM Construction International Limited Liability Company
- 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 Limited
- Integrated Water Services (M) Sdn Bhd
- IT&T Builders Sdn Bhd
- THB-IJM Joint Venture Sdn Bhd

JOINTLY CONTROLLED ENTITIES

- Ambang Usaha Sdn Bhd
- IJMC-Liberty Properties Joint Venture
- IJMC-Peremba Joint Venture
- IJMC-Perkasa Sutera Joint Venture
- IJMC-Puncabahan Joint Venture
- IJMC-Teratai Joint Venture
- ISZL Consortium

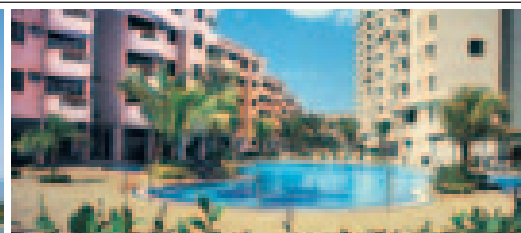
GR Commerce Sdn Bhd IJM Construction (Middle East) Limited Liability Company Nilai Cipta Sdn Bhd

JOINTLY CONTROLLED ENTITIES

- IJM-Gayatri Joint Venture
- IJM-NBCC-VRM Joint Venture

SUBSIDIARIES

- Road Builder (M) Sdn Bhd
- Commerce House Sdn Bhd
- IJM (India) Infrastructure Limited
- IJM (India) Geotechniques Private Limited



PROPERTIES

SUBSIDIARIES

- IJM Land Berhad (fka RB Land Holdings Berhad)
 - Delta Awana Sdn Bhd
 - Emko Properties Sdn Bhd
 - Emko Management Services Sdn Bhd
 - ERMS Berhad
 - RB Land Sdn Bhd
 - Aras Varia Sdn Bhd
 - Casa Warna Sdn Bhd
 - Dian Warna Sdn Bhd
 - RB Property Management Sdn Bhd
 - Seremban Two Holdings Sdn Bhd
 - Seremban Two Landscape Sdn Bhd
 - Seremban Two Properties Sdn Bhd
 - Seremban Two Property Management Sdn Bhd
 - Serenity Ace Sdn Bhd
 - Shah Alam 2 Sdn Bhd
 - Titian Tegas Sdn Bhd
 - Unggul Senja Sdn Bhd
- NPE Property Development Sdn Bhd

IJM Properties Sdn Bhd

SUBSIDIARIES

- Aqua Aspect Sdn Bhd
- Chen Yu Land Sdn Bhd
- IJM Management Services Sdn Bhd
- Jelutong Development Sdn Bhd
- Liberty Heritage (M) Sdn Bhd
- Manda'rina (M) Sdn Bhd
- NS Central Market Sdn Bhd
- Sinaran Intisari (M) Sdn Bhd
- Suria Bistari Development Sdn Bhd
- Worldwide Ventures Sdn Bhd

ASSOCIATE

- MASSCORP-Vietnam Sdn Bhd

JOINTLY CONTROLLED ENTITIES

- Astaka Tegas Sdn Bhd
- Cekap Tropikal Sdn Bhd
- Elegan Pesona Sdn Bhd
- Good Debut Sdn Bhd
- IJM Management Services-Giat Bernas Joint Venture
- IJM Properties-JA Manan Development Joint Venture
- LCL-IJMII International Interiors Private Limited
- Radiant Pillar Sdn Bhd
- Sierra Selayang Sdn Bhd
- Sierra Ukay Sdn Bhd
- Valencia Terrace Sdn Bhd

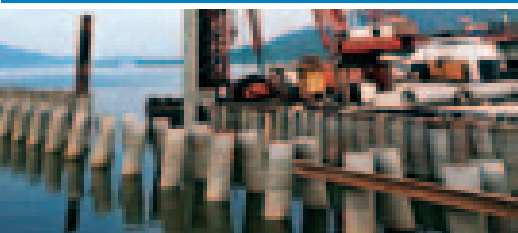
IJM Australia Pty Limited

SUBSIDIARIES

- Bukit Bendera Resort Sdn Bhd
- RB Development Sdn Bhd
- Pilihan Alam Jaya Sdn Bhd
- IJM Lingamaneni Township Private Limited
- Swarnandhra-IJMII Integrated Township Development Company Private Limited

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 of Road Builder (M) Holdings Bhd
- ✕ 38% subsidiary of Styrobilt Sdn Bhd, a wholly-owned subsidiary of IJM Corporation Berhad
- @ Direct subsidiary / jointly controlled entity of IJM (India) Infrastructure Limited, a subsidiary of IJMII (Mauritius) Limited
- ! Direct subsidiary of Road Builder (M) Sdn Bhd, a wholly-owned subsidiary of Road Builder (M) Holdings Bhd
- & Direct subsidiary of IJMII (Mauritius) Limited, subsidiary of IJM Investments (M) Limited
- \$ Direct subsidiary of Arena Wiramas Sdn Bhd, a wholly-owned subsidiary of Road Builder (M) Holdings Bhd
- ^ Wholly-owned subsidiary of RB Port Sdn Bhd, a wholly-owned subsidiary of Road Builder (M) Holdings Bhd
- # Associate of IEMCEE Infra (Mauritius) Limited
- * Associate of IJMII (Mauritius) Limited
- H Associate of KP Port Services Sdn Bhd
- % Direct jointly controlled entity of IJM Plantations (Mauritius) Limited, a wholly owned subsidiary of IJM Investments (M) Limited, which is wholly owned by IJM Plantations Berhad
- * Direct jointly controlled entity of IJM Trichy (Mauritius) Limited



INDUSTRIES

Industrial Concrete Products Berhad

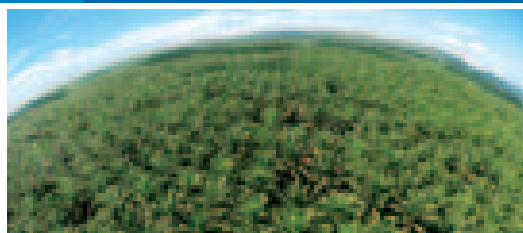
SUBSIDIARIES

- 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
 - IJM Concrete Products Pakistan (Private) Ltd
 - 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

ASSOCIATES

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



PLANTATIONS

IJM Plantations Berhad

SUBSIDIARIES

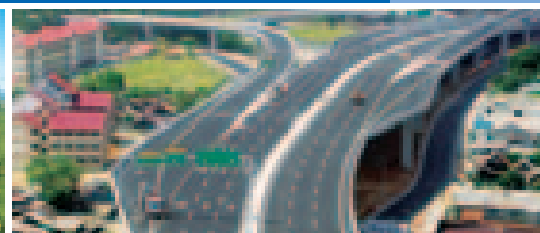
- Akrab Perkasa Sdn Bhd
- Ampas Maju Sdn Bhd
- Berakan Maju Sdn Bhd
- Desa Talisai Palm Oil Mill Sdn Bhd
- Desa Talisai Sdn Bhd
 - Cahaya Adil Sdn Bhd
 - Firdana Corporation Sdn Bhd
 - Gerbang Selasih Sdn Bhd
- Excellent Challenger (M) Sdn Bhd
- Gapas Mewah Sdn Bhd
- Golden Grip Sdn Bhd
- Gunaria Sdn Bhd
- IJM Agri Services Sdn Bhd
- IJM Edible Oils Sdn Bhd
- Kulim Mewah Sdn Bhd
- Laserline Sdn Bhd
- Minat Teguh Sdn Bhd
- Rakanan Jaya Sdn Bhd
- Rantajasa Sdn Bhd
- Ratus Sempurna Sdn Bhd
- Sabang Mills Sdn Bhd
- Sijas Plantations Sdn Bhd
- Sri Kilau Sdn Bhd

ASSOCIATE

- Loongsyn Sdn Bhd

JOINTLY CONTROLLED ENTITY

- Godrej Gokarna Oil Palm Limited



INFRASTRUCTURE & OTHERS

Road Builder (M) Holdings Bhd

SUBSIDIARIES

- Besraya (M) Sdn Bhd
- New Pantai Expressway Sdn Bhd
- Essmarine Terminal Sdn Bhd
- Kuantan Port Consortium Sdn Bhd
 - KP Port Services Sdn Bhd
- RB Highway Services Sdn Bhd
- RB Plantations Sdn Bhd
- Sukma Samudra Sdn Bhd

ASSOCIATES

- Konsortium Pelabuhan Kemaman Sdn Bhd
- KP Depot Services Sdn Bhd

IJM International Limited

ASSOCIATE

- OSW Properties Pty Limited

IJM Overseas Ventures Sdn Bhd
IJM Investments (L) Ltd

IJM Investments (M) Limited

SUBSIDIARIES

- IEMCEE Infra (Mauritius) Limited
- IJMII (Mauritius) 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

ASSOCIATES

- Gautami Power Private Limited
- Swarna Tollway Pte Ltd

ASSOCIATES

CIDB Inventures Sdn Bhd
Emas Utilities Corporation Sdn Bhd
Grupo Concesionario del Oeste S. A.
Kumpulan Europlus Berhad

JOINTLY CONTROLLED ENTITIES

Lebuhraya Kajang-Seremban Sdn Bhd
Trichy Tollway Private Limited

Making waves with both its domestic and international ventures in financial year 2008, the IJM Group continued to be prominently featured in the media.

IJM operational profit soars 2.5 times

■ By Gai Yee Ching
Bd@pmp.com.my

BUILDER IJM Corp Bhd's first-quarter operational profit jumped more than 2.5 times as it booked earnings from the Road Builder group, a smaller rival that it recently bought.

April 2, IJM completed the acquisition. However, IJM's bottom line shows a net loss of RM747 million for the quarter to June 30. This is because it had to account for goodwill, the excess amount paid over an asset's value, in the Road Builder deal.

The group's managing director

vestors can be assured that this merger goodwill is a one-off accounting issue, it is a book entry. It does not, in any way, affect the group's future earnings, or operational strengths," he said.

Boosted by healthy number of projects booked in its orderbook, the group's first-quarter operational profit rose to RM228.34 million from RM90.8 million in the

previous period, marking significant improvement when it received maiden profit contributions from Road Builder's New Pantai Expressway, Bontaya and port concessions.

"We've also realised RM195 million gain from selling our five per cent stake in the Guangzhou Expressway concession.

"While there's share price appreciation, we decided it was more worthwhile to take profit instead of waiting for yearly dividends," Tan said.

[BRIEFS]

IJM awarded India turnkey contract

IJM (India) Infrastructure Ltd (IIMIL) has been awarded a turnkey contract by Housing Builders & Developers Pvt Ltd (HBDDL) to build 11 blocks of high-rise apartments in the city of New Delhi. The contract is valued at about 27 crore (US\$4.5 million). IIMIL is a wholly-owned subsidiary of IJM Corp Bhd.

Briefs

IJM gets RM555m turnkey contract in India

BRIEFING IJM (India) Infrastructure Ltd (IIMIL) has been awarded a turnkey contract by Housing Builders & Developers Pvt Ltd (HBDDL) to build 11 blocks of high-rise apartments in the city of New Delhi. The contract is valued at about 27 crore (US\$4.5 million).

In a statement on Wednesday, IJM said the contract involved the design, construction and marketing of a total of 11 blocks of high-rise residential and commercial units of about 1.1 million sq ft over an 18-month period.

Phase 1 of the contract was estimated at RM555 million and the development period was 17 months, while phase 2 comprised 1.8 million sq ft and the contract was estimated at RM555 million.

Catalyst for IJM moving forward

The company's performance is expected to enjoy further uplift, given its extensive projects and potential acquisitions.



IJM wins RM632m Pakistan contract

■ By Gai Yee Ching
Bd@pmp.com.my

TECHNOLOGY IJM Corp Bhd has won a contract worth RM632 million to build a 300-room hotel in Sandakan, Sabah. The hotel is part of a larger development project by the Sabah Development Corporation (SDC). The hotel is expected to be completed by 2010.

The hotel is part of a larger development project by the Sabah Development Corporation (SDC). The hotel is expected to be completed by 2010.

IJM Properties sees RM25b GDV for next 20 years

■ By Sharon Tan
sharon@pmp.com.my

PUCHONG IJM Corporation Bhd's property arm IJM Properties Sdn Bhd has estimated a gross development value (GDV) of RM25 billion stemming from mixed development projects locally that will last for the next 20 years.

to work with," he said, adding that IJM Properties also had projects in India, Vietnam and China, and would be concentrating on these markets for the moment.

He was speaking to reporters after a media preview of a latest project at the RM300 million Laman Cemerlang here yesterday.

3,577 sq ft and 4,521 sq ft priced at RM11.04 million and above.

The development comes with a 24-hour security service with a central monitoring system and a clubhouse.

Meanwhile, Tan said IJM Properties was planning to build a 300-room hotel in Sandakan to complement its development (at Bandar Utama Sandakan) there. It is believed that the hotel investment cost would amount to about RM50 million.

"We have already built a township there and the 300-room hotel will be our first foray (in the building of a hotel) for IJM," he said.

"We are not in the hotel business but we are building a hotel because we

see a value and need to complement the development," said Tan, stressing that the company was not about to start building a string of hotels.

Asked if IJM planned to operate the hotel, Tan said that it was keeping its options open although some parties had expressed their interest in running it.

"We have the experience to run a hotel but if there is an opportunity to realise its value, then it is only right to do so. We won't own a hotel for the sake of owning a hotel," he added.

IJM had owned a hotel in Sydney previously while RM Land Sdn Bhd, which is now part of IJM, owns The Holiday Villa in Johang.

WAVE RIDER

WAVE RIDER is a new concept in the real estate market. It is a semi-detached house with a swimming pool and a garden. The house is located in a prime location and is perfect for families or investors.

IJM Corp and sister firm post healthy profits

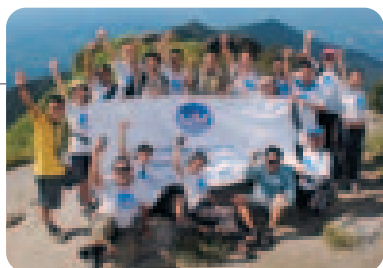
KL IJM Corp Bhd and its sister firm IJM Properties Sdn Bhd have both posted healthy profits for the first quarter of 2008. IJM Corp's first-quarter operational profit rose to RM228.34 million from RM90.8 million in the previous period, marking significant improvement when it received maiden profit contributions from Road Builder's New Pantai Expressway, Bontaya and port concessions.



MARCH '07

17 IJM Annual Dinner & Dance 2007 @ Sunway Resort Hotel & Spa

This year's theme was 'Musical Extravaganza' and over 1,800 staff were entertained with great food, lively performances and entertainment, awards and prize giving presentations. In addition, staff from various divisions: Construction, Properties, Industries, Plantations and Road Builders pitted against one another in the best performance competition, which was bagged by the Plantations Division.



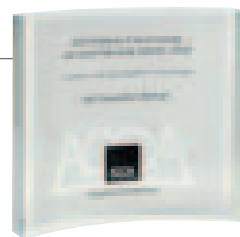
APRIL '07

13-15 Gunung Ledang Environmental Care

As part of the Company's Corporate Social Responsibility (CSR) effort to contribute to the betterment of society, about 100 employees from IJM Head Office, KL, JB and Penang offices spent 2 days to collect a whopping 110 bags of rubbish totaling 500 kg along the trails on Gunung Ledang. IJM also recorded the most rubbish collected by a corporate entity in the history of Gunung Ledang. The Company also donated cash, school aids, food and medicines to residents of Kampung Air Tawas orang asli settlement. The closing ceremony was graced by the guest-of-honor, DYAM Tunku Mahkota of Johor, Tunku Ibrahim Ismail Sultan Iskandar.

27 IJM Completed Acquisition of Road Builder Group

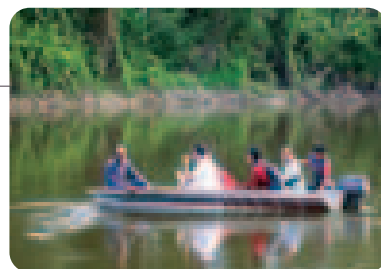
IJM completed its acquisition of the Road Builder Group and commenced the integration and rationalisation process of divisional operations, work processes and human capital.



MAY '07

3 ACCA MESRA 2006 @ Crowne Plaza Mutiara Hotel Kuala Lumpur

IJM garnered its inaugural CSR (Corporate Social Responsibility) award at the ACCA Malaysia Environmental and Social Reporting Awards (MESRA) 2006 Presentation Ceremony at the Crowne Plaza Mutiara Hotel Kuala Lumpur. The Group was accorded 2nd runner up in the Best Social Reporting in an Annual Report category.



9-11 Oxbow lake environmental studies @ Sabah

IJM Plantations Berhad (IJMP) conducted social-economic and environment studies in the areas surrounding oxbow lake 117 in collaboration with University Malaysia Sabah.

21-22 CLSA Corporate Access Forum in Singapore

IJM presented to various institutional investors over two days at a forum held at The Oriental, Singapore.

JUNE '07

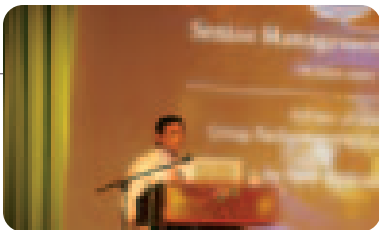
11-13 Domotex Middle East trade show

Expedient Resources Sdn Bhd (ERSB), a subsidiary of Industrial Concrete Products Berhad (ICP), participated in Domotex Middle East in Dubai. This trade show was a good avenue for ERSB to gain some market share in the Middle East as one of the fastest growing markets in the world.



21 Palm oil value chain awareness brief @ Sabah

IJMP conducted an awareness briefing on palm oil value chain for fund managers and market analysts.



25 Senior Management Dialogue @ Holiday Villa Hotel & Suites Subang

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



29 Donation of TPN Machine

IJM as part of its CSR initiative purchased the TPN machine and donated it to University Malaya Medical Centre (UMMC) in aid of Aniesa Alesya Jamalludin who having been born with a condition called Duodenal Arteria and Intrauterine Vulvulus, is dependent on intravenous feeding or total parental nutrient (TPN).



JULY '07

12 IJM 'One Family' 2007 @ Wet World Water Park

The enlarged IJM group came together for a family day outing themed "One Family" at the Wet World Water Park, Shah Alam. The crowd was treated to a fun-filled day of food, freebies, music, telematches and water games! The crowd had a great time chilling on the longest water slide in Asia, the Monsoon Buster.



AUGUST '07

5 NPE Adidas King of the Road 2007

For the first time in Malaysian history, the run was held along an elevated highway, the New Pantai Expressway (NPE) owned by IJM and attracted about 10,000 avid runners.

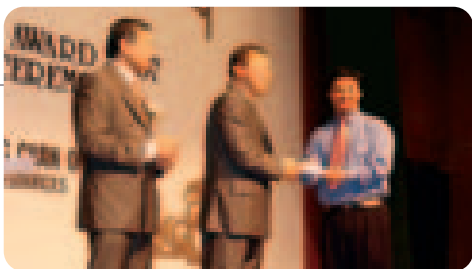


7 The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2007

Five IJM staff joined 580 people from 71 companies and sweated it out on a 4.5 km road race in downtown KL. The city centre saw a different scene during the evening peak hour as CEO's and executives in their power suits and work attire did their Edge-Bursa Malaysia Kuala Lumpur Rat Race 2007, as part of a symbolic gesture by corporations to fulfill their social responsibility by raising RM1.55 million for 20 charitable organisations. This year also marked the first "green" Rat Race, which took note of environmental concerns and ensured that environmental friendly initiatives were put in place throughout the event.

29 IJM AGM @ Holiday Villa Hotel & Suites Subang

IJM held its 23rd Annual General Meeting (AGM) at the Holiday Villa Hotel & Suites Subang and the shareholders approved resolutions to receive the audited financial statements FY 2007 and reappointed directors and auditors, amongst others.



30 IJM Scholarship Award 2007 @ Holiday Villa Hotel & Suites Subang

YB Datuk Seri Dr Fong Chan Onn, Minister of Human Resources officiated the IJM Scholarship Award 2007 Presentation Ceremony at the Holiday Villa Hotel & Suites Subang. IJM presented the Scholarship Awards to 20 recipients. Certificates of Completion were given to two of our South African graduate trainees - Julian and Owen, who concluded their training attachment with IJM. The Deputy High Commissioner of South Africa and two officials from the South African High Commission were also present to witness the ceremony.

SEPTEMBER '07

4 MICPA-Bursa Malaysia Business Forum 2007

Dato' Krishnan Tan joined 23 other professionals and speakers on various talks and presentations on 'Investment in Asia - Opportunities, Risks and Rewards' where he presented a talk entitled 'Case Study on India'.



27-28 Minister Visits the Plantations @ Sandakan, Sabah

The Honourable Minister of Plantation Industries and Commodities together with ministerial delegates visited our plantations.



29 KSIJM Closed Championship 2007/2008 American Pool

As part of Kelab Sukan IJM's sports activities, an American Pool Closed Championship comprising the Men's Singles and Women's Singles categories were held for its members at Amcorp Mall in Petaling Jaya.

OCTOBER '07

8 Commencement of Kapar Line 2 @ Selangor

ICP's Kapar Line 2 started operations and it was designed for piles of ø300mm to ø600mm. The average capacity is 160,000 tonnes per year.

18 Visit of MATS students

The MATS School of Business & IT Bangalore made a visit to IJM. The purpose of their visit was to learn of the diversified business scope of IJM, the management philosophy and corporate vision, exploitation of IT in IJM's handling of cross culture business entities and further emphasis on IJM's role and activity in India/Malaysia economic and business ties.

NOVEMBER '07

1 Taman Matang Jaya Road Rehabilitation Project

Kuang Rock Products Sdn Bhd (KRP), an indirect subsidiary of ICP, under the Bukit Lagong Quarry Committee contributed RM60,000 to rehabilitate the Taman Matang Jaya road for the welfare of the local community.



1 Blood Donation Campaign

A blood donation drive was organised at Wisma IJM together with University Malaya Medical Centre to build up the centre's blood supplies. A total of 75 bags of blood were collected on that day.



14 The Prime Minister's CSR Awards 2007

IJM received an Honourable Mention at the Prime Minister's Corporate Social Responsibility (CSR) Awards presentation. The Anugerah CSR Perdana Menteri 2007 awards are given in recognition of companies that carry out strong community and social responsibility projects under the seven categories; viz. Community & Social Welfare, Education, Environment, Best Workplace Practices, Small Company CSR, Culture & Heritage, and Media Reporting. IJM was among the top three under the Outstanding Work in Environment category, and was presented the commendation plaque by our Prime Minister Datuk Seri Abdullah Ahmad Badawi.

21 EGM for the Proposed Set-Off @ Holiday Villa Hotel & Suites Subang

Shareholders gave their approval for the Company to set-off the impairment to the Company's cost of investment in Road Builder (M) Holdings Bhd of up to RM922 million against an equivalent reduction of the share premium account of the Company, which is to be cancelled pursuant to sections 64 and 60(2) of the Companies Act 1965.



26 Topping-Up Ceremony @ Menara Bumiputra-Commerce, Kuala Lumpur

The topping-up ceremony marked the completion of the building structure by the laying of a concrete slab at the top floor of Menara Bumiputra-Commerce by our CEO & MD and Tan Sri Dato' Seri Haidar Mohamed Nor, Chairman of CIMB Bank. The 39-storey building is expected to house the new retail banking headquarters of the CIMB Group.

29 National Annual Corporate Report Awards (NACRA) 2007

IJM has retained the National Annual Corporate Report Award (NACRA) under the Industry Excellence category (Construction and Infrastructure Project Companies) for the fourth consecutive year at the NACRA 2007 Dinner & Award held at the Sime Darby Convention Centre.

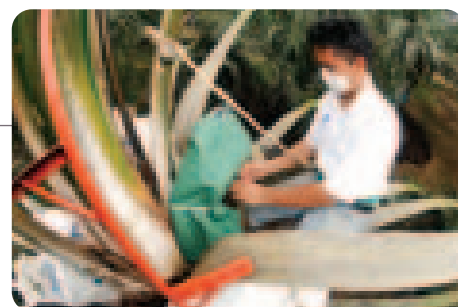




DECEMBER '07

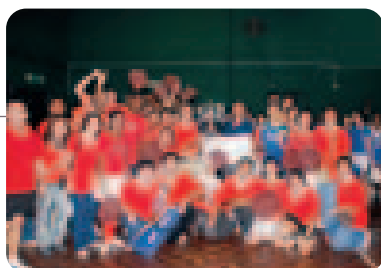
14 IJM Scholarship Get-Together

A gathering was organised for the IJM scholars and their appointed mentors who are IJM staff, to meet-up, discuss and provide guidance. The mentor-scholar programme was specially designed to guide IJM scholars from the time they start their tertiary education until they leave the Company.



15 Production of DxP oil palm seeds

IJMP commenced its inaugural DxP seed production using certified mother palms from Sijas seed garden.



14 IJM Inter-Group Games @ Petaling Jaya

A series of games such as darts, caroms, netball, volleyball, futsal and telematches to name a few, was organised from 14 December 2007 to 19 March 2008 for IJM staff based at Head Office, as part of the Kelab Sukan IJM's sports activities to promote a healthy and balanced work-play lifestyle. A total of 340 participants took part in the games.

16 Malaysian Construction Industry Excellence Award 2007 (International Achievement Award)

IJM was honored to be the recipient of the International Achievement Award during the Malaysian Construction Industry Excellence Award 2007, hosted by CIDB at the Putra World Trade Center, Kuala Lumpur. The Award was in recognition of the completion of the Elevated Viaduct on Barakhamba Road-Connaught Place-Dwarka Section of the New Delhi Metro in India.



21 Credit Suisse Investor Forum @ Hong Kong

IJM took part in the forum, with our CEO & MD spending the day in one-on-one meetings with foreign investors.



JANUARY '08

4 IJM New Year Bash 2008 @ Uncle Chilli's, PJ Hilton

Over 1,000 IJM staff around the Klang Valley gathered at Uncle Chilli's in PJ Hilton Hotel to celebrate a booming 2007 and usher in the New Year. They revelled with good food, drinks, music, laughter and dances; and were also entertained by a live band.

14-16 CLSA Asia Investors' Forum @ Las Vegas

IJM met with numerous US-based institutional investors via group presentations and individual meetings.



16 New oil palm nursery @ Kalimantan, Indonesia

IJMP established an oil palm nursery in Kalimantan as landmark to the Group's expansion into Indonesia.

FEBRUARY '08

14 Pakistan Project Contract Signing Ceremony @ Kuala Lumpur

IJM through its joint venture company, IM Technologies Pvt Ltd, has clinched a RM632 million contract to design and construct a 47-storey information technology complex in Karachi, Pakistan, which will be the tallest building in the country upon completion. This was sealed in a project contract signing ceremony between IM Technologies Pvt Ltd and Karachi Development Co Ltd in Kuala Lumpur, witnessed by the Karachi Mayor, Syed Mustafa Kamal.



19 Commencement of Building Supervision Training

Mr Eraldo Pagliarella and team gave a brief introduction on Holmesglen, the Institute of Technical and Further Education and its programmes. The building supervision training programme was designed to equip the participants with skills and knowledge related to the construction industry.

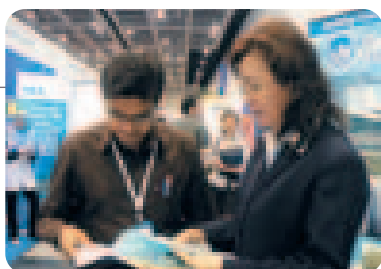


25 Oil palm business venture @ India

IJMP signed a JV agreement with Godrej Agrovets Limited paving the way for the Group's oil palm business venture in India.

26 Quality Management System Training @ KRP

Training on Quality Management System was conducted for KRP staff for the Certification of ISO 9001 : 2000.



28 February - 1 March '08

JobsDB.com Career Fair 2008 @ Kuala Lumpur

IJM participated in a career fair organised by JobsDB.com that was officially launched by the Deputy Minister of Higher Education, Y. Bhg. Datuk Ong Tee Keat at the Kuala Lumpur Convention Centre, to recruit new talents and promote the IJM brand among job seekers. A total of 3,000 guests visited the IJM booth and about 1,000 curriculum vitae were collected.

MARCH '08

7 Talk on Obstetrics & Gynaecology

A health awareness talk on obstetrics & gynaecology was held at Wisma IJM to brief the women staff on female health and hygiene care.



13 University Malaya Campus Recruitment

A campus recruitment drive was held at University Malaya in Petaling Jaya to enlist fresh graduates and promote IJM among the students. A total of 120 curriculum vitae were collected from the Engineering Faculty.

14 Talk on Stroke

Another health talk on stroke was organised at Wisma IJM, to give staff an overview of the stroke disease, its causes and symptoms, and the preventive measures that can be taken.

17 Interview with CNBC

Our CEO & MD was interviewed by CNBC for his views on the Malaysian business environment following the recent government elections.



25-26 Invest Malaysia 2008 @ Kuala Lumpur

The annual Invest Malaysia conference was, this year, jointly organised by Bursa Malaysia, Macquarie and AM Investment Banks. In addition to making investor presentations, our CEO & MD was also invited to be part of the luncheon panel to share his views on key developments in the country and construction sector.

31 March - 2 April '08

Credit Suisse Asian Investor Conference @ Hong Kong

IJM presented to numerous fund managers over a packed schedule of one-on-one meetings at the forum.



Organisation & Stewardship

20	Tribute to the Late Y. Bhg. Tan Sri Murad
22	Leadership Tribute
24	Group Organisation Chart
26	Board of Directors & Secretary
28	Profile of Directors
36	Profile of Senior Management



IJM's ability to continuously cultivate and groom a quality management and workforce is a leading factor in our success over the years.

Representing the seeds of the corporation, every IJM individual is ingrained with focus, motivation and expertise through investments in quality selection, training and a distinct work culture.

IJM leverages on the germinating potential of its human resources to constantly elevate our standards.

25 years of maximising potential

...the momentum continues

"Gone But Not Forgotten"

Y. Bhg. Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor,
our beloved Senior Independent Non-Executive Director,
passed away on 22 January 2008 at the age of 78.

Tan Sri had been ever supportive of the IJM Group when he served as the Senior Independent Non-Executive Director, and Chairman of various committees such as Audit, Nomination & Remuneration, and Securities & Options Committees. He was the longest serving non-executive director of the Group. During Tan Sri's tenure with IJM in the past 22 years, Tan Sri had played a prominent and exemplary role in maintaining a clear vision and direction for IJM, whilst safeguarding the interests of shareholders, and had contributed immensely to the growth of IJM Group.

Not only was Tan Sri a dedicated colleague and a sincere friend of the Board and Management team, Tan Sri was also a fellow citizen of enormous stature and capability in his outstanding accomplishments and contributions to the education profession, with a long and distinguished career in the education industry. He is well remembered for his jokes and at the same time, he was politically astute and well tuned to the current affairs. His demise is a great loss to the IJM Group and the profession as a whole.

We thank Tan Sri for his invaluable services and contributions toward the successes of the IJM Group. Our memories of Tan Sri will forever be cherished amongst all in IJM Group. The best tribute we can give to Tan Sri is to continue his vision for the long-term success of the IJM Group.



LEADERSHIP TRIBUTE

Following the formation of IJM through the merger of three local construction companies:

IGB Construction Sdn Bhd, Jurutama Sdn Bhd and Mudajaya Sdn Bhd... IJM has been under the esteemed leadership of committed and dedicated individuals. In conjunction with our 25th Anniversary, IJM dedicates these special pages as our tribute to honour the Chairmen, Managing Directors and Deputy Managing Directors of IJM for their unending support, contributions and guidance in bringing the Group to where it is today... *Thank you!!*

Chairman



**Tan Sri Dato' (Dr) Haji
Ahmad Azizuddin bin
Haji Zainal Abidin**

Started out as a civil servant and humbly rose to the ranks of Senator, Speaker of the Perak State Legislative Council, and State Assemblyman. Joined IJM Board as Chairman in 1984.

1984

Managing Director



Koh Boon Chor

One of the founding members of IJM, was Joint Managing Director of Mudajaya Sdn Bhd. Appointed the first Managing Director of IJM in 1984.

1988



Dato' Goh Chye Keat

One of the pioneers of the Group. An Executive Director of Jurutama Sdn Bhd and founding member of IJM. Started as Executive Director and received the 'Prominent Player Award 2003' conferred by the Construction Industry Development Board Malaysia. Made Group Managing Director in 1988.

1993

Deputy Managing Director



Lim Choong Kong

Co-founding member of IJM, was Managing Director of Jurutama Sdn Bhd. He was appointed the first Deputy Managing Director in 1984.



Chay Kwok Thong

Formerly from Mudajaya Sdn Bhd. Appointed the Group's second Deputy Managing Director in 1988 following Lim Choong Kong's retirement.

Following Chay Kwok Thong's retirement in 1993, the Group appointed two Deputy Managing Directors for the first time.

Joint Deputy Managing Directors



Dato' Krishnan Tan

Joined IJM as Financial Controller in 1983 and was appointed Alternate Director, Director and Deputy Managing Director.



Tan Sin Leong

Formerly an Engineer with Mudajaya Sdn Bhd. Appointed as Deputy Managing Director in 1993.



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

Faithfully served the Ministry of Works for 32 years before joining the IJM Board in 1996 and was appointed Chairman in 2003.

1997 1999 2003 2004 Present



Appointed Group Managing Director in 1997. He envisioned the Group's overseas foray into India and Middle East. Spearheaded the successful merger of IJM-Road Builder Group. Currently the longest serving Group Managing Director.

Redesignated
Chief Executive Officer &
Managing Director

Following the retirement of Choo Choon Yeow in 1999, Dato' Goh became the Deputy Group Managing Director of IJM.

Redesignated
Deputy Chief Executive Officer
& Deputy Managing Director



Dato' Goh Chye Koon

Joined IJM as a Senior Engineer in 1984 and later appointed as General Manager (Central Region) and Alternate Director before assuming the current position of Deputy Group Managing Director in 1997.



Choo Choon Yeow

Joined IJM as a Technical Manager in 1985. Subsequently, he was appointed Project Coordinator, Alternate Director and Deputy Group Managing Director in 1997.



Teh Kean Ming

Before joining IJM in 1989 as Project Manager, he was an Engineer/Site Manager in several projects. He was subsequently appointed Senior Manager (Project), Project Director, Group General Manager and Head of Properties Division in 2001.

He has been appointed Deputy Chief Executive Officer and Deputy Managing Director on 1 July 2008 following Dato' Goh Chye Koon's retirement on 29 June 2008.

GROUP ORGANISATION CHART

Group Support Services & International Ventures



Soo Heng Chin



Cyrus Eruch Daruwalla



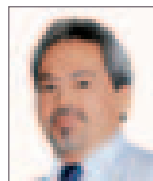
Jeremie Ting Keng Fui



Pook Fong Fee



Lee Chun Fai



Ng Chin Meng



Mohd Kamal bin Harun



Lyndon Alfred Felix



Colin Lee Eu Kong



Pang Mok Shyan



Wong Hong Fay



Tan Peng Kok



Ng Yoke Kian



Ahmad Nazmi bin Mohamed Ali



S. Ramesh a/l V. Subramaniam



Shane Guha Thakurta



Lynda Wong



Adam Eleod



Tan Joo Kee

Executive Committee

Audit Committee

Risk Management Committee

Cyrus Eruch Daruwalla

Internal Audit

Lyndon Alfred Felix

Nomination & Remuneration Committee

Securities & Options Committee

Company Secretary

Jeremie Ting Keng Fui

Board Of Directors

Group CEO & Managing Director
Dato' Krishnan Tan

Group Deputy CEO & Deputy Managing Director
Teh Kean Ming

Group Support Services

Divisions

Construction

Dato' Goh Chye Koon
Tan Gim Foo

Properties

Dato' Soam Heng Choon

Industries

Khor Kiem Teoh

Plantations

Velayuthan Tan

Infrastructure

International Ventures

Accounts & Finance

Cyrus Eruch Daruwalla (CFO)
Lee Chun Fai (Deputy CFO)

Business Development & New Ventures

Mohd Kamal bin Harun

Human Resources

Pang Mok Shyan

Investor Relations

Shane Guha Thakurta

Legal

Colin Lee Eu Kong

Quality, Health, Safety & Environment

Soo Heng Chin

Quality System

S. Ramesh a/l
V. Subramaniam

Health, Safety & Environment

Ahmad Nazmi
bin Mohamed Ali

Corporate Services & Administration

Jeremie Ting Keng Fui

Corporate Services

Ng Yoke Kian

Administration

Lynda Wong

Information Systems

Wong Hong Fay

Tolls

Neoh Soon Hiong

Ports

Wong Soon Fah

Argentina

Adam Eleod

India

Ng Chin Meng

Pakistan

Pook Fong Fee

Australia

Tan Joo Kee

Middle East

Pook Fong Fee

Vietnam

Tan Peng Kok

BOARD OF DIRECTORS & SECRETARY



left to right: Y. Bhg. Dato' (Dr) Megat Abdul Rahman Bin Megat Ahmad, Y. Bhg. Datuk Lee Teck Yuen, Y. Bhg. Datuk Oh Chong Peng, Tan Gim Foo, Y. Bhg. Tan Sri Abdul Halim Bin Ali, Hasni Bin Harun and Y. Bhg. Dato' Tan Boon Seng @ Krishnan



left to right: Y. Bhg. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman Bin Wan Yaacob, Y. Bhg. Dato' David Frederick Wilson, Y. Bhg. Dato' Goh Chye Koon, Teh Kean Ming, Y. Bhg. Datuk Yahya Bin Ya'acob, Soo Heng Chin and Jeremie Ting Keng Fui, Secretary

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

PSM, SPMT, DPMT, JSM, AMN

D.Eng.(h.c.) B'ham, FASc, FIEM, FICE, FIHT, FCIOB, P.Eng., C.Eng.

INDEPENDENT NON-EXECUTIVE CHAIRMAN

- 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 1993. 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 a Council member of The Road Engineering Association of Asia & Australia (REAAA), Past President of the Institution of Highways and Transportation (Malaysia Branch) and The Road Engineering Association of Malaysia (REAM). 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, NCB Holdings Berhad, Saujana Consolidated Berhad, MMC Corporation Berhad, Yayasan Proton and Northport (Malaysia) Berhad (Chairman).

Y. BHG. DATO' TAN BOON SENG @ KRISHNAN

SMS, DSPN

B.Econs(Hons), CPA(M), CA, MBA

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

- Executive Committee

Y. Bhg. Dato' Tan, born in December 1952, joined IJM as Financial Controller in 1983 and then 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.

His directorships in other public companies include IJM Plantations Berhad, Industrial Concrete Products Berhad, IJM Land Berhad (formerly known as RB Land Holdings Berhad) (Chairman), 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.





Y. BHG. DATO' GOH CHYE KOON

KMN, DSPN, JMN

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

EXECUTIVE DIRECTOR

- Executive Committee
- Securities & Options Committee

Y. Bhg. Dato' Goh, born in June 1949, was Deputy Group Managing Director of IJM since 1 January 1997 and was later redesignated Deputy Chief Executive Officer & Deputy Managing Director on 26 February 2004. He retired as the Deputy Chief Executive Officer & Deputy Managing Director on 29 June 2008 but remains as Executive Director to oversee the overseas' construction activities of the Group.

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 eleven (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, Road Builder (M) Holdings Bhd and Kumpulan Europlus Berhad.

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).



TEH KEAN MING

PKT

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

DEPUTY CHIEF EXECUTIVE OFFICER &
DEPUTY MANAGING DIRECTOR

Mr Teh, born in April 1955, was appointed Deputy Chief Executive Officer & Deputy Managing Director on 1 July 2008. He was the Alternate Director to Dato' Goh Chye Keat from 1 September 2005 to 16 August 2006 and Alternate Director to Dato' Goh Chye Koon from 16 August 2006 to 30 June 2008. He was the head of the Properties Division of IJM from 2001 to 2008. He is the Managing Director of IJM Properties Sdn Bhd since 1 January 2005.

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 Menara Maybank (1983-1987) and Area Engineer 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 and IJM Land Berhad (formerly known as RB Land Holdings Berhad).



SOO HENG CHIN

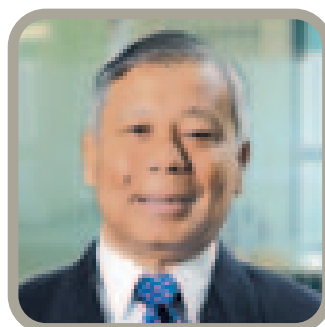
B.Eng.(Civil)(Hons), MIEM, MBA

SENIOR GENERAL MANAGER & EXECUTIVE DIRECTOR

- Executive Committee
- Securities & Options 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 Tender & Contracts, Procurement & Store, Plant & Workshop, Project Monitoring, Engineering Services and Quality, Health, Safety & 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. DATUK YAHYA BIN YA'ACOB

PJN, DIMP, JSM, KMN, SMP, PBS

B.A. (Hons), D.P.A. (Malaya), M.B.M. (Philippines)

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

- Nomination & Remuneration Committee
- Audit Committee
- Securities & Options 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 Malaysian 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. TAN SRI ABDUL HALIM BIN ALI

PMN, PJN, SPMS, SIMP, DGSM, DHMS, DSDK, JSM, KMN

BA (Hons), University of Malaya

INDEPENDENT NON-EXECUTIVE DIRECTOR

- Audit Committee

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

PJN, JSM

FCA

INDEPENDENT NON-EXECUTIVE DIRECTOR

- Nomination & Remuneration Committee
- 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 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 Alliance Financial Group Berhad (Chairman), British American Tobacco (Malaysia) Berhad, IJM Plantations Berhad, Kumpulan Europlus Berhad and Star Publications (Malaysia) 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 LEE TECK YUEN

PJN

B.Sc. (Hons) (Civil Eng. & BA)(Hons)

NON-EXECUTIVE DIRECTOR

- Nomination & Remuneration Committee

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), IJM Land Berhad (formerly known as RB Land Holdings Berhad), 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**

DIMP

MA (Mech.Sc), BA (Mech.Sc)

NON-EXECUTIVE DIRECTOR

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 system 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).



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

DSDK

Bachelor of Commerce, FCA (AUST)
NON-EXECUTIVE DIRECTOR

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 to 1994. 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, Mardec Berhad, BH Insurance (M) Berhad, Zelan Berhad and UAC Berhad. He is also a Trustee of Yayasan Tenaga Nasional.



HASNI BIN HARUN

B. Acc (Hons), CA, MBA
NON-EXECUTIVE DIRECTOR

Encik Hasni, born in June 1957, was appointed Director on 21 April 2008 and is a representative of Zelan Berhad. He was the Alternate Director to A.K. Feizal Ali from 9 May 2007 to 21 April 2008.

He graduated with a Bachelor of Accounting (Honours) degree from the University of Malaya in 1979, 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 Chief Executive Officer Malaysia of MMC Corporation Berhad (MMC) and having been its Group Chief Operating Officer from January 2007 to February 2008. Prior to joining MMC, he was the Group Chief Financial Officer of DRB-Hicom Berhad (2006), 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 MMC, Zelan Berhad, Johor Port Berhad, Malakoff Corporation Berhad and MMC Engineering Group Berhad.



TAN GIM FOO

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

ALTERNATE DIRECTOR TO MR SOO HENG CHIN

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.

Note:

1. There are no family relationship between the Directors and/or major shareholders of the Company.
2. All Directors are Malaysians except for Dato' David Frederick Wilson who is a British national.
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.

KHOR KIEM TEOH

B.Civil Engineering

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

Mr Khor, born in August 1958, is the Chief Executive Officer & Managing Director of Industrial Concrete Products Berhad ("ICP") since 5 November 2007.

He graduated from Auburn University, Alabama, USA with a Bachelor of Science degree majoring in Civil Engineering in 1981. Upon graduation, he joined Jurutera Konsultant (SEA) Sdn Bhd, an engineering consultancy firm as an engineer. He was involved in the design of the North-South Expressway.

He joined ICP in 1984 as a Sales Engineer and was promoted to Sales Manager in 1993. He was Deputy General Manager in 2002 and then General Manager in 2003. On 17 August 2004, he was appointed as Chief Operating Officer and as Alternate Director to Mr Lim Yong Keat. He resigned as Alternate Director to Mr Lim Yong Keat on 21 September 2005. He was appointed as Executive Director of ICP on 16 August 2006.



DATO' SOAM HENG CHOON

B.Sc. (Civil Eng)(Hons)

MANAGING DIRECTOR (IJM LAND BERHAD, FORMERLY KNOWN AS RB LAND HOLDINGS BERHAD)

Dato' Soam, born in August 1959, is the Managing Director of IJM Land Berhad (formerly known as RB Land Holdings Berhad) since 2006. He is also the Executive Director of RB Land Sdn Bhd since 1998.

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 DIRECTOR & MANAGING DIRECTOR (IJM PLANTATIONS BERHAD)

Mr Velayuthan, born in May 1954, has been the Head of IJM Plantations Division since 1990, 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 Corporation Berhad 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 Corporation Berhad from 17 May 2001 to 21 May 2003.

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



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 and a member of the Malaysian Institute of Engineers.

After a short stint working in Australia, he returned to Malaysia and worked in various major Malaysian consulting firms and 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 initiated strategic business joint venture partnerships which resulted IJM (India) Infrastructure Limited ("IJMII") being recognised as a Construction major in India. He is currently the Executive Director of IJMII.



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 and Chief Executive Officer of Lebuhraya Kajang-Seremban Sdn Bhd on 6 July 2007.

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 Operations Director of IJM Construction Sdn Bhd.

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.



JEREMIE TING KENG FUI

FCIS, MBA

COMPANY SECRETARY

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

He is also the Company Secretary of Industrial Concrete Products Berhad, IJM Plantations Berhad and IJM Land Berhad (formerly known as RB Land Holdings 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 a member of its Audit Committee. He was MAICSA President for 2004 and has served as Council Member from 1994 to 2004 and 2007. 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 the Board of Kumpulan Europlus Berhad and Talam Corporation Berhad.

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

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 made the Financial Director of IJM since 1998 and was the head of the Finance & Accounts Department before his retirement in 2006. He was also the Chairman of IJM Group Risk Management Committee upon its inception in 2002. 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

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53	Employees and Productivity



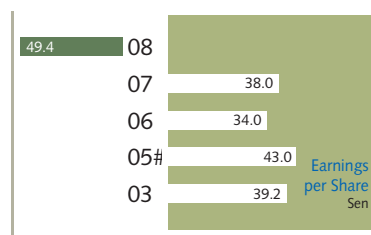
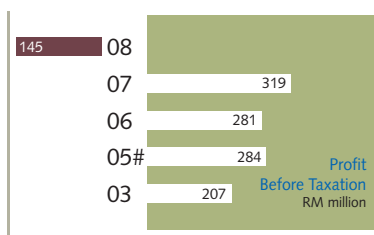
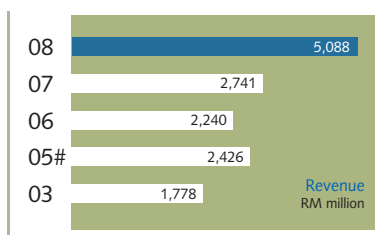
At IJM, our commitment is to continuous growth. In every project we undertake, the ultimate aim is to create an impact that will dynamically emerge new opportunities for the future. Through foresight and steadfastness, we have created ripples in every industry we venture into by delivering excellence and positively contributing to the communities and the environments within which we operate.

*25 years
of
impacting
the future*



...the momentum continues

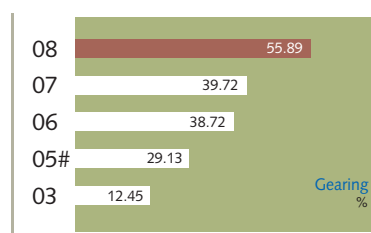
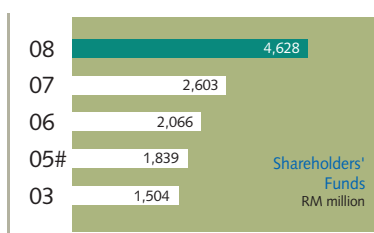
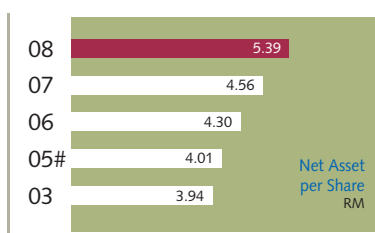
GROUP FINANCIAL HIGHLIGHTS



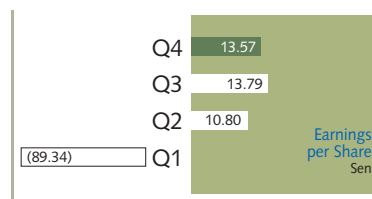
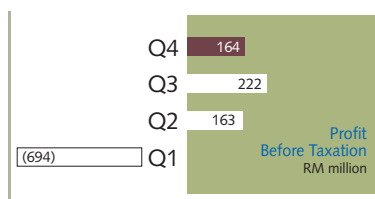
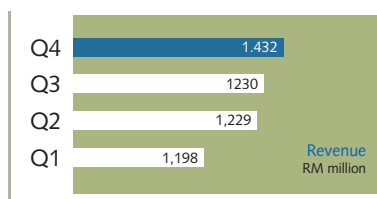
		2008	2007	2006	2005#	2003
OPERATING REVENUE (N1)	RM'000					
Construction		2,353,153	1,126,246	816,142	1,172,157	1,132,274
Property development		991,027	499,594	517,224	478,842	204,378
Industries		871,995	715,600	538,970	513,595	222,847
Plantation		527,703	302,816	270,877	157,030	152,383
Infrastructure		305,019	63,188	60,876	60,493	34,675
Investment & Others		39,148	33,144	36,309	43,922	31,012
		5,088,045	2,740,588	2,240,398	2,426,039	1,777,569
PROFIT BEFORE TAX	RM'000					
Construction		165,558	120,425	103,102	110,784	101,596
Property development		107,043	77,177	95,619	88,001	35,774
Industries		118,858	73,740	49,406	57,491	20,889
Plantation		191,151	57,106	52,122	32,065	34,853
Infrastructure		88,603	(22,946)	(14,214)	(2,668)	4,526
Investment & Others		(816,061)	13,427	(4,536)	(1,864)	9,162
		(144,848)	318,929	281,499	283,809	206,800
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	RM'000	(420,467)	194,336	160,433	185,486	145,724
ISSUED SHARE CAPITAL	RM'000	859,314	570,327	479,931	458,654	382,276
SHAREHOLDERS' FUNDS	RM'000	4,628,250	2,602,922	2,066,052	1,838,579	1,504,453
TOTAL ASSETS	RM'000	11,148,413	6,038,809	4,609,596	3,449,455	2,562,484
EARNINGS PER SHARE (Basic)	Sen	(49.44)	38.0	34.0	43.0	39.2
GROSS DIVIDEND PER SHARE	Sen	—	15.0	15.0	15.0	15.0
CAPITAL DISTRIBUTION	Sen	—	—	—	—	37.0
NET ASSETS PER SHARE	RM	5.39	4.56	4.30	4.01	3.94
RETURN ON TOTAL ASSETS	%	(3.77)	3.22	3.48	5.38	5.69
RETURN ON EQUITY	%	(9.08)	7.47	7.77	10.09	9.69
GEARING (Net Debt/Equity)	%	55.89	39.72	38.72	29.13	12.45
SHARE PRICE						
High	RM	9.35	9.50	5.55	5.15	5.35
Low	RM	4.90	5.15	4.10	4.36	3.98
Closing	RM	6.10	8.65	5.10	4.80	4.66
WARRANT 2005/2010 & 2000/2004* PRICE						
High	RM	4.460	4.600	0.835	2.16*	2.50*
Low	RM	1.080	0.685	0.250	1.60*	1.26*
Closing	RM	1.820	3.860	0.685	N/A*	1.76*

N1 Including share of associate and joint venture's revenue

Represents 15 months ended 31 March 2005

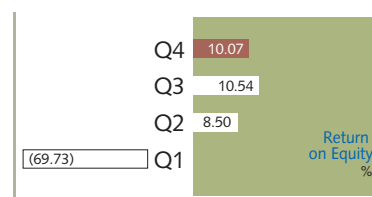
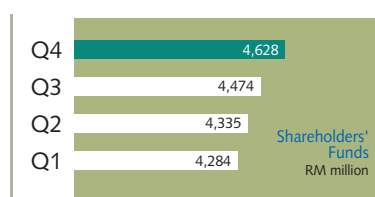
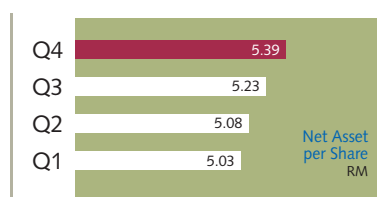


GROUP QUARTERLY PERFORMANCE



		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
OPERATING REVENUE (N1)	RM'000				
Construction		624,796	572,385	589,748	566,224
Property development		194,310	215,393	194,536	386,788
Industries		195,390	215,406	216,344	244,855
Plantation		106,020	131,792	160,362	129,529
Infrastructure		75,934	89,894	66,424	72,767
Investment & Others		1,389	3,647	2,282	31,830
		1,197,839	1,228,517	1,229,696	1,431,993
PROFIT BEFORE TAX	RM'000				
Construction		52,150	52,383	37,541	23,484
Property development		21,570	17,414	38,452	29,607
Industries		25,039	26,909	33,182	33,728
Plantation		17,226	52,165	68,114	53,646
Infrastructure		8,945	8,237	7,660	63,761
Investment & Others		(818,847)	5,796	36,754	(39,764)
		(693,917)	162,904	221,703	164,462
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	RM'000	(746,895)	92,070	117,884	116,474
ISSUED SHARE CAPITAL	RM'000	851,787	853,285	855,825	859,314
SHAREHOLDERS' FUNDS	RM'000	4,284,453	4,335,041	4,474,085	4,628,250
TOTAL ASSETS	RM'000	10,652,892	11,078,372	11,130,192	11,148,413
EARNINGS PER SHARE (Basic)	Sen	(89.34)	10.80	13.79	13.57
GROSS DIVIDEND PER SHARE	Sen	—	—	—	—
NET ASSETS PER SHARE	RM	5.03	5.08	5.23	5.39
RETURN ON TOTAL ASSETS (Annualised)	%	(28.04)	3.32	4.24	4.18
RETURN ON EQUITY (Annualised)	%	(69.73)	8.50	10.54	10.07
SHARE PRICE					
High	RM	9.35	8.85	9.00	8.90
Low	RM	7.95	5.80	7.50	4.90
Close	RM	8.35	7.95	8.60	6.10
WARRANT 2005/2010 PRICE					
High	RM	4.460	3.900	3.940	4.080
Low	RM	3.580	2.200	2.600	1.080
Close	RM	3.600	3.000	3.720	1.820

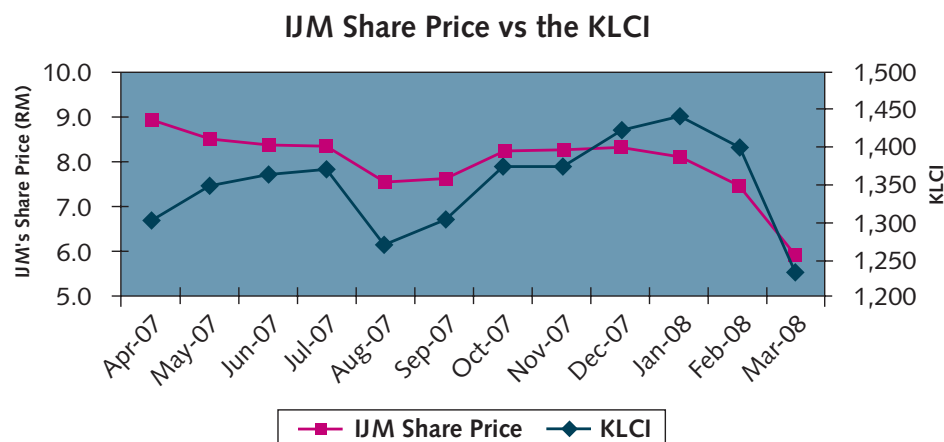
N1 Including share of associate and joint venture's revenue



STATEMENT OF VALUE ADDED & DISTRIBUTION

	2008 RM'000	2007 RM'000
<u>Value added :</u>		
Revenue	4,637,172	2,311,234
Purchases of goods & services	(3,323,483)	(1,694,052)
Value added by the Group	1,313,689	617,182
Share of profits of associates	14,638	13,085
Share of profits/(losses) of jointly controlled entities	3,857	(6,485)
Other investment income	—	137
Total value added	1,332,184	623,919
<u>Distribution :</u>		
To employees		
- Salaries & other staff costs	240,210	156,211
To Governments		
- Taxation	155,314	78,820
To providers of capital		
- Dividends	31,542	83,400
- Finance costs	157,459	72,289
- Minority interest	120,305	45,773
Retained for future reinvestment & growth		
- Depreciation and amortisation	138,503	76,274
- Goodwill impairment	940,860	216
- (Accumulated losses)/retained profits	(452,009)	110,936
Total Distributed	1,332,184	623,919
Value added is a measure of wealth created. The above statement shows the Group's value added for 2008 and 2007 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.		
<u>Reconciliation</u>		
(Loss)/profit for the year	(420,467)	194,336
Add : Depreciation and amortisation	138,503	76,274
Goodwill impairment	940,860	216
Finance costs	157,459	72,289
Staff costs	240,210	156,211
Taxation	155,314	78,820
Minority interest	120,305	45,773
Total value added	1,332,184	623,919

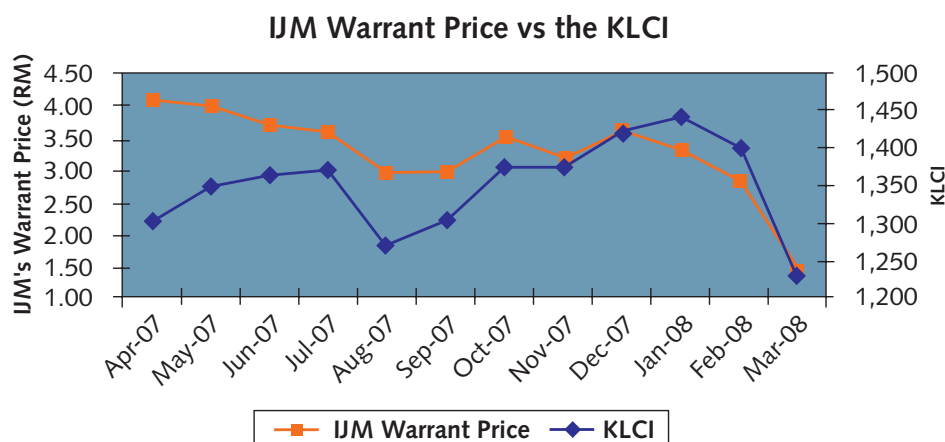
A. IJM Share Price vs the KLCI



IJM's share price (stock code: 3336) advanced moderately into the first 4 months of FY 2008 due to a perceived lack of news flow as the Company deliberately held back on new job intakes to concentrate on executing its sizeable order book and on swiftly integrating its merger with Road Builder (M) Holdings Bhd. In August and September 2007, heightened concerns over US sub-prime mortgage defaults and debt market turmoil caused steep declines in the KLCI and other global equity indices and resulted in IJM's share price retracing by approximately 10%. A modest recovery ensued between October to December as a result of the US Federal Reserve's aggressive cut in interest rates and various administrative measures taken by the US Government to arrest contagion effects of the US sub-prime loan woes. In the fourth quarter of FY 2008, however, IJM's share price declined sharply due to weakened investor sentiment for the domestic construction sector and surprise results of Malaysia's 8th General Election.

Firmly believing in the Company's inherent fundamentals, positive divisional prospects and steady overseas prowess, management initiated a share buyback exercise between 14th to 19th March for 346,700 shares at prices ranging from RM4.90 to RM5.30, following the abrupt decline in its share price. As depicted in the chart below, IJM's monthly volume weighted average share price traded above RM7.50 for all of FY 2008 except for February and March. IJM's share price ended the financial year at RM6.10, 29.5% lower than RM8.65 a year ago.

B. IJM Warrant 2005/2010 Price vs the KLCI



IJM's warrant price (stock code: 3336wb) very closely echoed the performance of its mother share during the year. At the end of the financial year, IJM's warrant price closed at RM1.82, recording a decrease of 52.8% from RM3.86 a year ago, and a return of 3,540% over its issue price of RM0.05 in July 2005.

C. IJM Medium Term Notes 2005/2010

As a further endorsement to IJM's solid financial position, MARC has upgraded IJM's corporate debt rating to "AA-" in March 2008 from "A+" a year back while its short term rating has been reaffirmed at MARC-1. The rating upgrade reflects the Group's strong operating financial performance, its enhanced financial profile following its merger with Road Builder (M) Holdings Bhd, and a strong diversified earnings base supportive of continued future growth in its latest annual review.

Details of the medium term notes are disclosed in Note 17 to the *Financial Statements*.



FINANCIAL CALENDAR

Financial Year End		31 March 2008
Announcement of Results	1st Quarter	29 August 2007
	2nd Quarter	28 November 2007
	3rd Quarter	26 February 2008
	4th Quarter	27 May 2008
Notice of Annual General Meeting		30 July 2008
Annual General Meeting		26 August 2008

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:

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Investor Relations Manager
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ANALYSES OF SHAREHOLDINGS & WARRANTHOLDINGS

...the momentum continues

I. ANALYSIS OF SHAREHOLDINGS as at 30 June 2008

Authorised Share Capital	: RM3,000,000,000
Issued & paid-up Capital	: RM859,438,224*
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

*inclusive of 1,590,200 treasury shares

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	Number of Shares	Percentage of Issued Capital
Less than 100	197	6,316	0.00%
100 - 1,000	2,402	1,920,331	0.22%
1,001 - 10,000	3,078	11,055,364	1.29%
10,001 - 100,000	665	22,686,457	2.64%
100,001 to less than 5% of issued shares ⁽¹⁾	371	477,545,996	55.67%
5% and above of issued shares	4	344,633,560	40.18%
	6,717	857,848,024	100.00%

⁽¹⁾ excluding 1,590,200 shares bought-back by the Company and retained as treasury shares as at 30 June 2008

REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Number of Shares		Percentage of Issued Capital
	Direct	Deemed Interests	
1. Employees Provident Fund Board	169,518,290	–	19.761%
2. Zelan Berhad	82,334,362	–	9.598%
3. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	58,081,744	–	6.771%
4. Emerging Markets Growth Fund, Inc.	48,746,514	–	5.682%

THIRTY LARGEST SHAREHOLDERS

	Number of Shares	Percentage of Issued Capital
1. EMPLOYEES PROVIDENT FUND BOARD	141,614,690	16.51%
2. ZELAN BERHAD	82,334,362	9.60%
3. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)	62,602,764	7.30%
4. AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD SKIM AMANAH SAHAM BUMIPUTERA PERMODALAN NASIONAL BERHAD	58,081,744	6.77%
5. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR J.P. MORGAN BANK LUXEMBOURG S.A	27,957,150	3.26%
6. AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD AMANAH SAHAM WAWASAN 2020 PERMODALAN NASIONAL BERHAD	25,424,300	2.96%
7. HSBC NOMINEES (ASING) SDN BHD BNY BRUSSELS FOR JF ASEAN FUND	15,500,000	1.81%
8. CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND HG22 FOR SMALLCAP WORLD FUND, INC.	15,047,000	1.75%
9. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.K.)	13,227,600	1.54%

THIRTY LARGEST SHAREHOLDERS (cont'd)

	Number of Shares	Percentage of Issued Capital
10. KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	11,595,100	1.35%
11. CITIGROUP NOMINEES (TEMPATAN) SDN BHD CMS ASSET MANAGEMENT SDN BHD FOR EMPLOYEES PROVIDENT FUND	11,386,000	1.33%
12. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HBFS-I CLT ACCT)	9,708,800	1.13%
13. VALUECAP SDN BHD	9,518,600	1.11%
14. AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD AMANAH SAHAM DIDIK PERMODALAN NASIONAL BERHAD	9,050,500	1.06%
15. HSBC NOMINEES (ASING) SDN BHD TNTC FOR SAUDI ARABIAN MONETARY AGENCY	8,866,500	1.03%
16. PERMODALAN NASIONAL BERHAD	8,616,700	1.00%
17. CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AMERICAN INTERNATIONAL ASSURANCE BERHAD	8,350,250	0.97%
18. AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD AMANAH SAHAM MALAYSIA PERMODALAN NASIONAL BERHAD	8,087,900	0.94%
19. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.A.E.)	7,765,647	0.91%
20. CARTABAN NOMINEES (ASING) SDN BHD INVESTORS BANK AND TRUST COMPANY FOR ISHARES, INC.	6,256,800	0.73%
21. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MORGAN STANLEY & CO. INCORPORATED	6,151,500	0.72%
22. MINISTER OF FINANCE AKAUN JAMINAN PINJAMAN KERAJAAN PERSEKUTUAN	6,095,250	0.71%
23. MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	5,909,000	0.69%
24. CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS FUND	5,666,500	0.66%
25. HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,705,950	0.55%
26. PERTUBUHAN KESELAMATAN SOSIAL	4,428,500	0.52%
27. CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND C021 FOR COLLEGE RETIREMENT EQUITIES FUND	4,324,350	0.50%
28. CARTABAN NOMINEES (ASING) SDN BHD STATE STREET LUXEMBOURG FUND 9T02 FOR EMERGING MARKETS HIGH VALUE TILFONDS	4,174,800	0.49%
29. CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND HG19 FOR GLOBAL SMALL CAPITALIZATION (AM FUNDS INS SR)	4,165,000	0.49%
30. CITIGROUP NOMINEES (ASING) SDN BHD CHASE MANHATTAN TRUSTEES LIMITED FOR PACIFIC TRUST (CBLDN)	4,109,000	0.48%
	590,722,257	68.87%

II. ANALYSIS OF WARRANTHOLDINGS as at 30 June 2008

Warrants 2005/2010 : RM22,161,101 outstanding

DISTRIBUTION OF WARRANTHOLDINGS

Range of Warrantholdings	Number of Warrantholders	Number of Warrants	Percentage of Outstanding Warrants
Less than 100	9	392	0.00%
100 - 1,000	747	433,544	1.96%
1,001 - 10,000	564	2,221,515	10.02%
10,001 - 100,000	179	5,409,450	24.41%
100,001 - to less than 5% of issued warrants	34	9,977,200	45.02%
5% and above of issued warrants	3	4,119,000	18.59%
	1,536	22,161,101	100.00%

THIRTY LARGEST WARRANTHOLDERS

	Number of Warrants	Percentage of Outstanding Warrants
1. RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE TECK YUEN (MLK)	1,500,000	6.77%
2. WONG KOK HOI	1,479,000	6.67%
3. VAST UPTREND COMPANY SDN BHD	1,140,000	5.14%
4. GENERAL TECHNOLOGY SDN BHD	1,106,700	4.99%
5. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HBFS-I CLT ACCT)	1,090,000	4.92%
6. SOW HUEY SHAN	1,000,000	4.51%
7. RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BRYAN NICHOLAS LEE MUN HEI (MLK)	700,000	3.16%
8. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	582,000	2.63%
9. TAN BOON SENG @ KRISHNAN	479,100	2.16%
10. LOW HONG IMM	474,600	2.14%
11. LEE SEAN LOON	410,000	1.85%
12. SAI YEE @ SIA SAY YEE	301,100	1.36%
13. CITIGROUP NOMINEES (ASING) SDN BHD CBHK FOR KUWAIT INVESTMENT AUTHORITY (FUND 208)	248,200	1.12%
14. LOY BOON CHEN	230,700	1.04%
15. GLENDALE CORPORATION SDN BHD	229,900	1.04%
16. SOO HENG CHIN	220,000	0.99%
17. CHOO YOKE KUEN	204,000	0.92%
18. AMANAH RAYA BERHAD CIMB-PRINCIPAL EQUITY AGGRESSIVE FUND 1	203,400	0.92%
19. TM ASIA LIFE MALAYSIA BHD. AS BENEFICIAL OWNER (PF)	177,000	0.80%
20. TING KENG FUI	165,000	0.74%

THIRTY LARGEST WARRANTHOLDERS (cont'd)

	Number of Warrants	Percentage of Outstanding Warrants
21. KE-ZAN NOMINEES (TEMPATAN) SDN. BHD. KIM ENG SECURITIES PTE. LTD. FOR WONG YUE JEEN	160,400	0.72%
22. LAU WATT HONG	158,600	0.72%
23. A.A. ANTHONY NOMINEES (ASING) SDN BHD APS ASSET MANAGEMENT PTE LTD FOR KESLER HOLDINGS LTD	153,000	0.69%
24. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)	148,600	0.67%
25. HDM NOMINEES (TEMPATAN) SDN BHD UOB KAY HIAN PTE LTD FOR CHEN JOON LEE (MARGIN)	140,000	0.63%
26. GAN LAY HAR	139,600	0.63%
27. WANG HOOI MEI	137,100	0.62%
28. CITIGROUP NOMINEES (ASING) SDN BHD UBS AG HONG KONG FOR MRS SUWANNA SRIPUNPORN LEE	128,800	0.58%
29. MAH TECK OON	120,000	0.54%
30. HLB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LOW HONG IMM	120,000	0.54%
	13,346,800	60.21%

III. DIRECTORS' SHAREHOLDINGS & WARRANTHOLDINGS

A. DIRECTORS' SHAREHOLDINGS & WARRANTHOLDINGS IN IJM CORPORATION BERHAD

as at 30 June 2008

Name of Directors	Number of Shares Direct	Deemed	Percentage of Issued Capital	Number of Warrants Direct	Deemed	Percentage of Outstanding Warrants
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	50,000	—	0.006%	—	—	—
Dato' Tan Boon Seng @ Krishnan	954,600	100,000	0.123%	501,900	—	2.265%
Teh Kean Ming	20,000	42,000 ²	0.007%	97,000	5,000 ²	0.460%
Soo Heng Chin	80,400	—	0.009%	273,400	—	1.234%
Dato' Goh Chye Koon	298,712	—	0.035%	113,000	—	0.510%
Datuk Yahya bin Ya'acob	50,000	—	0.006%	—	—	—
Tan Sri Abdul Halim Bin Ali	—	—	—	—	—	—
Datuk Oh Chong Peng	—	—	—	—	—	—
Datuk Lee Teck Yuen	—	—	—	—	2,200,000 ¹	9.927%
Dato' David Frederick Wilson	—	—	—	—	—	—
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	—	—	—	—	—	—
Hasni Bin Harun	—	—	—	—	—	—
Tan Gim Foo	—	—	—	10,000	—	0.045%

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 2008

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	–	–
Teh Kean Ming	35,000	1.145%
Soo Heng Chin	–	–
Dato' Goh Chye Koon	550,000	17.989%
Datuk Yahya bin Ya'acob	–	–
Tan Sri Abdul Halim Bin Ali	–	–
Datuk Oh Chong Peng	100,000	3.270%
Datuk Lee Teck Yuen	–	–
Dato' David Frederick Wilson	–	–
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	–	–
Hasni Bin Harun	–	–
Tan Gim Foo	–	–

C. DIRECTORS' SHAREHOLDINGS AND OPTIONS OF EMPLOYEE SHARE OPTION SCHEME IN INDUSTRIAL CONCRETE PRODUCTS BERHAD as at 30 June 2008

Name of Directors	Number of Shares Direct	Deemed	Percentage of Issued Capital	Number of Options	Percentage of Outstanding Options
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	–	–	–	–	–
Dato' Tan Boon Seng @ Krishnan	762,000	901,200 ¹	0.453%	–	–
Teh Kean Ming	50,000	30,000	0.022%	–	–
Soo Heng Chin	–	–	–	–	–
Dato' Goh Chye Koon	84,400	–	0.023%	–	–
Datuk Yahya bin Ya'acob	–	–	–	–	–
Tan Sri Abdul Halim Bin Ali	–	–	–	–	–
Datuk Oh Chong Peng	–	–	–	–	–
Datuk Lee Teck Yuen	–	–	–	–	–
Dato' David Frederick Wilson	–	–	–	–	–
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	–	–	–	–	–
Hasni Bin Harun	–	–	–	–	–
Tan Gim Foo	–	–	–	–	–

Note:-

*¹ Through a family member

D. DIRECTORS' SHAREHOLDINGS AND OPTIONS OF EMPLOYEE SHARE OPTION SCHEME IN IJM PLANTATIONS BERHAD as at 30 June 2008

Name of Directors	Number of Shares		Percentage of Issued Capital	Number of Options	Percentage of Outstanding Options
	Direct	Deemed			
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	–	–	–	–	–
Dato' Tan Boon Seng @ Krishnan	505,879	277,879 ¹	0.123%	–	–
Teh Kean Ming	30,000	–	0.005%	–	–
Soo Heng Chin	22,000	–	0.003%	–	–
Dato' Goh Chye Koon	153,484	–	0.024%	–	–
Datuk Yahya bin Ya'acob	–	–	–	–	–
Tan Sri Abdul Halim Bin Ali	–	–	–	–	–
Datuk Oh Chong Peng	70,000	–	0.011%	–	–
Datuk Lee Teck Yuen	–	–	–	–	–
Dato' David Frederick Wilson	–	–	–	–	–
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	–	–	–	–	–
Hasni Bin Harun	–	–	–	–	–
Tan Gim Foo	–	–	–	–	–

Note:-

*¹ Through a family member

E. DIRECTORS' SHAREHOLDINGS IN IJM LAND BERHAD (FORMERLY KNOWN AS RB LAND HOLDINGS BERHAD) as at 30 June 2008

Name of Directors	Number of Shares		Percentage of Issued Capital
	Direct	Deemed	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	–	–	–
Dato' Tan Boon Seng @ Krishnan	–	–	–
Teh Kean Ming	–	–	–
Soo Heng Chin	–	–	–
Dato' Goh Chye Koon	–	–	–
Datuk Yahya bin Ya'acob	–	–	–
Tan Sri Abdul Halim Bin Ali	10,000	–	0.002%
Datuk Oh Chong Peng	–	–	–
Datuk Lee Teck Yuen	–	3,932,000 ¹	0.692%
Dato' David Frederick Wilson	–	–	–
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	–	–	–
Hasni Bin Harun	–	–	–
Tan Gim Foo	–	–	–

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.

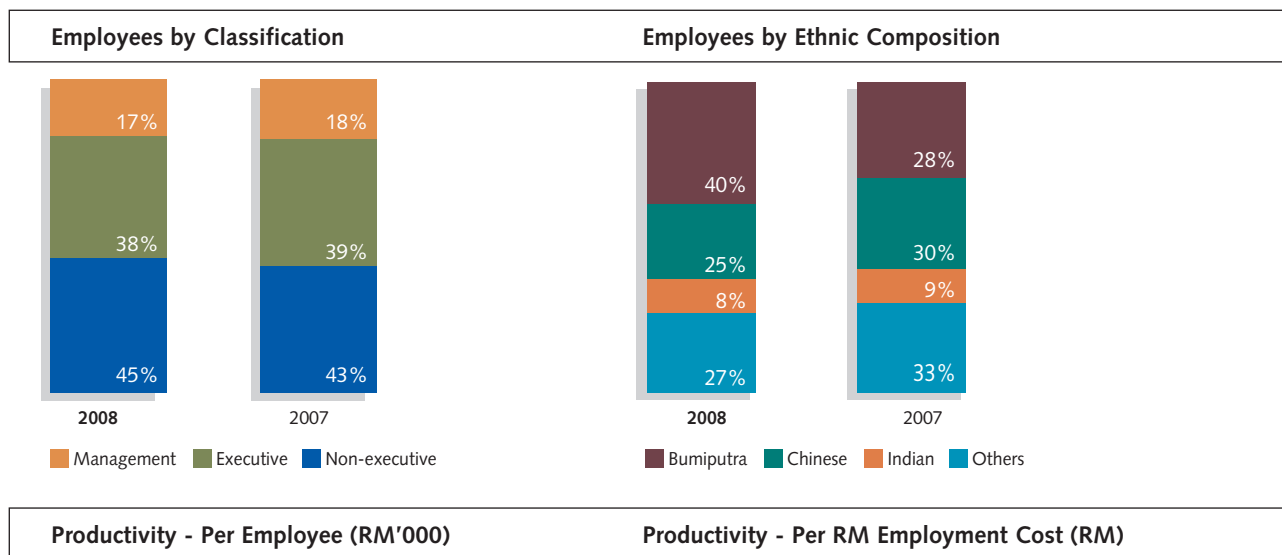
EMPLOYEES & PRODUCTIVITY

...the momentum continues

	2008 '000	2007 '000
(a) Employees as at 31 March:-		
Employees by Classification		
- Management	722	471
- Executive	1,647	1,047
- Non-executive	1,945	1,156
	4,314	2,674
Employees by Ethnic Composition		
- Bumiputra	1,708	760
- Chinese	1,090	814
- Indian	337	240
- Others	1,179	860
	4,314	2,674
(b) Productivity:- (N1)		
Revenue - per employee (in RM'000)	1,327	937
- per RM employment cost (in RM)	19.30	14.80
PBT - per employee (in RM'000) (N2)	228	129
- per RM employment cost (in RM) (N2)	3.31	2.04
Value added - per employee (in RM'000)	381	253
- per RM employment cost (in RM)	5.55	3.99

(N1) Based on average number of employees during the year


(N2) Excluding the impairment of goodwill





Business Review & Reports

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The fruit of our labours
is not an end to itself
but rather the beginning
of a new generation of
growth. That's the
philosophy of sustainability
that has guided us through
the last 25 years and
continues to be the beacon
of growth for the future.
In tune with the changing
world and emerging needs,
IJM ensures that it dedicates
a portion of its harvest as an
investment for the future.

*25 years
of
nurturing
sustainability*



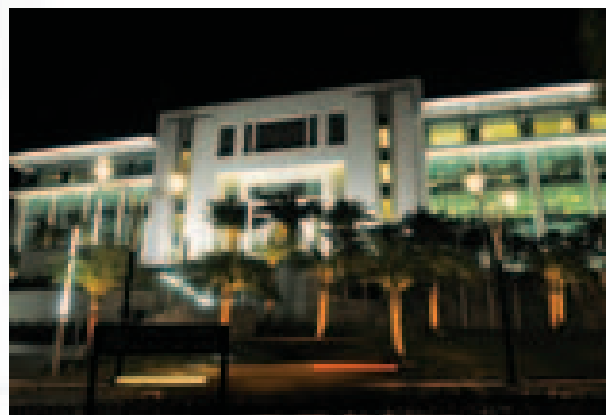
...the momentum continues



INTRODUCTION

ON 16TH JULY 2008, WE REACHED A MAJOR MILESTONE - OUR SILVER JUBILEE ANNIVERSARY. IT HAS BEEN A LONG WAY SINCE IJM'S INCEPTION IN 1983 WHEN THE COMPANY'S PAID-UP CAPITAL WAS A MODEST RM31 MILLION. TODAY, IJM STANDS AMONGST THE LARGEST COMPANIES LISTED IN MALAYSIA, WITH A MARKET CAPITALISATION IN EXCESS OF RM5.20 BILLION AS AT 31 MARCH 2008.

Chairman's Statement



Islamic Art Museum Extension, Lake Gardens, Kuala Lumpur

TO COMMEMORATE THIS AUSPICIOUS OCCASION, THE GROUP HAS CHOSEN **"25 YEARS OF LANDMARK ACHIEVEMENTS"** AS THIS YEAR'S ANNUAL REPORT THEME. REFLECTING ON OUR JOURNEY THUS FAR, WE HAVE HIGHLIGHTED MAJOR MILESTONES OF THE GROUP. IN ADDITION, WE HAVE DEDICATED A SPECIAL TRIBUTE TO THE CHAIRMEN AND MANAGING DIRECTORS OF THE GROUP, IN RECOGNITION OF THEIR CONTRIBUTIONS AS LEADERS WHO MADE IJM INTO WHAT IT IS TODAY.

IN THIS FINANCIAL YEAR ENDED 31 MARCH 2008, WE HAVE SUCCESSFULLY COMPLETED A MAJOR ACQUISITION AND MERGER INTEGRATION EXERCISE OF CONSTRUCTION CONGLOMERATES: THE IJM AND ROAD BUILDER (RBH) GROUPS - A FIRST IN THE MALAYSIAN HISTORY; IT SIGNIFICANTLY EXPANDED OUR STAFF STRENGTH TO BEYOND 4,000 EMPLOYEES AND ACHIEVED NEW HIGHS IN OUR ORDER BOOKS ACROSS ALL DIVISIONS. WITH THOSE ACCOMPLISHMENTS, I AM DELIGHTED TO REPORT ON THE STELLAR PERFORMANCE OF THE GROUP...



Aerial view of Kuantan Port



Residential unit, Bukit Manda'rina, Kuala Lumpur

BUSINESS ENVIRONMENT

In 2007, the global economy grew at a credible 3.9% despite significant price increases in oil and other commodities; and amidst a strained US financial landscape that was sparked by systemic defaults in sub-prime mortgages. Global expansion in 2007 continued to be led by large emerging economies such as China and India whilst resource producing countries, buoyed by higher commodity prices, also performed well. Robust growth experienced, however, was closely shadowed by mounting inflationary pressures on account of capacity constraints in certain sectors, demand-supply gaps in global production of food crops, and firmer commodity prices.

In tandem with most other emerging countries, the Malaysian economy expanded strongly - by 6.3% in 2007, improving from 5.8% in 2006. Growth mainly stemmed from stronger domestic private consumption following rising disposable incomes from tax incentives, public sector salary increments and high commodity prices. These factors, coupled with increases in investment spending by the Government and private sector brought about broad-based growth across all headline economic segments. After experiencing 3 years of contraction, the domestic construction sector too recorded a positive increase of 4.6% on the back of the Ninth Malaysia Plan spending and a vibrant property market.

The Group's major overseas markets, India and the United Arab Emirates, also continued to see strong growth in 2007. India registered a commendable GDP expansion of 8.9%, mainly from rising income levels which drove domestic consumption, higher retained corporate earnings which boosted investments and persistent demand for infrastructure development to support its burgeoning economy. Bolstered by increasing petrodollar revenues, demand for construction activities in the United Arab Emirates continued unabated in 2007.

OPERATING RESULTS

Amidst a positive global backdrop for most of the year, the Group was able to perform well with all its divisions achieving record results for the year ended 31 March 2008. Group revenue increased by 101% to RM4,637.17 million, compared to RM2,311.23 million last year whilst profit before tax from normal operations improved by 150% to RM796.01 million from RM318.93 million a year ago. The stellar performance was mainly attributable to the Group's enlarged order book and property development projects, higher crude palm oil (CPO) prices, strong demand for building materials, steady income streams from the toll and port concessions and sale of non-core assets.

The Construction Division recognised a significant increase in both revenue and pre-tax profits during the year. The impressive performance was due to strong demand for domestic retail properties and high-end residential properties at premier locations, diversified order book mix and improvements in operational

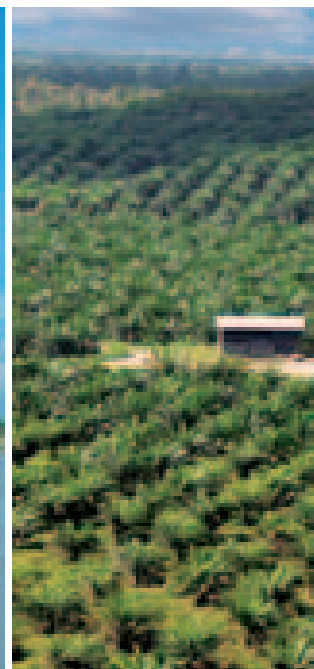
efficiency. Geographical diversification was also achieved with around half the order book constituting overseas contracts. Pre-tax margins for the year, however, declined due to the continued escalation in building material costs. In the year ahead, the coming on-stream of future mega-projects is expected to further boost demand for building materials and add wage pressures that will provide a challenging environment for the construction sector already hit by sudden escalations in otherwise controlled prices.

Revenue and pre-tax profits of the Properties Division increased substantially during FY 2008, primarily from higher sales and contributions from RBH. Several Government measures implemented which include the liberalisation on foreign purchases, exemption on Real Property Gains Tax, stamp duty waivers and relaxation on EPF withdrawals, have spurred the domestic property market. Nonetheless, pre-tax margins for the year were lower due to increased building material prices and delays in project launches. However, the extensive and diversified properties mix and geographical locations will auger well and contribute to the sustainability of the Division's earnings in the future.

In tandem with other divisional performances, the Group's Industries Division recorded its best financial results this year, on the back of better product prices, improved plant utilisation, effective cost optimisation, sizeable order book and growing overseas contribution. The Division is expected to continue benefiting from strong domestic and regional demand for its building materials.



ICP piles used at the Haiwan Petrochemical Port, Dongguan, China



Meliau Estate in Sandakan, Sabah

The Plantations Division performed exceedingly well due to steady production growth and strong CPO prices, resulting in a significant growth of pre-tax profits for FY 2008 compared to FY 2007. The Division is expected to continue benefiting from high CPO prices and more of its plantation acreage reaching prime maturity.

The Group's Infrastructure Division recorded a more than 3-fold increase in turnover for FY 2008, compared with FY 2007. More significantly, the Division posted its maiden pre-tax profit this year, mainly from the inclusion of contributions from RBH's toll and port concessions and also from the disposal of the Group's investment in the Second Vivekananda Bridge in Kolkata, India for a capital gain of RM65.0 million. In the years ahead, the concession assets will enable risk-diversification within the Group and contribute steady income streams to its bottom-line.

Our CEO's Review of Operations, covered on pages 62 to 93, provides a more extensive assessment of the Group's divisional performances for FY 2008.

MERGER GOODWILL

Despite the strong operational performance, the Group recorded a pre-tax loss of RM144.85 million due to the write-off of merger goodwill. Due to the application of FRS 3: Business Combination, merger goodwill of RM940.86 million was created upon the consummation of our merger with RBH principally on account of the increase in IJM's share price between the time of acquisition to the time of completion of transaction.

The one-off merger goodwill was fully impaired and was written off. IJM has, however, on 12 March 2008, obtained court sanction to offset the resultant negative retained earnings against the share premium account by up to RM922.26 million. The effects of this transaction are detailed in Notes 14(B) and 45 to the *Financial Statements*. The goodwill impairment, being a non-recurring, non-cash transaction, does not impair the Group's future earnings or operational strengths.

BUSINESS OUTLOOK AND OPERATIONAL STRATEGIES FOR FY 2009

The Group's prospects for the coming year are set against an increasingly challenging global and domestic outlook. Global growth in 2008 is expected to moderate and its recovery would largely depend on the extent of the US slowdown, which is seeing further downward pressure from high inflationary pressures and protracted weakness in its financial and housing markets. Growth in Asia and the emerging economies are expected to remain resilient albeit slower, underpinned by strengthening domestic consumption. Back in Malaysia, post-election uncertainties, escalating oil and building material prices and external headwinds are expected to impact growth prospects in the core construction and property sectors.

Our operations possess a significant enough size, core competencies and a regional presence to yield cross-divisional strategic and operational synergies. Following the merger, the enlarged combined order books, property development projects and land banks of IJM and RBH Groups are expected to boost the long term performance of the Construction and Properties Divisions though in the immediate term, escalating material prices could affect margins. The Industries Division should see continued growth by leveraging on construction activities from the Ninth Malaysia Plan projects and offshore demand, whereas the Plantations Division is expected to maintain high profitability levels buoyed by healthy CPO prices. The positive contributions from the tolls and ports of the Infrastructure Division are expected to continue as the concessions mature, boosting the bottom-line of the Group moving forward. The Group, nonetheless, remains vigilant in its outlook for FY 2009 in light of an increasingly cloudy business and political environment.

For the coming years, the Group will continue to pursue its long term vision and strategies of strengthening its regional footprint, growing its recurrent income base, pursuing in its domestic growth agenda, and continue reviewing its assets portfolio.





Environmental conservation at the Minat Teguh Estate

DIVIDENDS

The Company did not declare any dividend for the current financial year ended 31 March 2008. In lieu, a capital payment has been proposed.

CORPORATE PROPOSALS

With regards to the Group's corporate proposals, FY 2008 has been a very exciting year with the successful completion of the following corporate exercises:

- (i) The merger of IJM and RBH Groups which was the biggest M&A deal in the construction industry in Malaysia;
- (ii) IJM converted Redeemable Convertible Unsecured Loan Stocks of IJM Plantations Berhad (IJMP) into new ordinary shares, resulting in increased shareholding in IJMP from 49.5% to 54.6%; and
- (iii) Acquisition of 25% equity interest in Kumpulan Europlus Berhad.

The other corporate proposals which are pending and their status are as follows:

- (i) On 25 July 2007, the Company had announced the proposed rationalisation of the Group's Properties Division into RB Land Holdings Berhad (RB Land) involving, among others, the proposed disposal of 100% equity interest in IJM Properties Sdn Bhd, a wholly owned subsidiary of the Company, to RB Land, a 70% indirect subsidiary of the Company via Road Builder (M) Holdings Bhd. This proposal has been approved by the Securities Commission via its letter dated 10 April 2008 and shareholders in the Extraordinary General Meeting held on 16 June 2008. RB Land has subsequently been renamed IJM Land Berhad on 19 June 2008.
- (ii) On 19 December 2007, the Company announced the proposed capital repayment entailing a cash payment of RM0.50 for every one existing IJM share

held to the entitled shareholders whose names appear in the Record of Depositors of IJM at the close of business, on an entitlement date to be determined later by the Board of IJM. This proposal has been approved by the shareholders in the Extraordinary General Meeting held on 16 June 2008 and currently subject to Court sanction.

CORPORATE GOVERNANCE

IJM subscribes to the principles of good corporate governance as the Group believes it is the only way to sustainably enhance shareholder value. This belief is manifested in all its business undertakings throughout all staff levels and continues to be acknowledged by its shareholders, evident by its highly institutionalised and large foreign shareholding composition and numerous corporate governance accolades received.

Our *Corporate Governance Statement* can be found on pages 94 to 101.

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by relevant regulatory bodies in 2007/08.

RELATED PARTY TRANSACTIONS

Significant related party transactions of the Group for the financial year are disclosed in Note 51 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 29 August 2007.

Except for those disclosed in Note 51 to the *Financial Statements*, there were no material contracts of the Group involving Directors' and major shareholders' interest during the period.

CORPORATE SOCIAL RESPONSIBILITY

IJM's emphasis on Corporate Social Responsibility (CSR) reflects its conviction that economic success must be accompanied by a sustainable positive impact on the environment and society. This philosophy is guided by the Group's CSR Framework and policy statements, and is embraced in all its operations through a wide range of environmental-friendly and operational best management practices to achieve long term sustainable gain for all stakeholders. The Group's construction business, cognisant of its imprint on the environment, has committed itself to the code of conduct prescribed in Environmental Management System ISO 14001, while our plantations unit employs sound agronomic environmental practices and continues to be involved in the Roundtable on Sustainable Palm Oil (RSPO) to promote environmental issues, growth and sustainable production and use of palm oil.

The Group is committed to ensure the highest standards of good governance, ethical business conduct and values are practised throughout its operations. As part of the Group's philanthropic efforts, it has carried out numerous community programmes in areas of social welfare, education and sports development and will continue to identify activities where its support can make a real difference. The Group is also committed to provide for the wellbeing at the workplace through increased awareness, accountability and continual training of employees and contractors towards the conduct of all activities in an ethical, environmentally responsible, safe and healthy manner.

More information on the Group's CSR activities is provided on pages 117 to 133.


ACKNOWLEDGEMENT

During the year, a very dear friend and fellow Board member had departed. Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor, Senior Independent Non-Executive Director, passed away on 22 January 2008. On behalf of the Board, I wish to express my deepest condolences to the family and our sincere appreciation for his invaluable contribution and counsel to the Group. As a mark of respect, we have dedicated a special tribute to honour him on page 20.

On behalf of the Board, I would like to thank the Directors, management and all employees of the Group for their dedication, resourcefulness, commitment and contribution to the Group in the past year, especially in seeing us through a successful IJM-RBH integration. I would also like to take this opportunity to thank shareholders, associates, clients, bankers, subcontractors and suppliers for their support to the Group. The Group values and looks forward to this continued support as we progress towards new undertakings.

The Board and I wish to record our sincere appreciation and gratitude to Dato' Goh Chye Koon who retired as the Deputy Chief Executive Officer and Deputy Managing Director of the Company on 29 June 2008, for his invaluable services to the Group especially in helping to develop the Construction Division. Dato' Goh has since, graciously agreed to remain as an Executive Director to oversee the Group's overseas construction activities.

In addition, we take this opportunity to congratulate Mr Teh Kean Ming who has been appointed as the new Deputy Chief Executive Officer and Deputy Managing Director of the Company on 1 July 2008. We are confident that his wealth of knowledge and experience in the construction and property development industries will bring value and lead the Group to the next level of achievements.



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



25 YEARS AGO, IN 1983, IJM STARTED AS SOLIDSTATE SDN BHD AND I STARTED AS THE FINANCIAL CONTROLLER OF THE INTENDED NEW GROUP TO PLAY A ROLE IN THE ACQUISITION AND IMPENDING MERGER OF THREE ESTABLISHED LOCAL CONSTRUCTION COMPANIES: IGB CONSTRUCTION SDN BHD, JURUTAMA SDN BHD AND MUDAJAYA CONSTRUCTION SDN BHD. I DID NOT REALISE THEN THAT HISTORY WAS IN THE MAKING AND THE FOUNDATIONS OF A GREAT ORGANISATION WAS BEING LAID. IN NAMING THE COMPANY, THE FOUNDING FATHERS TOOK THE INITIALS OF THE 3 COMPANIES AND PLACED THEM IN ALPHABETICAL ORDER, AND THE IJM GROUP WAS BORN. THIS SIMPLE, CONSULTATIVE, PRAGMATIC AND COMMON SENSE APPROACH TO DECISION MAKING IS TO BECOME 'TRADEMARK' IJM MANAGEMENT STYLE.

CEO's Review of Operations

SINCE THEN, I HAVE HAD THE OPPORTUNITY TO WATCH IT GROW. FROM ITS HUMBLE BEGINNINGS AS A CONSTRUCTION COMPANY WITH A SHARE CAPITAL OF RM31 MILLION, THE GROUP HAS WEATHERED MANY CHALLENGES AND DIFFICULT BUSINESS ENVIRONMENTS, INCLUDING THE ASIAN FINANCIAL CRISES OF 1997/98 TO STAY AHEAD. IT HAS ALSO BEEN PIONEERING IN SPIRIT, VENTURING ABROAD TO EXPAND ITS BUSINESSES OR DIVERSIFYING INTO AREAS LIKE PLANTATIONS WHICH MANY HAVE CRITICISED AS BEING OUT OF SYNC WITH ITS CORE BUSINESSES. IT HAS NOT BEEN LACKING IN COURAGE TO EXPAND. THE RECENT ACQUISITION OF THE ROAD BUILDER (RBH) GROUP WHICH SIGNIFICANTLY INCREASED THE MARKET PRESENCE OF THE GROUP AND THE SCALE OF ITS OPERATIONS IS A CASE IN POINT.

NOW 25 YEARS ON, THE GROUP HAS SUCCESSFULLY GROWN BY LEAPS AND BOUNDS TO BE ONE OF THE LARGEST CONSTRUCTION GROUPS IN MALAYSIA WITH A SHARE CAPITAL OF RM859 MILLION, AN ANTHOLOGY OF LANDMARK PROJECTS, A VERY INTERNATIONAL BUSINESS AND A SERIES OF ACHIEVEMENTS AND RECOGNITION TO MAKE US ALL PROUD.

OVERVIEW

For the first time in the Group's history, the Group's turnover and operational profits increased by more than two-folds over the preceding year. The Group achieved aggregate turnover of RM4,637.17 million, an increase of 101% over the previous year. All Divisions within the Group attained significantly higher turnover during the financial year, driven largely by the Group's sizeable order book, higher CPO prices, strong demand for the Group's building materials and inclusion of RBH's contributions. The newly acquired RBH's toll and port concessions give added credence to the Group's Infrastructure Division, while the combined construction order books, property development projects and land banks of the merged entity bode well for the Construction and Properties Divisions.



Menara Commerce, Kuala Lumpur



Quarry site

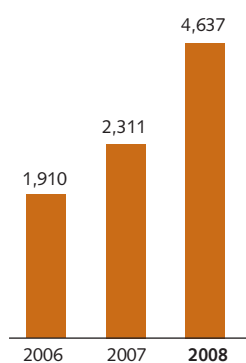


Sri Carcosa Bungalow in Seremban 2 Township Development, Negeri Sembilan

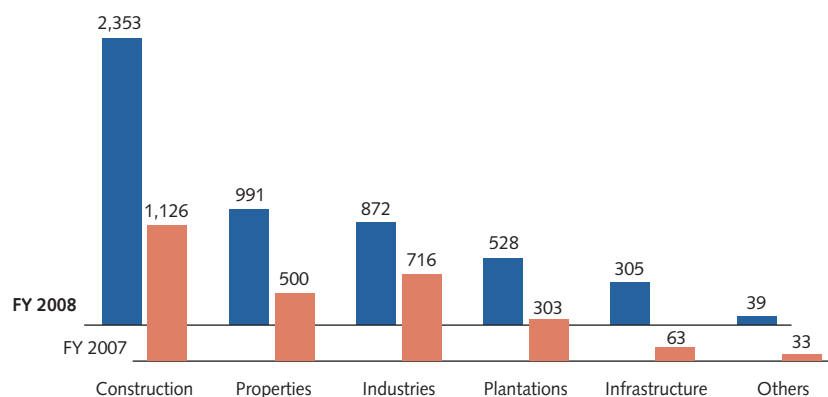


Liquid chemical cargoes at Kuantan Port, Pahang

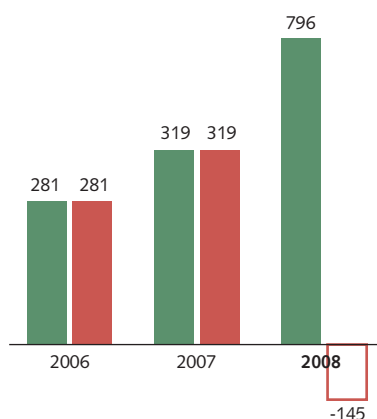
Group Revenue (RM'million)



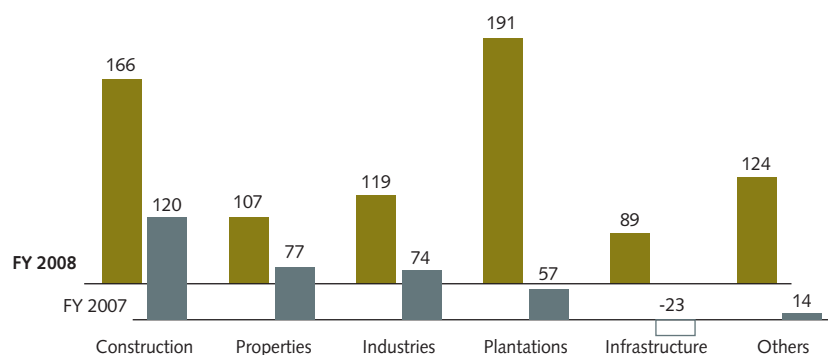
Group Revenue by Division* (RM'million)



Group PBT (RM'million)



Group PBT by Division (RM'million)



■ Before Impairment write-off ■ After Impairment write-off

* Includes share of associate and joint venture's revenue



Meliau Estate, Sandakan, Sabah

The Group's operating profit before tax for the financial year soared 2.5 times over the previous year to RM796.01 million as a result of higher divisional profits recorded, especially from the Industries and Plantations Divisions, as well as profit contributions from the RBH Group. Non-recurrent gains amounted to RM225.98 million, arising from disposals of non-core and low yielding assets and opportunistic ones presently captured in the Infrastructure and Others categories. Details of asset disposals are elaborated under Other Developments on page 93.

The Group completed its acquisition of another established local construction group, the Road Builder Group in April 2007, thereby successfully instituting the largest M&A initiative in the Malaysian construction sector.

Though the merger was well received by the investment community, the resultant increase in IJM's share price brought new challenges in the form of FRS 3: Business Combination,

which required the purchase consideration to be valued at the IJM share price at the date of completion, thus artificially creating a goodwill item that cannot be sustained going forward without encumbering future earnings. Thus, the Group had booked in a one-off impairment of merger goodwill amounting to RM940.86 million which resulted in the Group's current financial year loss before tax and after tax of RM144.85 million and RM300.16 million respectively. This resulted in negative retained earnings at Company level and subsequently the Company obtained court sanction to off-set the negative retained earnings against the share premium account to the extent of RM922.26 million, thus, reinstating a positive retained earnings position. The impairment written off is a non-recurrent and non-cash transaction, and the Group's future earnings and operational strengths are not expected to be impaired by the write-off. For more details on the merger goodwill impairment, please refer to Notes 14(B) and 45 to the *Financial Statements*.

The Group continues to give effect to its '*IJM - Mark of Excellence*' commitment as evidenced by numerous awards during the year. These included the Malaysian Construction Industry Excellence Award for International Achievement and the National Annual Corporate Report Awards (Construction and Infrastructure sector) for the 4th successive year. And in the inaugural Prime Minister's CSR Award, IJM received a commendation for Outstanding Work in the Environment category.

Over 25 years, backed by strong fundamentals and strategic foresight, and IJM's inimitable trademarks of hard work, professionalism, performance and good governance, we have brought steady growth and sustained profitability to the Group; and we intend to uphold this momentum into the future.

During the year, sadly, we had the departure of a dear friend and fellow Board member, Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor, a Senior Independent Non-Executive Director, who passed away on 22 January 2008. Tan Sri joined the Board on 25 July 1985, was the longest serving independent non-executive director and had contributed immensely to the Group. As a mark of respect to the late Tan Sri, we have dedicated a special tribute to him on page 20.



PJ8 Development comprising commercial offices and service apartments in Petaling Jaya, Selangor

Appreciation and credit goes out to all parents and children involved in this photo shoot.
left to right : Mohd. Iman, 9 (Parents: Shamsul and Norzaminar) • Cheng Kai Zhe, 8 (Parents: Cheng Cheong Teck and Lim Boon Ai)

In 2007, the Domestic Construction Sector registered a positive growth of 4.6% against mild contraction of 0.5% in 2006 and two years of negative growth before that. The expansion was driven mainly by the Civil Engineering sub-sector which benefited from implementation of projects under the Ninth Malaysia Plan (9MP). Federal Government development expenditure rose by 13.3% to RM40.6 billion in 2007 (2006: RM35.8 billion). This was well supported by expansion in the non-residential and residential sub-sectors.

CONSTRUCTION





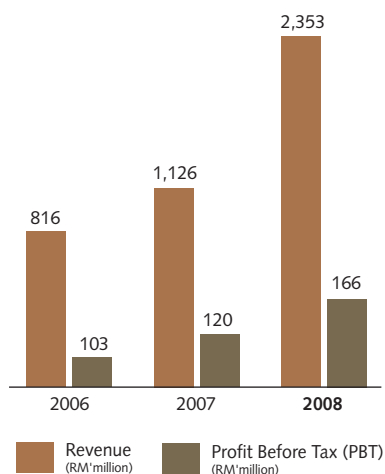
Park 7 Condominium in the vicinity of Kuala Lumpur City Centre



Kuantan Bypass in Pahang



Upgrade works for new A380 aircraft at Kuala Lumpur International Airport



For the financial year ended 31 March 2008, the Construction Division recorded revenues of RM2,353.15 million (FY 2007: RM1,126.25 million) representing a significant increase of 109% compared to the previous year. Similarly, profit before taxation increased, albeit at a moderate rate of 37% during the year to RM165.56 million (FY 2007: RM120.43 million).

The Division performed satisfactorily during the year, despite escalating input costs of steel, cement, diesel and quarry products. The favorable performance was attributable to strong demand for domestic retail properties and high-end residential properties at prime locations, diversified order book mix particularly from India and Middle East, and operational efficiency improvements through cost control measures and improved project implementation.

Major local projects successfully completed during the year were Menara Commerce and Park 7 Condominium in Kuala Lumpur, Suriamas Condominium in Johor Bahru, Kuantan Bypass in Pahang and Upgrading works for new A380 aircraft in KLIA, Sepang. In India, several completed projects included Kukatpally Integrated Township, Upgrading and Improvement on Tada-Nellore Road (KM110 to KM163.6), NH-9 Rehabilitation and overlay of Nandigama Vijaywada Section, Delhi Metro-BC4 Section (elevated viaduct 2.86 KM and structural work on three elevated stations on Shahdara-Dilshad Garden Corridor) and Khaithalapur-Aphb IV Road project. In the Middle East, we completed the Fortune Tower in Dubai.

For FY 2008, the Division has further enhanced its order book to RM5,451.00 million by securing additional contracts worth RM2,061.00 million locally and abroad. Major projects secured during the year included Pandan Bistari Development in Hulu Langat (RM200.00 million), Nagpur - First City project in Maharashtra, India (RM546.12 million), IT Tower in Karachi, Pakistan (RM379.20 million) and Viaduct & Dhaula Kuan Station in New Delhi, India (RM155.00 million) of the Delhi Metro Rail. In the Middle East, IJM secured two bridge projects through its Bahrain joint venture.

Given the roll-outs of various economic corridors in the country such as the Iskandar Development Region, Northern Corridor Economic Region, East Coast Economic Corridor as well as those in Sabah and Sarawak, and projects under the 9MP, the outlook on



Fortune Tower in Dubai, Middle East

Construction Management Team



left to right

top:
 • Dato' Goh Chye Koon
 • Soo Heng Chin
 • Tan Gim Foo
 • Soo Sik Sang
 • Tong Wai Yong

upper middle:
 • Pook Fong Fee
 • Ng Chin Meng
 • Ong Teng Cheng
 • Azhar Bin Kaulan
 • Liew Hau Seng

lower middle:
 • Mohd Razin Bin Ghazali
 • Thaw Yeng Jooi
 • Yong Juen Wah
 • Pankaj Agarwal

bottom:
 • Kok Fook Yu
 • Lee Foh Ching
 • Mohd Ghazali Bin Ali
 • Quah Beng Teong
 • Wan Chee Leong

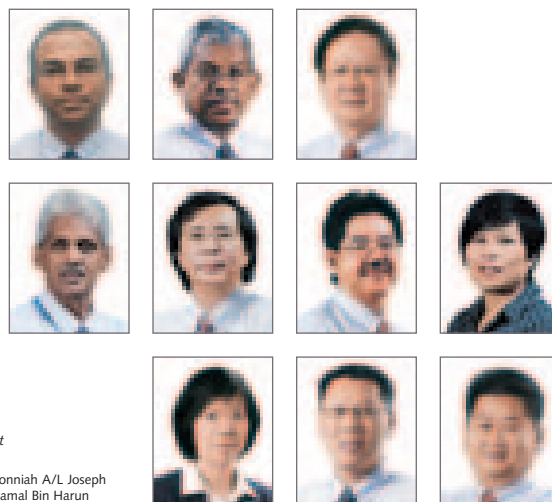
the domestic construction sector should have augured well for growth but political uncertainties and administrative adjustments post election of March 8 could possibly delay implementation of projects.

On the international front, the Construction Division will continue to focus on its successes in emerging market economies, mainly in India and Middle East, where growth prospects are expected to remain positive, supported by strong domestic consumption, investment and industrial expansion.

The unprecedented levels of escalation in raw material prices and wage pressures resulting from shortage of skilled workers in all markets, will remain an area of great concern and focus for the Division in the coming year. In some markets like Malaysia, escalation of building material prices have been sudden and sharp due to the lifting of price controls. Hedging possibilities have been negligible and margin compression thus inevitable. Nevertheless, the Group continues to engage in constructive discussions with clients to mitigate the impact of the latter while maintain extreme vigilance in risk management and cost control in project execution.

Notwithstanding the above, the Division continues to put great emphasis on timely and quality delivery to achieve the high standards required for its final products. In an effort to strengthen and sustain its competencies, the Division has introduced strategies and procedures, focused on more effective cost and resource management and risk management practices. The Division continues to establish, review and implement good safety, health, environmental awareness and quality control practices in all its projects.

Construction Support Services



left to right

top:
 • James Ponniah A/L Joseph
 • Mohd Kamal Bin Harun
 • Ng Sin Kooi

middle:
 • Ramar S/O Subramaniam
 • Soh Wan Heng
 • Chan Yan Wee
 • Cho Foong Khuan

bottom:
 • Pang Sek Loh
 • Toh Teck Soon
 • Lam Choy Loong



Nautilus Bay by the Promenade

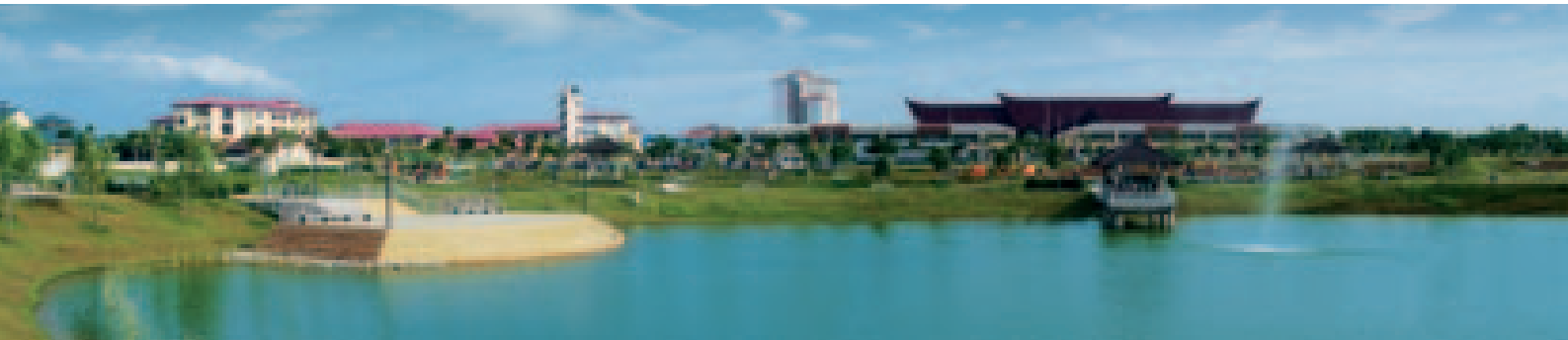
Appreciation and credit goes out to all parents and children involved in this photo shoot.
left to right : Sarah Anne Pereira, 6 (Parents: Edgar Pereira and Sarjit Kaur) • Sharvin, 5 (Parents: S. Ramesh and V. Chandrika Devi)



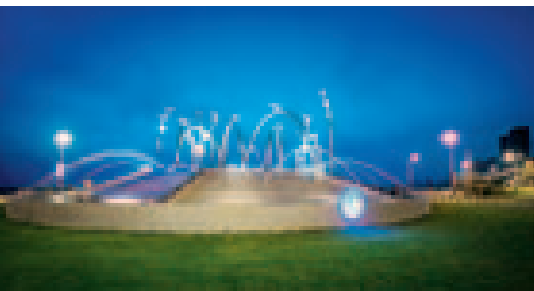
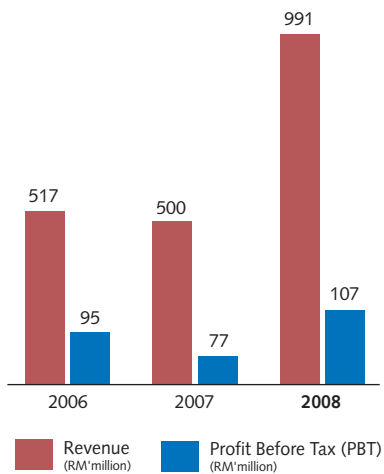
For the financial year ended 31 March 2008, the Properties Division recorded revenues of RM991.03 million (FY 2007: RM499.59 million) and a pre-tax profit of RM107.04 million (FY 2007: RM77.18 million). This represents impressive increases of 98% and 39% respectively as compared to the previous year.

Despite the improved performance, FY 2008 had been a challenging year for the Properties Division, as it weathered initial lower property sales at the start of the year, rising building material prices which resulted in margin erosion, several asset impairment losses, delayed authority approvals affecting project launches and higher financing costs attributed to these delays.

PROPERTIES



A 15 acre S2 City Park built at the heart of the Seremban 2 Township complete with modern sports and recreational facilities for the enjoyment of the residents



Wave of Prosperity at Gurney Drive, Penang



Boulevard Condominium, Subang Jaya



Double-Storey Shop Offices, Utama Place, Phases 2 and 5, Sandakan, Sabah

The Division's revenues and profit contributions came from all over Malaysia and Singapore. In the Northern Region, sales were primarily contributed by the Nautilus Bay and Taman Jawa projects in Penang. Contributions from the Central Region were mainly from our landmark PJ Eight project in Klang Valley, Menara CIMB in Kuala Lumpur, Ampersand @ Kia Peng luxury condominium in KLCC, Bukit Manda'rina township in Cheras, Bukit Raja Industrial Park and Seremban 2 township in Negeri Sembilan. Other sales contributions included Taman Utama township in Sandakan, Sabah and Sentosa Cove's exclusive units in Singapore. The recurrent income from its 'build and lease' hypermarkets for Tesco in Penang and Giant in Sandakan, also contributed to the bottom line.

Current year's sales improved following several policy measures introduced by the Government, including the liberalisation of Foreign Investment Committee's ruling on foreign purchases, exemption on Real Property Gains Tax, and relaxation on property loans taken by foreigners. The momentum will hopefully continue into the coming year with additional measures undertaken by the Government in its Budget 2008 to spur the residential sub-sector such as 50% stamp duty waiver on property costing not more than RM250,000 and monthly EPF withdrawals to repay housing loans effective 1 January 2008.

The non-residential segment continued to pick up during the year in tandem with robust business activities, thereby increasing demand for office space, particularly in Kuala Lumpur. This strong demand was further reinforced by interests from foreign investors. Strong growth in private consumption had also stimulated the demand for retail properties resulting in several shopping complexes being acquired by foreign REITs.

In line with the Government's efforts to encourage foreign ownership of properties, it is anticipated that more foreign purchasers will vie for our projects which are located at prime locations and given that Malaysian properties are comparatively cheaper than those of our ASEAN counterparts. The Division is set to capitalise on its high end projects such as Ampersand @ Kia Peng, The Platino Condominium, situated along the Jelutong Expressway in Penang and some commercial office blocks and retail complexes. In addition, the properties catering to the niche and high end customers comprising semi-detached units and bungalows in choice locations such as Bayu Segar in Cheras, continue to attract property up-graders and local investors alike.

Properties Management Team



left to right

top:

- Teh Kean Ming
- Dato' Soam Heng Choon
- Er Ah Huat
- Chai Kian Soon

upper middle:

- Ng Kim Huatt
- Hoo Kim See
- Edward Chong Sin Kiat
- Manjit Singh

lower middle:

- Bahrin Bin Baharudin
- Patrick Oye Kheng Hoon
- Tham Huen Cheong
- Toh Chin Leong

bottom:

- Lee Kok Hoo
- Khoo Kah Hock
- Patsy Lee



Menara IJM Land, Penang



The show unit of Ampersand @ Kia Peng luxury condominium at Kuala Lumpur City Centre

The mid-end market is also expected to benefit from the Government's measures. Several ongoing projects in the Klang Valley include Bukit Manda'rina mixed development, Bayu Segar bungalows and semi-detached units, and Monte Bayu condominium - all in Cheras, Riana Green East condominium in Wangsa Maju, Serenia Gardens terrace-housing project in Ulu Klang, Selangor, Laman Granview in Saujana Puchong and Bayu Sri Bintang bungalows and semi-detached units in Kepong. In Penang, the projects include Taman Jawa and Taman Idaman housing scheme, whilst in Johor, we have apartment projects in Kampung Muafakat and Larkin. Other ongoing township developments includes Seremban 2 in Negeri Sembilan, Shah Alam 2 in Puncak Alam, Selangor and Taman Utama in Sandakan, Sabah.



Night scene of the Laman Granview show unit in Saujana Puchong, Selangor

Following the merger, the Division's land bank size has increased substantially to over 10,000 acres predominantly located in fast developing regions in Penang, Seremban and Klang Valley, which will provide sustainability through future property development projects.

In tandem with the Government's efforts to boost the property sector, coupled with committed sales from ongoing projects, the outlook of the Division for the coming financial year appears promising. However, vigilance needs to be observed in view of the negative market sentiments due to rising crude oil prices, the US recession fears, escalating building material prices as well as eroding disposable income. Bearing this in mind, we have taken the necessary initiatives to continuously review the feasibility of our projects, enhance product innovation and undertake greater value engineering initiatives, to ensure that we are ahead at all times.

In the coming financial year, we will launch several new phases of our existing projects in Klang Valley and Seremban such as Bukit Manda'rina, Riana Green East, Serenia Gardens, Shah Alam 2 and S2 Heights. Following the success of the Boulevard condominium in Subang Jaya, we had recently launched the final phase of our Subang Jaya development known as Laman Baiduri, a condominium where all units are designed with unobstructed view of the Taman Subang Ria Lake. In Penang, we recently launched The Spring apartments and the Pearl Regency luxury condominium. We have also unveiled the maiden phase of our prestigious 'The Light' waterfront development.

Further expansion into Johor is set to take place in the last quarter of 2008 with the Nusa Duta development, located within the Iskandar Development Region. In Sandakan, we will continue to promote our projects

aggressively to take advantage of the record high CPO prices which are currently fuelling the property market and economy in that region.

The Group's investment in Kumpulan Europlus Bhd (KEB) has resulted in several joint-venture development arrangements in respect of land banks held within the KEB/Talam Group which could benefit from the IJM branding, including the lifestyle-defining Canal City development project.

In India, the Group has recently launched new property projects in the fast growing markets such as Nagpur in Maharashtra and Vijayawada in Andhra Pradesh, to capitalise on the continued strong response for residential and commercial assets.

The extensive and diversified property mix in terms of product and geography will promote sustainability of the Division's earnings in future years. The completion of the Properties Division's rationalisation exercise and the intended rebranding initiatives under the IJM brand will further increase the marketing efforts of the Group going forward and add greater visibility to its products.

The commitment to 'Excellence Through Quality' remains the Division's core value driver with further emphasis now on environmental protection. By striking a balance between profits and safeguarding the environment, the edge in value engineering and synergistic support from our in-house Construction Division, we will harmonize and embrace the environment to create optimal living conditions. The Division will continue to put emphasis on location, innovative design, functionality and potential capital appreciation in meeting the expectations of the buyers and moving ahead of the competitors.



"Unveiling of The Light", Penang's Premier Waterfront Development to the journalists



Potential customers with "Q" numbers are waiting to be called to place a booking fee at the launch of "The Spring" apartments in Penang



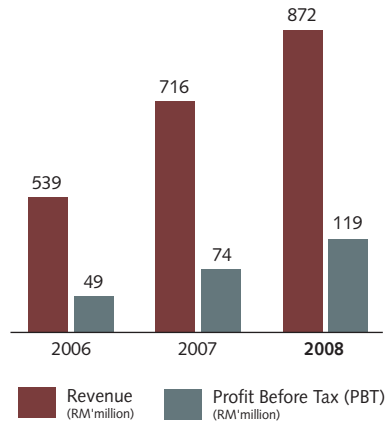
Piles being loaded at New Kapar 2 Factory in the Klang district of Selangor

Appreciation and credit goes out to all parents and children involved in this photo shoot.
left to right : Cheng Kai Yan, 11 (Parents: Cheng Cheong Teck and Lim Boon Ai) • Philip Michael Pereira, 8 (Parents: Edgar Pereira and Sarjit Kaur)

During the financial year, the Industries Division achieved results that surpassed all previous records. The Division recorded a turnover of RM872.00 million and a pre-tax profit of RM118.86 million which are 22% and 61% higher when compared to prior year's results. The strong results were mainly contributed by the Pretensioned Spun Concrete (PSC) Piles business of Industrial Concrete Products Berhad (ICP), the PC bars business of Durabon Sdn Bhd and quarrying operations of Malaysian Rock Products Sdn Bhd.

INDUSTRIES





The Division's core business of PSC Piles performed impressively during the year with delivered tonnage achieving 1.29 million tonnes, an increase of 12% over last year, recording revenues of RM438.50 million and operating profit of RM57.90 million. This was achieved by better pricing mechanisms, improved plant utilisation and an effective cost optimisation programme amidst escalating raw material costs. ICP is presently the market leader in the manufacture of spun piles with a market share of 75%.

During the year, the PSC piles were used in many 9MP projects including hospitals, roads, bridges and low cost flats. The Division also secured several supply contracts for major infrastructure projects such as CT5 Wharf at Westport in Pulau Indah, Selangor, Lebuhraya Kemuning-Shah Alam Package 1, and Electrified Double Tracking Railway Project in the North. Other major projects supplied included Ann Joo Steel Plant Expansion in Prai, Petronas Methanol Plant in Labuan, Petroleum Hub Terminal in Tg. Bin, Johor and various supermarkets in different states. Strong demand for PSC piles fully utilised the existing plant capacities to achieve maximum economies of scale.

The Division performed well in overseas markets, especially Singapore, due to the booming construction activities and continued marketing efforts. Export tonnage was at 14%, up by 2% from last year, but export values increased substantially by 15% to RM60.14 million. Several supply contracts secured were for the high rise condominium market, petrol chemical industry, Pasir Panjang Port Terminal Extension as well as many factories built by MNCs.

The China plant increased its PSC piles delivery by 1.4 times over the previous year, however, falling short of expectations due to implementation delays in several



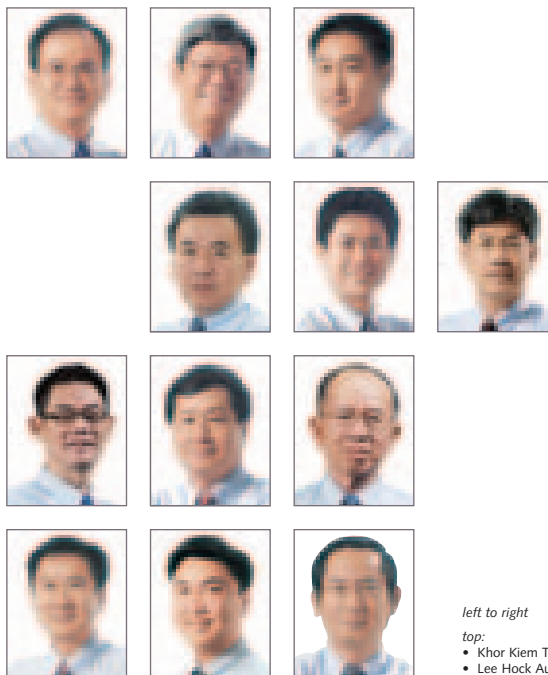
Batching plant in Bachupally, India

projects. As a result, the plant reported a RM2.24 million loss in its second year of operations. The plant is now working on securing several marine projects, and expects positive results when those projects come on stream in the coming year.

Durabon Sdn Bhd (DSB), a wholly owned subsidiary of ICP producing PC bars for PSC piles industry, achieved record revenues and PBT of RM99.56 million and RM13.99 million respectively, an improvement of 0.4% and 31% over last year. To cater for the surge in demand for PC bars, DSB commenced production on a new line in December 2007 which produces large diameter PC bars (up to 12mm) used in large diameter marine PSC piles. The new line augurs well for the increase in the Division's PSC piles production.

It was a challenging year for Expedient Resources Sdn Bhd (ERSB) as its performance was affected by rising raw material costs. Given that ERSB exports 95% of its products, margins were further eroded by high freight charges and the weakening US Dollar. It also faced stiff competition from cheaper China imports in its largest market, the UK. ERSB then focused its marketing efforts to penetrate the Australian market with favourable results and is confident of increasing its exports to Australia in the future. Although revenue was down

Industries Management Team



left to right

top:

- Khor Kiem Teoh
- Lee Hock Aun
- Leong Yew Kuen

upper middle:

- Tan Boon Leng
- Leong Pak Lung
- Nee Chow Yit

lower middle:

- Ooi Ka Tong
- Pang Chwee Hoon
- Kwek Hon Kiat

bottom:

- Tan Khuan Beng
- Wong Siew Meng
- Low Hong Imm



Kuang Rock Products' quarry at Kuang, Selangor

by 21%, ERSB managed to maintain its PBT at RM1.11 million, a slight drop from RM1.23 million in the prior year. ERSB will continue to explore new markets and institute stringent cost control measures to improve its performance in the coming years.

Gaining from the momentum of strong market demand for aggregates and premix, Malaysian Rock Products Sdn Bhd (MRP) scaled to new heights of performance this year. Turnover grew by 55% to RM99.82 million with the quarries benefiting from increased construction activities and an acute shortage of quarry materials in Singapore. Complemented by improved selling prices, the pre-tax profit jumped by a hefty 140% to RM24.80 million. During the year, two new quarries were secured in Junjung and Bukit Perak in Kedah; they are scheduled to start operations in May 2008 and December 2008 respectively. The quarries are expected to benefit from the Northern Corridor Economic Region and double tracking projects. Meanwhile, the production capacities of existing plants have been upgraded in anticipation of continued robust demand.

Turnover for the domestic ready-mixed sector remained flat at RM52.27 million under stiff competition. With improved efficiency and increased selling prices, Strong Mixed Concrete Sdn Bhd (SMC) managed to improve its pre-tax profit to RM0.74 million (FY 2007: RM0.33 million). Though conditions remain tough, Johor Bahru has been identified as the new market to expand its business. A batching plant is being set up in MRP's quarry in Ulu Choh, Johor Bahru, and is expected to commence operations in June 2008. The plant is expected to build synergies between the two sectors and create savings in transportation cost for aggregates used in concrete production.



CT5 Wharf at Westport in Port Klang, Selangor

The ready-mixed operations in India grew strongly and likewise for its reputation as a reliable and quality supplier. With five plants - one each in Bachupally, Whitefield, Yelhanka, Uppal and Chennai; they continued to increase market share and enhanced turnover by 72% to RM93.10 million in its third operational year. Like many countries worldwide, India also faced spiraling raw material costs. The experience gained in Malaysia and the discipline inculcated in staff to carefully manage rising cost, helped in preserving margins. Consequently, IJM Concrete Products Pte Ltd achieved a pre-tax profit of RM4.00 million which was 81% higher than the previous year. Heartened by the good performance, we are now seeking other locations for expansion.

In our maiden venture into Pakistan, the sole plant in Islamabad has emerged as the 'jewel' amongst our ready-mixed plants. With the experience gained in India, the plant adapted well to the local environment and attained good pre-tax profit of RM4.05 million on a turnover of RM29.90 million. Buoyed by the good results, a second plant is being planned in Karachi.



ICP piles used in Sandakan Harbour Square in Sandakan, Sabah

The scaffolding rental business under Scaffold Master Sdn Bhd enjoyed a good year, recording increased turnover by 19% to RM10.57 million on higher rentals from private and in-house projects. Pre-tax profit, however, grew at a smaller pace of 8% to RM4.50 million due to higher depreciation from more expensive scaffoldings purchased for replacement and expansion.

Kemena Industries Sdn Bhd, a 55% subsidiary produced a turnover of RM13.16 million and increased PBT by 29% to RM0.98 million (FY 2007: RM0.76 million). Spirolite (M) Sdn Bhd, a 38% associate, registered a turnover of RM25.74 million and PBT of RM0.89 million despite difficult market conditions and escalating raw material prices.

During the year, Torsco Sdn Bhd (Torsco), a 100% subsidiary was disposed off. From the transaction, a gain of RM21.97 million was realised.

Overall, the Industries Division performed well despite competitive and turbulent times in the construction industry. Going forward, the Division expects more demand from the 9MP projects, Second Penang Bridge, southern stretch of the Electrified Double Tracking Railway project and projects from Singapore's robust construction sector but remains cautious of the impact of escalating raw material prices impacting projects, and thus their implementation.



Northern stretch of the Electrified Double Tracking Railway project



Oil palm nursery for breeding trails at the Quality, Training & Research Centre (QTRC) in Sijas estate, Sandakan, Sabah

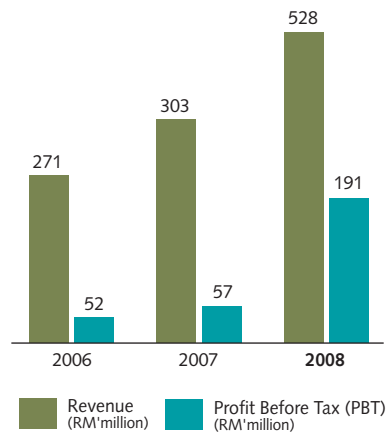
Appreciation and credit goes out to all parents and children involved in this photo shoot.
left to right : Mohd. Amin, 5 (Parents: Shamsul and Norzaminar) • Nathaniel Justin Ng, 3 (Parents: Ng Kok Leong and Karen Fernandez)
Anusha, 7 (Parents: Meyyappan Gopalan and Visalakshi a/p S. Muthukaruppan)



The Plantations Division continues to forge strong performance and record results. The Division's revenue of RM527.70 million for the financial year ended 31 March 2008 was at an all time high, representing a growth of 74% (FY 2007: RM302.82 million), whilst pre-tax profits of RM191.15 million represented a significant increase of 235% (FY 2007: RM57.10 million).

PLANTATIONS





Dominant factors contributing to the improved current year performances were the high crude palm oil (CPO) selling prices and increased crop production. Average CPO prices achieved for the year moved up from RM1,511 in 2007 to RM2,544 per metric tonne during the year.

In tandem with the larger areas of Sugut attaining maturity and coming into prime age, fresh fruit bunches (FFB) harvested were registered at 567,324 tonnes (FY 2007: 504,871 tonnes), a commendable growth of 12.4%. Total FFB milled (including outside fruit purchases) in the Division's three mills saw an increase from 669,050 tonnes produced in prior year to a record high of 724,361 tonnes or 8% higher, for the year under review.



New palm oil mill under construction in Sugut region

The Plantations Division has a land bank totaling 29,797 hectares of which total areas planted with oil palm measured 25,293 hectares (FY 2007: 25,421 hectares), a slight drop by 0.5% due to replanting activities. The Sugut region makes up 63% of the acreage and the remaining 37% are in Sandakan, Sabah. Plantations that have achieved maturity status by the end of the current financial year increased to an aggregate of 22,640 hectares (FY 2007: 22,550 hectares) representing 90% of the total planted hectareage.

The age profile of the plantations is as follows:

	Hectares	%
Mature - Prime (8 - 20 years)	15,600	62
- Young (4 - 7 years)	7,040	28
Immature (1 - 3 years)	2,653	10

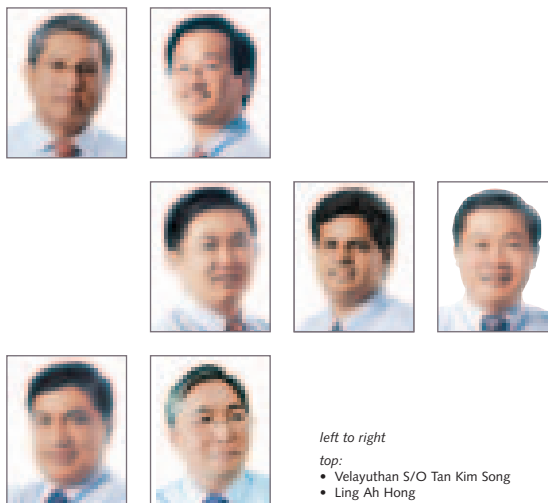
In the forthcoming years, as more areas come into maturity and of prime age, the Division expects a rising yield trend based on the relatively young age profile shown above.

The Division's three processing oil mills, namely Desa Talisai Palm Oil Mill (DTPOM), Minat Teguh Palm Oil Mill (MTPOM) and Sabang Palm Oil Mill (SBPOM), have a total processing capacity of 165 tonnes of FFB per hour. DTPOM and MTPOM recorded a slight decline in total tonnage processed by 4%, however SBPOM in contrast, chalked up an impressive 24% growth over the previous year. In view of the expected increase in crop production in the immediate term, a second mill located in the Sugut region with a processing capacity of 30 tonnes is well under construction and is expected to be commissioned before the next peak crop season in 2008.

The Division's kernel crushing plant crushed some 52,954 tonnes (FY 2007: 55,778 tonnes) of kernel in producing 23,042 tonnes (FY 2007: 24,038 tonnes) of crude palm kernel oil and 27,717 tonnes (FY 2007: 29,004 tonnes) of palm kernel expellers to achieve an extraction rate of 43.5% and 52.3% (FY 2007: 43.1% and 52.0%) respectively.

During the current year, unusually high rainfall and flooding had a direct negative impact on the FFB quality, which affected the oil mills' oil and kernel extraction rates that averaged 21.3% and 4.7% respectively, a marginal decline from 21.5% and marginal increase from 4.5% respectively over the prior year.

Plantations Management Team



left to right

top:

- Velayuthan S/O Tan Kim Song
- Ling Ah Hong

middle:

- Joseph Tek Choon Yee
- Purushothaman S/O Kumaran
- Ng Chung Yin

bottom:

- P K Venugopal A/L Krishna Poduval
- Francis Chai Min Fah



Muster at dawn



Sg. Sabang estate in Sugut

Operating costs increased as a result of rising fuel and fertiliser prices. In addition, contributions made to the State in the form of Sabah sales tax, the newly implemented FFB cess in 2007 and palm oil cess paid to the Malaysia Palm Oil Board (MPOB) amounted to RM47.61 million, represented a significant increase of 143% over previous year.

Cost efficiency measures are actively being pursued in its effort to manage the adverse effects of rising input costs. In addition, improved water conservation and irrigation measures have been adopted selectively to improve and sustain high FFB yields. The Division also recognises the challenges in recruiting and maintaining adequate skilled workers to sustain the high productivity levels. In managing the aforesaid challenges, the Division continues to provide ongoing training and development of human resources opportunities.

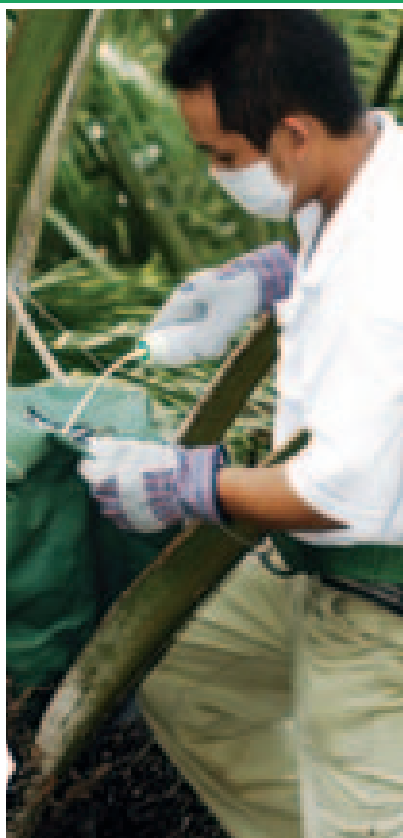
The Division strongly propagates that sustainable methods should be used in the production of palm oil to create sustainable long-term value for its stakeholders. As such, the Division is committed to sound environmental and conservation management practices such as soil and water conservation, mill waste management, integrated pest management, soil conditioning and enrichment, and zero-burning methods - all of which are aimed at achieving long-term sustainable development.



Minat Teguh palm oil mill



Desa Talisai South workers housing



Seed production at Sijas estate

Among the various environmental projects, it is noteworthy to highlight that IJM Plantations Berhad entered into its fourth year of composting empty fruit bunches (EFB) with palm oil mill effluent (POME). The compost when applied in the plantations, enhanced the soil condition and improving nutrient uptake resulting in rationalisation of fertiliser usage and cost savings.

As reported in the previous year, the Division planned for business expansion into Indonesia. To date, conditional sale & purchase agreements have been signed with three Indonesian companies to cultivate oil palm on 3 plots of land measuring approximately 33,000 hectares in East Kalimantan. Work has commenced to establish nurseries and sowing of seeds, as well as the development and construction of initial estate infrastructure. With the ongoing establishment of nurseries and site-preparation work, field planting is expected to commence towards the end of FY 2009.

As part of the Division's expansion plans into India, it has entered into a Joint Venture Agreement with Godrej Agroviet Limited and Godrej Gokarna Oil Palm Limited in February 2008, to carry out the business of purchasing oil palm fresh fruit bunches and milling in the states of Goa and Karnataka.

The Division anticipates the outlook for the coming financial year to be bright. Prices for palm products are expected to remain strong. According to some analysts and industry experts, CPO prices are expected to sustain their current high level with the potential to exceed RM4,000, while others anticipate that CPO prices may increase up to RM4,500 per tonne by the end of the year. Additionally, upward price pressures may happen sooner if weather uncertainty intensifies against crop output.

Rising fuel oil prices, fertilisers and general wages, will put pressure on production costs. However the Division will strive to achieve strong performance levels amidst high commodity prices and the benefits of the matured areas reaching prime age.



Besraya Highway in Kuala Lumpur

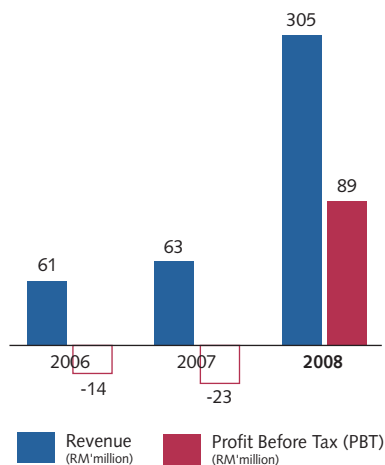
Appreciation and credit goes out to all parents and children involved in this photo shoot.
Nicholas Andrew Ng, 6 (Parents: Ng Kok Leong and Karen Fernandez)



For FY 2008, the Infrastructure Division reported a remarkable performance with a turnover of RM305.02 million (FY 2007: RM63.19 million) and for the first time, a pre-tax profit of RM88.60 million (FY 2007: Pre-tax loss of RM22.95 million). This represents an impressive positive turnaround over the previous year's results, mainly attributable to the revenues and profit contributions from its toll and port concessions in Malaysia and gain on disposal of our investments in the Second Vivekananda Bridge concession in Kolkata, India. Prior year's divisional loss was mainly attributable to interest costs arising from offshore borrowings to finance the Indian toll concessions, some of which are still under construction, and the low initial traffic volume on operating concessions.

INFRASTRUCTURE





In the Infrastructure Division's assets portfolio, there are ten (10) toll concessions (with four (4) in Malaysia, five (5) in India and one (1) in Argentina), two (2) ports in Pahang and Terengganu, a power plant in India, and a water treatment plant in Vietnam.

Toll Roads

The Malaysian toll roads contributed substantial results to the Infrastructure Division during the year. The wholly-owned 16 Km Besraya Highway (Besraya) and 20 Km New Pantai Expressway (NPE) are new additions to the Group resulting from the recent merger. Both toll roads are located in Kuala Lumpur with concession periods of 37 and 35 years, and have been operating for 10 and 5 years respectively.

During the year, Besraya and NPE contributed turnover of RM55.62 million and RM69.27 million respectively and operating profit before finance costs and tax were RM38.18 million and RM41.49 million respectively. However, after inclusion of finance costs, Besraya's pre-tax profit was RM32.66 million and NPE incurred a pre-tax loss of RM3.85 million. Despite the loss incurred by NPE, its operational performance had been very impressive with operating profit before finance costs and tax over turnover ratio of 60% and traffic increase of 16%.



Mines South Toll Plaza at Besraya Highway, Kuala Lumpur



Maju Jaya Interchange at New Pantai Expressway, Kuala Lumpur

Amidst satisfactory operational performances by the local toll roads, there are increasing challenges in the toll industry from the construction of new highways, improvements along road networks, provision of alternative toll-free bypasses and various petrol hikes - all of which have affected the traffic volumes. Operating expenses over revenues ratios have been contained at below 15% due to effective scheduled maintenance works, periodic resurfacing roadworks and prudent financial management. Besraya and NPE continue to focus on achieving higher productivity and efficiency to sustain profitability levels while putting greater emphasis on marketing and promotions to attract new road users and maintain current ones.

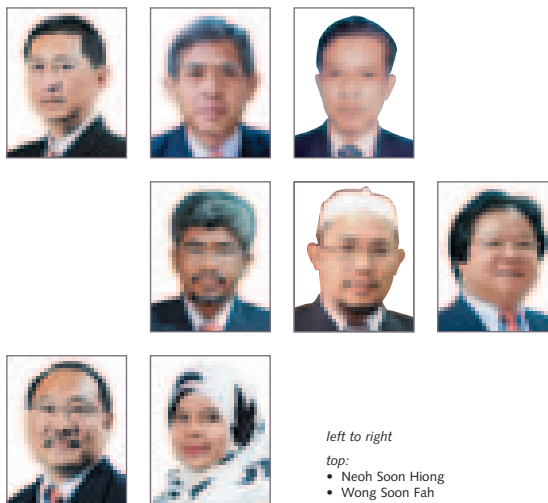
In addition, the 48 Km Kajang-Seremban Highway (Lekas) concession for a period of 33 years, under its 50%-owned Lebuhraya Kajang-Seremban Sdn Bhd, is slated for sectional opening in the third quarter of 2008. The Group's strategic investment in KEB has granted it the opportunity to participate in the upcoming 221 Km West Coast Expressway which is a 33 years concession.

The operating toll roads in India such as the 35%-owned Swarna (145 Km) and wholly-owned Rewa (387 Km) tollways are currently in their fourth year of operations

with improved traffic counts and the Division can expect better performance in the coming years as concessions mature. Construction work in two other toll concessions comprising fully-owned Jaipur-Mahua (108 Km) and 50%-owned Trichy (93 Km) tollways, continued to progress well. The 50%-owned Chilkaluripet-Vijayawada (79 Km) Tollway was recently won and concession agreement just recently executed. The Indian tollways hold concession periods ranging from 16 to 31 years.

In Argentina, the Group's 20%-owned Grupo Concesionario del Oeste S.A. (Grupo) which operates a 21-year concession on the Western Access Tollway (56 Km) in Buenos Aires, achieved a 15% increase in turnover to RM31.92 million over last year due to increased traffic volume. Despite the increased turnover, the Group however, shared a net loss of RM1.07 million as compared to last year's profit share of RM1.24 million due to higher labour costs, amortisation levels and taxes during the year. Notwithstanding that, the outlook remains positive with the increasing traffic on the road and renegotiation of the concession terms. Grupo's concession contract was last partially renegotiated in early 2006; apart from the 13.8% revision in toll rates effective April 2006, other provisions have yet to be implemented.

Infrastructure Management Team



left to right

top:

- Neoh Soon Hiong
- Wong Soon Fah
- Mohd Khalid Haji Mohamed

middle:

- Tuan Haji Awal Bin Haji Ali
- Haji Khasbullah Bin A Kadir
- Ho Phea Keat

bottom:

- Simon Thiang Choon Hian
- Wan Salwani Binti Wan Yusoff



Kuantan Port in Pahang

The prospects for the Group's toll roads continue to remain positive with limited operational and financial risks and will continue to contribute a steady recurring income stream to the Group's earnings. Following the merger, IJM had gained invaluable human capital and industry knowledge in the privatization and highway concession sector. The amalgamation of these elements, together with existing skills from IJM's own overseas highway projects in India and Argentina, will be the key success factors in bringing the Toll Division to a brighter future. During the year, the Group received an attractive proposition to acquire its stake in the Second Vivekananda Bridge in Kolkata which was profitably disposed for a gain of RM65.0 million.

Ports

The RBH merger added two new port concessions in Kuantan, Pahang and Kemaman, Terengganu into the Group's stable of concession assets and contributed positively to the Group's bottom-line. During the year, Kuantan Port performed well by achieving a pre-tax profit of RM33.30 million on a turnover of RM99.30 million, whereas the Group's 39% stake in Kemaman Port which operates the East Wharf and Liquid Chemical Berth, garnered a turnover of RM27.80 million with pre-tax profit of RM9.50 million.

The Port Division invested in port facilities during the year to better serve its customers and yield good returns through the construction of a new palm oil berth no. 3, a 200-metre container berth expansion and a dedicated berth for a long serving customer. It has also recently embarked on a journey, which is at its preliminary stage, to transform Kuantan Port into a megaport to attract bigger customers. Presently, the port industry is on a growth path and the Group is confident of more positive contributions from its port concessions in future years.

Power Plant

The Group's sole power plant concession in Andhra Pradesh, India is its 20%-owned Gautami Power, a 460 MW natural gas based Combined Cycle Power Plant. The construction of the plant had been completed a year ago but commissioning delayed due to non-sanction of gas availability by the authorities. It is anticipated that this will happen in the current financial year.

Water Treatment Plant

In Vietnam, the Group's 36%-owned associate Binh An Water Corporation Ltd contributed a net profit of RM3.74 million, which dropped from last year's profit of RM4.74 million, for our share of profit during the year basically due to higher operating and maintenance costs and also the weakening USD currency. The investment is expected to contribute stable income streams until the year 2019.



Binh An water treatment plant in Ho Chi Minh City, Vietnam

On the local and international front, especially in the emerging markets, the Group continues to selectively bid for infrastructure projects to build its portfolio of diversified and good infrastructure assets, and is confident of securing continued success in future years.

OTHER DEVELOPMENTS

During the year, the Group continued to dispose off its non-core and low yielding assets with the successful disposal of its remaining investment in Guangdong Provincial Expressway Development Co Ltd by realising a gain of RM118.01 million. The Group further disposed its fully-owned subsidiary, Torsco Sdn Bhd, and land and buildings situated in Bukit Jambul, Penang for capital gains of RM21.97 million and RM21.0 million respectively.

Moving forward, the Group plans to dispose its mature assets to release cash flows to fund its operations and future investments.

CONCLUSION

The prospect for the coming year looks promising for the Group despite post-election sentiments, US recession fears, inflationary pressures and slowing demand. Amidst the challenging environment, the existing strong order book, and escalating costs, margin erosion in the Construction Division remains a concern but is being proactively managed. Risk management practices have been intensified particularly in respect of future orders. Similarly, while margins are pressured by rising costs, with substantial pre-sales and a substantial land bank post merger, the Properties Division is well-positioned to maintain strong performances locally and overseas. The Plantations Division is anticipated to flourish on the back of strong CPO prices which are expected to continue into the coming year. The Industries Division is expected to remain competitive and its recent overseas ventures are expected to provide significant contributions to the division's results into next financial year. The Group's prospects are further expected to be enhanced by steady revenue streams from its tolling and port operations.

The Group will continue to enhance shareholders' returns through capital management, extracting value from recent acquisitions, expanding into rapidly growing emerging markets in the Indian Subcontinent and Middle East, and disposing its non-core low yielding assets to unlock value. As part of our growth and globalisation strategy, the rationalisation of our debts and assets will be the main focus while we further strengthen our core competencies to bring better returns to our shareholders and stakeholders in future.

Dato' Tan Boon Seng @ Krishnan
CEO & Managing Director

CORPORATE GOVERNANCE STATEMENT

THE BOARD OF DIRECTORS (THE BOARD) FULLY SUPPORTS AND IS COMMITTED TO ENSURE THAT THE HIGHEST STANDARDS OF CORPORATE GOVERNANCE ARE PRACTISED THROUGHOUT THE GROUP. IN ORDER TO MEET THE STAKEHOLDERS' EXPECTATION ON SOUND CORPORATE GOVERNANCE PRACTICES, THE BOARD IS ALWAYS PROACTIVE IN RESPECT OF CORPORATE GOVERNANCE AND ENSURES THAT THE PRINCIPLES AND BEST PRACTICES OF GOOD GOVERNANCE AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (THE CODE) ARE WELL APPLIED BY ALL COMPANIES WITHIN THE GROUP AND ITS PEOPLE.

THE GROUP, IN ITS ENDEAVOURS TO DELIVER GOOD FINANCIAL PERFORMANCE WITH ENHANCEMENT OF SHAREHOLDERS' VALUE HAS PLEDGED TO ADOPT AND ADHERE TO THE BEST PRACTICES IN CORPORATE GOVERNANCE. GOOD CORPORATE GOVERNANCE HAS ALWAYS BEEN OF IMPORTANCE TO THE GROUP SINCE ITS ESTABLISHMENT BY IJM'S FOUNDERS, AND IS A FUNDAMENTAL PART OF ITS CULTURE AND BUSINESS PRACTICES. THE GROUP HAS ALWAYS ACTED HONESTLY, TRANSPARENTLY, PROFESSIONALLY AND IN THE BEST INTEREST OF ALL STAKEHOLDERS.

I. BOARD OF DIRECTORS

1. Composition of the Board

Of the twelve (12) Board members, eight are Non-executive Directors. Amongst the Non-executive Directors, four are Independent Non-executive Directors. The Chairman is one of the Independent Non-executive Directors. Datuk Yahya bin Ya'acob 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 Board meetings. The current Independent Non-executive Chairman did not previously hold the position of CEO & MD in the Group. 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 accountability is given high priority.

The profile of each Director is presented on pages 28 to 35.

2. Duties and Responsibilities of the Board

The Board 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 experience to ensure that the Group continues to be a competitive leader within its diverse industry segments 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, overseeing the proper conduct of business, 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, seven 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	7 out of 7	100%
Dato' Goh Chye Koon	7 out of 7	100%
Soo Heng Chin	7 out of 7	100%
Independent Non-Executive Directors		
Tan Sri Dato' Ir (Dr) Wan Abdul Rahman bin Wan Yaacob	7 out of 7	100%
The late Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor (<i>Demised on 22 January 2008</i>)	3 out of 5	60%
Tan Sri Abdul Halim bin Ali	6 out of 7	86%
Datuk Oh Chong Peng	7 out of 7	100%
Datuk Yahya bin Ya'acob	7 out of 7	100%
Non-Executive Directors		
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	6 out of 7	86%
A. K. Feizal Ali	3 out of 7	43%
Datuk Lee Teck Yuen (<i>Appointed on 30 May 2007</i>)	6 out of 6	100%
Dato' David Frederick Wilson (<i>Appointed on 30 May 2007</i>)	6 out of 6	100%
Alternate Directors		
Teh Kean Ming, <i>Alternate to Dato' Goh Chye Koon</i>	5 out of 7	71%
Tan Gim Foo, <i>Alternate to Soo Heng Chin</i>	7 out of 7	100%
Hasni bin Harun, <i>Alternate to A. K. Feizal Ali</i>	2 out of 7	29%

Besides these Board meetings, the Directors also attend several tender adjudication meetings and/or 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 additional information on the financial performances of the entities and business units, and other issues requiring 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, 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, and the Malaysian budget, to acquaint them with the latest developments in these areas.

The Directors are notified of any corporate announcements released to the Bursa Malaysia Securities Berhad ("Bursa Malaysia"). 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 Malaysia, 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 Heads 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:

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

B. Audit Committee

The Audit Committee was established on 31 January 1994 and is chaired by Y. Bhg. Datuk Oh Chong Peng, who was redesignated as Chairman of the Audit Committee on 26 February 2008 replacing the late Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor, who demised on 22 January 2008. Other members of the Audit Committee are Y. Bhg. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob, Y. Bhg. Tan Sri Abdul Halim bin Ali 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 102 to 105.



MEMBERS OF THE NOMINATION & REMUNERATION COMMITTEE

left to right:

Y. Bhg. Datuk Oh Chong Peng
Y. Bhg. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob
Y. Bhg. Datuk Yahya bin Ya'acob
Y. Bhg. Datuk Lee Teck Yuen

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 is chaired by Y. Bhg. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob, who was redesignated as Chairman on 26 February 2008 replacing the late Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor, who demised on 22 January 2008. The three other members of the Nomination & Remuneration Committee are Y. Bhg. Datuk Yahya bin Ya'acob, Y. Bhg. Datuk Oh Chong Peng and 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. Four meetings were held during the financial year. All recommendations of the Nomination and Remuneration Committee are subject to endorsement of the Board. The attendance record of each member of the Committee was as follows:

	Number of Meetings Attended	Percentage
Directors		
The late Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor (Demised on 22 January 2008)	3 out of 4	75%
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob (Redesignated as Chairman on 26 February 2008)	3 out of 4	75%
Datuk Yahya bin Ya'acob	4 out of 4	100%
Datuk Lee Teck Yuen (Appointed on 30 May 2007)	3 out of 3	100%
Datuk Oh Chong Peng (Appointed on 26 February 2008)	Not Applicable*	Not Applicable*

* No meeting was held after the appointment of Datuk Oh Chong Peng

D. Securities and Options Committee

The Securities and Options Committee (SOC) was established on 27 August 2007 combining the roles and responsibilities of the Share Committee and Employee Share Option Scheme (ESOS) Committee, which were previously established on 3 September 1986 and 30 October 2003 respectively. The SOC is responsible for implementing and administering the ESOS of the Company, and regulating and approving the securities transactions and registrations. The SOC comprises Y. Bhg. Datuk Yahya bin Ya'acob (Chairman), Y. Bhg. Dato' Goh Chye Koon and Mr Soo Heng Chin.

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 Malaysia. 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



Directors and senior management staff attending Malaysian Taxation and Budget 2008 briefing

All the Directors have attended the Directors' Mandatory Accreditation Programme organised by the Bursa Malaysia. Directors also receive further training from time to time, particularly on relevant new laws and regulations and changing commercial risks. A brief induction course will be provided by the Company Secretary to all new Directors appointed from time to time.

During the year, four (4) seminars had been organised for the Directors and senior management as follows:-

- 1) Impact of Financial Reporting Standard 3 on Mergers & Acquisition - A Sharing of Experience;
- 2) Latest Development on Corporate Governance in Malaysia;
- 3) Malaysian Taxation & Budget 2008 Briefing; and
- 4) Updates on Liability Insurance Cover & Claims against Directors & Officers.

The Company is aware of the importance of continuous training for Directors to enable the Directors to effectively discharge their duties, and 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.

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. On top of the statutory contribution rate of 12%, the Group is offering additional contribution ranging from 1% to 5% to all its employees based on length of services.

6. Directors' Share Options and Warrants

The Group also rewards its staff with share options under the ESOS. 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 140 and 141.

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	EPF RM'000	Benefits- in-kind RM'000	Total RM'000
Executive Directors	2,190	107	2,085	769	92	5,243
Non-executive Directors	366	470	303	76	43	1,258

B. Aggregate remuneration of each Director:

	RM'000
Executive Directors	
Dato' Tan Boon Seng @ Krishnan	2,348 [^]
Teh Kean Ming (<i>Ceased as an Alternate to Dato' Goh Chye Koon on 1 July 2008, and appointed as Deputy Chief Executive Officer & Deputy Managing Director on 1 July 2008</i>)	752 [^]
Dato' Goh Chye Koon	1,518 [^]
Soo Heng Chin	625 [^]
Non-Executive Directors	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	149
The late Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor (<i>Demised on 22 January 2008</i>)	69
Tan Sri Abdul Halim bin Ali	42
Datuk Oh Chong Peng	73
Datuk Yahya bin Ya'acob	86
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	51
Datuk Lee Teck Yuen	45
Dato' David Frederick Wilson	38
A. K. Feizal Ali (<i>Ceased on 21 April 2008</i>)	40*
Hasni bin Harun (<i>Ceased as an Alternate to A. K. Feizal Ali on 21 April 2008, and appointed as Non-Executive Director on 21 April 2008</i>)	—
Alternate Director	
Tan Gim Foo, <i>Alternate to Soo Heng Chin</i>	665 [^]

* The fees and allowances were paid to Zelan Berhad.

[^] Remuneration received from IJM Group of Companies.

III. INVESTOR RELATIONS AND SHAREHOLDER 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 pertinent information to its shareholders as well as to potential investors and the public.

This is achieved through timely announcements and disclosures made to the Bursa Malaysia during the year, including the release of financial results on a quarterly basis. The Company's full year audited financial results are released within two (2) months after the financial year end.

The annual report is released within four (4) months after the financial year end and 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.

The Group conducts regular dialogues with financial analysts as a means of effective investor communication. At least two scheduled Company Briefings are held each year, usually coinciding 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 each Company Annual General Meeting and/or Extraordinary General Meeting.

The Company also participates 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:-



Dato' Krishnan Tan giving a presentation to the analysts

	Number of Meetings
Regular Meetings with Investors/Fund Managers/Analysts, etc	
1. Company Briefing	2
2. Press Conferences	3
3. Meetings with visiting investors/fund managers/analysts	63
Participation at Local Road Shows/Exhibitions/Investors Conferences	
1. Conferences	1
Overseas Investors Conferences	
1. Hong Kong	2
2. Singapore	1
3. Las Vegas	1

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.

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, a presentation is given by the CEO & MD to explain the Group's strategy, performance and major developments to shareholders. The Board also encourages shareholders to participate in the question and answer session at the Annual General Meeting. The Chairman and where appropriate, the CEO & MD, respond to shareholders' questions during the meeting. Where necessary, 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.

3. Investor Relations Function

The Group, recognising the importance of investor relations, has established an Investor Relations Department, to continuously develop and maintain its investor relations programme and consistently inform the shareholders and the financial community of the Group's developments in an effective, clear and timely manner.

4. Openness and Transparency

The Group has established a comprehensive and current website at <http://www.ijm.com> to further enhance investor relations and shareholder communication. Amongst others, the website provides information on the daily movement of the securities of the Company, corporate announcements released to the Bursa Malaysia, 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 better serve stakeholders of the Group, a feedback page on the website provides an avenue for stakeholders to suggest improvements via email: ijmir@ijm.com. In addition, stakeholders who wish to reach the respective divisions of the Group can do so through the 'Contact Us' page.

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 provisions of the Act and 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 approved 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 Company, 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 Statement on Internal Control is set out on pages 106 to 108.

4. Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is set out on pages 102 to 105.

5. Non-Audit Fee

The amount of non-audit fee incurred for the services by the external auditors and their affiliated companies to the Company for FY 2008 amounted to RM2.07 million.

6. Related Party Transactions

Significant related party transactions of the Group for the financial year are disclosed in Note 51 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 29 August 2007.

Signed on behalf of the Board of Directors in accordance with its resolution dated 15 July 2008.



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



MEMBERS OF THE AUDIT COMMITTEE

left to right:

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

Y. Bhg. Tan Sri Abdul Halim bin Ali

Y. Bhg. Datuk Oh Chong Peng

Y. Bhg. Datuk Yahya bin Ya'acob

DURING THE FINANCIAL YEAR, THE AUDIT COMMITTEE CARRIED OUT ITS DUTIES AND RESPONSIBILITIES IN ACCORDANCE WITH ITS TERMS OF REFERENCE AND HELD DISCUSSIONS WITH THE INTERNAL AUDITORS, EXTERNAL AUDITORS AND MANAGEMENT STAFF. NO MATERIAL MISSTATEMENTS OR LOSSES, CONTINGENCIES OR UNCERTAINTIES HAVE ARISEN FROM THE REVIEWS AND DISCUSSIONS.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

MEMBERSHIP

The Audit Committee shall be appointed by the Board of Directors from amongst the Non-executive Directors and shall consist of not less than three members, with a majority of them being independent Directors. The members of the Audit Committee shall elect a Chairman from among their numbers, and who shall be an independent Director. An alternate Director shall not be appointed as a member of the Audit Committee.

At least one member of the Audit Committee:

- (i) shall be a member of the Malaysian Institute of Accountants; or
- (ii) if not a member of the Malaysian Institute of Accountants, the member shall have at least three years' working experience and:
 - (a) shall have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (b) shall be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- (iii) fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The Board of Directors shall 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 shall be held at least four times a year with the attendance of the Chief Financial Officer, head of Internal Audit and representatives of the external auditors. Other Board members and senior management may attend meetings upon the invitation of the Audit Committee. At least twice a year, the Audit Committee shall meet with the external auditors and internal 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.

The Chairman of the Audit Committee engages on a continuous basis with senior management such as the CEO & MD, Chief Financial Officer, head of Internal Audit and the external auditors, in order to keep abreast of matters and issues affecting the Group.

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

The Company Secretary shall act as secretary to the Audit Committee. Minutes of each meeting shall be distributed to each Board member, and the Chairman of the Committee shall report on key issues discussed at each meeting to the Board.

During the financial year, the Audit Committee convened 4 meetings. The Audit Committee members and their details of attendance at Audit Committee meetings are tabled below:

	No. of meetings held during the year	No. of meetings attended
Y. Bhg. Datuk Oh Chong Peng Chairman of the Audit Committee (Independent Non-Executive Director)	4	4
Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Nor <i>(Demised on 22 January 2008)</i> Former Chairman of the Audit Committee (Senior Independent Non-Executive Director)	4	1
Y. Bhg. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob Member (Independent Non-Executive Director)	4	4
Y. Bhg. Datuk Yahya bin Ya'acob Member (Senior Independent Non-Executive Director)	4	4
Y. Bhg. Tan Sri Abdul Halim bin Ali Member (Independent Non-Executive Director)	Not Applicable*	Not Applicable*

* No meeting was held after the appointment of Tan Sri Abdul Halim bin Ali on 26 February 2008

On 26 February 2008, Y. Bhg. Datuk Oh Chong Peng was redesignated as Chairman of the Audit Committee, replacing the late Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor, who demised on 22 January 2008.

AUTHORITY

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

- to investigate any activity within its terms 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 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 shall state 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 evaluation of system of internal controls, 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, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its functions;
 - (ii) the internal audit plan, programme and activities;
 - (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, and 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 and/or internal 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 Malaysia on any matter reported by it to the Board, which has not been satisfactorily resolved resulting in the breach of the Listing Requirements of Bursa Malaysia.
- 13) To consider any other matters as may be directed by the Board from time to time.

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR

During the year, the Audit Committee carried out the following activities:

1.0 Financial Reporting

- Reviewed the quarterly financial results announcements and the year end financial statements of the Group;
- In the review of the annual audited financial statements, the Audit Committee discussed with management and the external auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements.

2.0 Internal Audit

- Reviewed the annual audit plan proposed by the Internal Auditors to ensure the adequacy of the scope and coverage of work;
- Reviewed the effectiveness of the audit process, resource requirements for the year and assessed the performance of the Internal Audit Department;
- Reviewed the audit reports presented by the Internal Auditors on their findings and recommendations with respect to system and control weaknesses. The Committee then proposed that control weaknesses be rectified and recommendations for improvements be implemented.

3.0 External Audit

- Reviewed the external auditors' audit strategy, audit plan and scope of work for the year;
- Reviewed the findings of the external auditors' reports, particularly issues raised in the management letter and ensured where appropriate, the necessary corrective actions have been taken by management.

4.0 Risk Management Committee

- Reviewed the Risk Management Committee's reports and assessments.

5.0 Related Party Transactions

- Reviewed the related party transactions that arose within the Group.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by the Internal Audit Department, which reports directly to the Audit Committee on its activities based on the approved annual Internal Audit Plan. The approved annual Internal Audit Plan is designed to cover projects and entities across all levels of operations within the Group. The Internal Audit Department adopts a risk-based auditing approach, taking into account global best practices and industry standards.

The Head of Internal Audit reports directly to the Audit Committee and has direct access to the Chairman of the Audit Committee on all the internal control and audit issues.

The main role of the Internal Audit Department is to provide the Audit Committee with independent and objective reports, performed with impartiality, proficiency and due professional care, on the effectiveness of the system of internal controls within the Group. The Audit Committee then deliberates on the internal audit reports to ensure recommendations from the reports are duly acted upon by management.

INTERNAL AUDIT ACTIVITIES FOR THE FINANCIAL YEAR

During the year, internal audits performed spanned the construction, properties and infrastructure divisions, as well as the overseas operations of the Group. 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 advisory role in the review and improvement of existing internal controls within the Group.

STATEMENT ON INTERNAL CONTROL

SOUND INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT PRACTICES, AND GOOD CORPORATE GOVERNANCE - THESE ARE THE IMPORTANT ATTRIBUTES AND VALUES THE BOARD OF DIRECTORS SEEKS TO NURTURE AND PRESERVE THROUGHOUT THE GROUP.

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.

A STRUCTURED AND COMPREHENSIVE ONGOING RISK MANAGEMENT PROGRAMME IS IN PLACE TO IDENTIFY, DOCUMENT, EVALUATE, MONITOR AND MANAGE SIGNIFICANT RISKS AFFECTING THE ATTAINMENT OF THE GROUP'S BUSINESS OBJECTIVES AND GOALS.

RISK MANAGEMENT FRAMEWORK



RISK MANAGEMENT FRAMEWORK (cont'd)

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 Group 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, Mr Cyrus Eruch Daruwalla and includes representatives from all the business divisions, including our overseas operations, as well as from relevant Head Office operations support departments. Each business division's risk management function is led by the respective head of the division.

By adopting a risk-based approach, the RMC is tasked to develop, execute and maintain an effective risk management system in order to safeguard the shareholders' investment and the Group's assets.

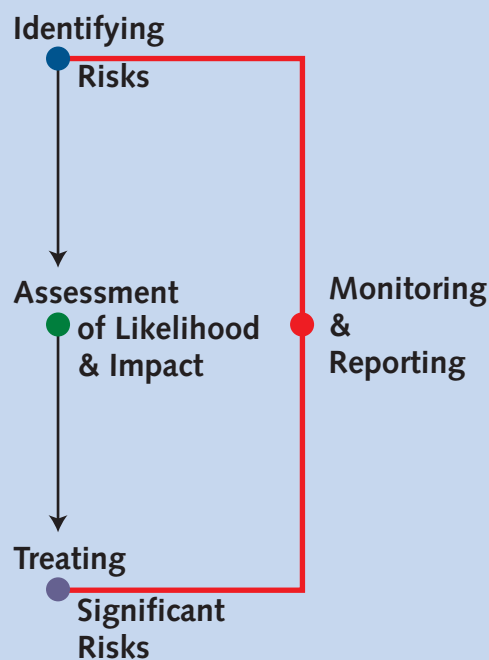
Its reviews cover matters such as responses to significant risks identified including non-compliance with applicable laws, regulations, rules and guidelines, changes to internal control and management information systems, and output from monitoring processes.

The RMC 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.

RISK MANAGEMENT PROCESS



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 matrix;
- clearly documented standard operating policies and procedures which are subject to regular review and improvement;
- top down communication of company values such as fraud prevention and avenues for whistle-blowing;
- regular and comprehensive information provided to management, covering financial performance and key business indicators, such as staff utilisation, cash flow performance, current economic and market conditions;
- a detailed budgeting process where operating units prepare budgets for the coming year which are approved both at divisional unit level and by the Board;
- monthly monitoring of results against budget and prior period's results, with major variances being followed up and management actions taken, where necessary;
- half-yearly or as required company briefings with analysts held on the day of announcement of financial results, after Board's approval, to apprise the shareholders, stakeholders and general public on the Group's performance and promote transparency and open discussion; and
- visits to operating units by members of the Board and senior management to familiarise with the business and operations.

As a global company with diverse business portfolio, the IJM Group is exposed to numerous risks. The Group has purchased insurance coverage - where it is available on economically acceptable terms - in order to minimise related financial impacts. The level of this coverage is continually re-examined.

DISASTER RECOVERY PLANNING

With threats of terrorism and bird flu outbreak in various parts of the world, and other potential hazards such as fire and flood, amongst others, continuity of business operations is of a major concern. The Group is developing an enhanced plan on business continuity management 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.

ANNUAL RISK ASSESSMENTS

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.

In a strategic move to strengthen our competitive advantage, IJM acquired the Road Builder Group and merged the existing business operations and processes during the period. The Group recognises that failure to successfully integrate the newly acquired business or unexpected high integration cost could jeopardise the achievement of quantitative and qualitative targets such as synergies, and adversely impact earnings. Our integration processes are supervised by a select team of integration members, and appropriate resources are provided to steer the integration process.

We are pleased to state that the outcome from our annual risk assessment has been satisfactory and no material misstatements or losses, contingencies or uncertainties have arisen from our reviews.

THE GROUP WILL CONTINUE TO MONITOR ALL MAJOR RISKS AFFECTING THE GROUP UNDER ITS RISK MANAGEMENT COMMITTEE AND TAKE THE NECESSARY ACTIONS TO MITIGATE OR ELIMINATE THEM, PROVIDING A FRAMEWORK FOR SAFEGUARDING OUR COMPETITIVE POSITION WORLDWIDE.



Quality awards are given to projects annually to promote healthy competition

IJM THROUGHOUT THE YEARS HAS EPITOMISED 'MARK OF EXCELLENCE' BRANDING IN THE QUALITY OF ITS PRODUCTS AND SERVICES SYNONYMOUS WITH ITS MOTTO 'EXCELLENCE THROUGH QUALITY'. THUS, IJM ENDEAVOURS TO CONTINUOUSLY ENHANCE AND REINVENT ITSELF IN ORDER TO REMAIN COMPETITIVE AND DELIVER SUPERIOR QUALITY PRODUCTS AND SERVICES TO ITS CUSTOMERS, ALIGNED WITH ITS VISION AND MISSION.

QUALITY POLICY STATEMENTS

In line with our quality philosophy, the Group has adopted the following policies:

- All projects and services undertaken will be implemented in such manner that they meet customers' expectations and comply with applicable statutory and regulatory requirements;
- Quality of the final products and services will be improved through continuous review and advancement of construction processes and quality management system; and
- Instill the highest standards of integrity and professionalism in our staff to serve our customers better.

QUALITY CONTROL & MONITORING

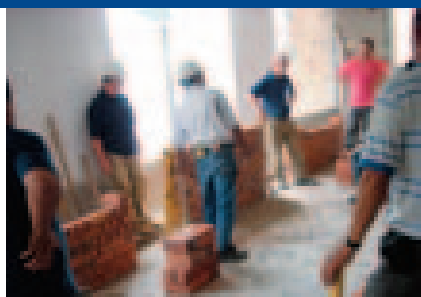
The Group's Quality Management System was certified by the internationally recognized ISO 9001:2000 standard in 1996. Since then, the Group has successfully renewed its certification annually.

The Group is committed to deliver quality products and services which are met by a systematic monitoring, measurement and management system comprising:

- Well-documented quality assurance plans at the beginning of each project;
- Scheduled internal and external quality audits;
- Weekend and other routine visits to monitor efficiency and quality control at sites;
- Annual customers' satisfaction surveys; and
- Submission of monthly quality reports of every project via the e-system for central monitoring and control.

In addition, the Group has in place an internally developed self-regulated system called IJM Quality Standard Assessment System (IQSAS) for various quality aspects of our building construction and civil works. It also acts as a benchmark amongst our projects for continuous quality improvement.

Well-structured training programmes are organised for all staff levels

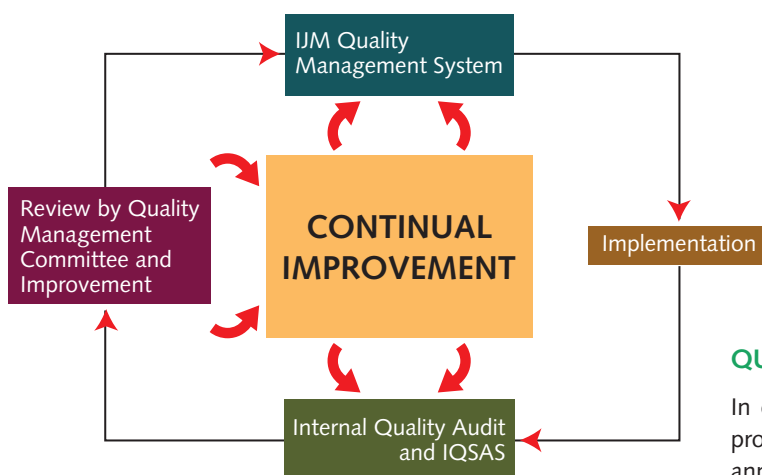


QUALITY CULTURE

The Quality Management System has been implemented at all levels of IJM and has become a way of life, rather than as a form of monitoring control. Quality practices are deeply rooted in our day-to-day operations.

Following the merger of IJM-Road Builder Group, the enlarged Group has swiftly integrated both quality management systems to ensure operational consistency and business continuity without disruption.

CONTINUOUS QUALITY IMPROVEMENT



Increasing market competition and the ever changing business environment require the Group to continuously enhance its skills and technology. IJM strongly emphasises 'continual improvement' as part of its philosophy by employing the following approaches:

- Continuous review and revision of the Quality Management System manual and procedures to address customers' requirements and market developments;
- Carry out well-structured training programmes for all staff levels to improve their skills such as Building Supervision Training in affiliation with Holmesglen Institute of Technical and Further Education (TAFE);
- 'On-the-job' training is enforced throughout our projects;
- Knowledge sharing and update through the internal Information Portal; and
- Implementation of guidelines and handbooks for proper project execution and control.



Routine visits to monitor efficiency and quality control at sites

QUALITY RECOGNITION

In order to promote healthy competition amongst our project sites to deliver quality work, the Group accords annually the Quality Award to projects 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.

QUALITY CERTIFICATION

The Group aspires to achieve compliance with ISO 9000 in all its business operations. To date, a total of thirteen 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 Building 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
12. Road Builder (M) Sdn Bhd
13. RB Land Sdn Bhd



GUIDED BY ITS MOTTO, "HEALTH, SAFETY AND ENVIRONMENT IS EVERYONE'S RESPONSIBILITY", THE IJM GROUP CONTINUALLY STRIVES TO IMPROVE ITS ENVIRONMENTAL, SAFETY AND HEALTH PRACTICES WITH THE OBJECTIVES OF PREVENTING ACCIDENTS, OCCUPATIONAL ILLNESSES AND ENVIRONMENTAL POLLUTION; AND ACHIEVING LONG TERM SUSTAINABILITY AND A HEALTHY WORK ENVIRONMENT.



Slope protection: Hydroseed and fibromat at the Kuantan Bypass project in Pahang

To achieve the objectives, the Group has in place Health, Safety and Environment (HSE) policies and procedures, and a comprehensive HSE framework which aid the Group to:

- Comply with all applicable HSE legislations, guidelines and other requirements;
- Familiarise all employees and stakeholders with training, information and facilities available;
- Increase awareness and accountability at all levels of the organisation; and
- Monitor and regularly review its set objectives.

HEALTH AND SAFETY

The health and safety of our people and working environment is of utmost importance to IJM. As such, the Group enforces that all its business units put in place health and safety best practices, policies and procedures to ensure that the highest standards of health and safety are being maintained.

Various HSE committees, programmes and key performance indicators have been put in place to enhance the health, safety and the environment where the Group operates in; they include:



Safety: Use of scaffolds and netting at project sites

HSE Management System

a) Project Safety, Health Plan and Project Environmental Management Plan

Prior to the execution of construction works, every project is required to put up their respective Project Safety, Health Plan and Project Environmental Management Plan to ensure that the highest standards of occupational health, safety and environment are maintained throughout the project.

b) Health, Safety and Environment Management Committee (HSEMC)

The committee meets periodically to review HSE operations and performance, such as HSE policies and procedures, objectives and targets, incidents statistics and non-conformity reports.

c) Health, Safety and Environment Committee (HSEC)

Established at corporate level and in all project sites to comply with Occupational Safety and Health Act 1994 (OSHA 1994). The committee assists in the development of safety and health rules, reviews safety and health programmes, and reviews the HSE policies.

d) IJM Health and Safety Assessment System (IHSAS)

A system designed with a systematic assessment of safety and health aspects of construction projects undertaken by the Group. The assessment criteria are based on OHSAS 18001:1999 Standards and relevant legal requirements, e.g. OSHA 1994.

e) Performance Indicators

(i) Lost Time Injury (LTI) FY 2008

Several projects have successfully achieved their target of man-hours worked without LTI such as Menara Commerce project which has achieved 2.5 million man-hours without LTI. Meanwhile, other projects such as Kuantan By-Pass, The Spring and Desa Sri Puteri, Parcel D have achieved their respective target of 1 million man-hours worked without LTI.

(ii) Average Severity Rate FY 2008

The severity rate provides an indication of the number of days lost due to accidents compared against man hours worked in a given month.

(iii) Average Frequency Rate FY 2008

The frequency rate provides an indication of the frequency of accidents compared against man hours worked during the month.

f) HSE Audits and Surprise Inspections

To ensure that the established systems conform to the HSE requirements and standards, the HSE Department has carried out a total of 41 health, safety and environmental audits, and 40 surprise inspections of current active projects at different stages of construction during the period.



Drip irrigation technology employed in the plantation nurseries to conserve water

Environmental Quality Monitoring Program	Parameters
Ambient Air Quality	Total Suspended Particulate (TSP)
	Particulate Matters $\mu 10$ (PM ₁₀)
Ambient Noise Quality (Duration: 8 hours and 24 hours)	La _{eq}
	La _{min}
	La _{max}
	L ₁₀
	L ₅₀
	L ₉₀
River Water Quality (Effluent Discharge)	PH
	Total Suspended Solid (TSS)
	Temperature
	Biological Oxygen Demand (BOD)
	Chemical Oxygen Demand (COD)
	Dissolved Oxygen (DO)
	<i>Escherichia Coli</i> (E.Coli)
	Ammonical Nitrogen (NH ₃ N)
Discharge from Silt Trap	Total Suspended Solid (TSS)

ENVIRONMENTAL PROTECTION AND PRESERVATION

Ever mindful of the impact our business activities have on the environment in which we operate, the Group continually carries out various environmental protection and preservation initiatives within its daily operations.

The Group's construction business, cognisant of its imprint on the environment, has committed itself to the code of conduct prescribed in Environmental Management System ISO 14001, whereas our plantations unit employs sound agronomic and environmental practices in all its operations and continues to be involved in the Roundtable on Sustainable Palm Oil (RSPO) to promote growth, sustainable production and use of palm oil, and address palm oil environmental issues.

Environmental Quality Monitoring Programme

During FY 2008, IJM has self-measured its environmental quality performance by establishing the Environmental Quality Monitoring Programme (EQMP) at all project sites. The programme was established to self-measure the quality of the surrounding environment that is affected by our business operations and activities. It was established to voluntarily monitor and measure the projects that are not subject to Environmental Impact Assessment (EIA) Approval Conditions.

Several key areas are covered in the programme such as air quality, noise quality and river water quality that are monitored and measured, and their parameters are summarised in the adjacent table.

During the year, 65% of all projects have been subjected to the EQMP and 60% of the projects have successfully implemented the programme on schedule.



Vegetative cover to protect slope at the Lekas project site



Riverbank protection at the project site

Environmental Conservation and Preservation Measures

Several environmental conservation and preservation measures have been implemented by various divisions of the Group, some of which are detailed below:

Waste Management

- **Solid waste management system in construction and property development projects**

The system was developed in accordance with Environmental Quality (Scheduled Waste) Regulation 2005, Local Government Act 1976 and other requirements by Local Municipal Council, to manage the construction, domestic and scheduled waste regularly at the sites.

- **'Zero waste' in palm oil mills**

The Plantations Division has in place various measures for waste management and recycling of waste into beneficial uses. Treated palm oil mill effluent (POME) with minimised pollution load, is applied to plantation land for irrigation purposes. Shredded fibers are converted from empty fruit bunches (EFB) and POME into semi-decomposed organic compost at the Sabang biocomposting plant, for use in the estates.

Water Quality Control

- **Drainage and water discharge systems in all work sites**

These systems have been implemented to prevent construction waste being discharged into rivers during heavy rain. Other preventive measures included sedimentation ponds, silt traps and bunkers.

- **Drip irrigation technique used in the plantations nurseries**

The drip irrigation technology has been employed at the Desa Talisai Estate, Sabah and has successfully addressed the efficient usage of water and labour in its plantation nursery operations.

Flood Control

- **Controlled earthworks and flood mitigation controls in construction and property development projects**

To prevent flooding of the surrounding low-lying areas near the project sites, controlled earthworks and effective Flood Mitigation Controls including adequate earth drainage and detention ponds, have been implemented to control the flow of rainwater.

- **Water reservoirs in the estates**

Reservoirs have been set up in the plantations to alleviate floods. During the dry seasons, the reservoirs also act as the source of irrigation water for the surrounding fields.

Erosion and Sedimentation Control

- **Preventive actions in construction and properties sites**

To prevent soil erosion and sedimentation, measures such as phased developments, hill slopes turfing, progressive revegetation, hydro-seeding, slope stabilisation and silt/sediment traps have been implemented.

- **Hillsides turfing at the quarries**

The quarries adopted turfing of hillsides to prevent land slides and other adverse environmental effects. Other preventive measures included garden landscaping, installation of fish ponds and waterfall systems.

- **Legume cover crops in the estates**

To minimise soil loss and land slides, the plantations use legume cover crops such as the *Mucuna bracteata* to cover new land clearings. The cover crops also convert atmospheric nitrogen into a usable form by plants, act as an additional organic matter to the soil, lower soil temperature and conserve soil moisture.



Proper piling methods are used to prevent noise pollution at project sites

Air Quality Control

- **No open burning at construction and property sites**

Open burning is not permitted at work sites to prevent smoke pollution and carbon dioxide emissions and maintain the air quality of the surrounding areas.

- **'Zero-burn' policy in all replantings**

This policy is enforced in all replanting activities. As for new plantings, 'zero-burn' is the preferred policy, however where the situation warrants it, strictly controlled burning is enforced with prior approval from the authorities.

- **Controlling dust pollution at work sites and quarries**

To reduce dust pollution, regular sprinkling of water is carried out in addition to sprinkler systems installed on crushers, conveyors and along quarry access.

- **Environmental friendly plant and machinery**

Plant and machinery which emit minimal pollution and smoke are employed in our operations.

Noise Control

- **Noise reduction measures in the factories**

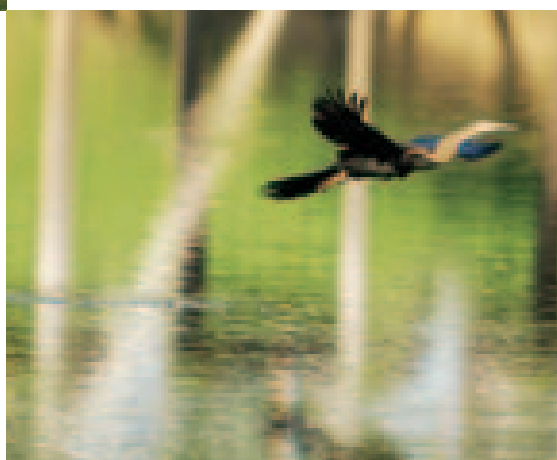
The manufacturing division implemented noise reduction measures such as rubberised mesh used in its screening operations and insulated noise protection materials in control rooms at the quarries.

- **Independent reviews of permissible noise levels**

Independent consultants are engaged to review the level of permissible noise levels where required. Where noise levels exceed the acceptable levels, staff must wear noise protective equipment.

- **Proper piling methods used at the construction sites**

During foundation works, proper piling methods are employed to prevent noise pollution.



Environmental conservation of surrounding catchment ponds in the plantations



The Safety and Health Award is presented to project sites which practice sound health and safety practices

Integrated Pest Management

- **Breeding of predator insects in plantations**

The Plantations unit collects, breeds and multiplies predator insects in an insectarium in its Quality, Training & Research Centre, for eventual release to reduce or eliminate estate pests.

- **Beneficial plants at the estates**

Beneficial plants which act as an effective alternative food source for the predators of pests are being propagated and planted all over the estates.

- **Pheromone and biopesticides to control estate pests**

Environmental friendly pheromone and biopesticides such as Metarrhizium are used to control the rhinoceros beetle, *Oryctes rhinoceros*, which is a common pest in the estates.

- **Biological control of rats in the estates**

Barn owls are being explored as a biological control tool for rats in the plantation estates.

TRAINING, AWARENESS AND COMMUNICATION

During the year, various training and awareness programmes were held to promote a proactive safety, healthy and environmentally conscious culture, these included:

- Introduction to Occupational Health and Safety Assessment Series (OHSAS) 18001;
- HSE Internal Audit;
- Accident Investigation;
- First Aid & CPR Training;
- Plant and Machinery Safety;
- Environmental Aspects and Impacts; and
- Erosion, Sedimentation Pollution Control and Best Environmental Practices.

Joint-training programmes with governmental agencies such as Department of Irrigation and Drainage, and Department of Public Works have been introduced to enhance staffs' knowledge and understanding.

To communicate the HSE policies and procedures to all staff, the HSE Department maintains a dedicated section in the Group's Internal Information Portal which houses the HSE manuals, procedures and guidelines that are regularly reviewed and updated for best practices on corrective and preventive HSE measures.

The HSE Department has also recently started publishing HSE News which shares with staff examples of non-compliance incidents so that others will be aware of such mishaps and prevent it from occurring in their project sites. In addition, sign boards and notices are put up at strategic locations to remind staff about good HSE practices.

In order to promote healthy competition amongst our project sites to practice sound health and safety practices, the Group accords the Safety & Health Award during the Company's Annual Dinner.



AS PART OF MANAGEMENT IN A MODERN ENVIRONMENT, CORPORATE SOCIAL RESPONSIBILITY (CSR) IS AN ISSUE OF INCREASING IMPORTANCE. THE IJM GROUP IS DEDICATED AND COMMITTED TO THE CSR INITIATIVE WHICH IS UPHELD IN ITS POLICY STATEMENT.

IJM receives an Honourable Mention at the Prime Minister's Corporate Social Responsibility Awards for Outstanding Work in Environment category

POLICY STATEMENT

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.

The policy statement is further expanded in the Group's CSR Framework. The Group strongly subscribes to the basic principles of CSR as set out in Bursa Malaysia's CSR Guidelines, as a basis for its own CSR Framework as reflected in the diagram:

CSR FRAMEWORK			
Marketplace	Environment	Community	Workplace
<ul style="list-style-type: none"> • Business Ethics & Values • Corporate Governance • Stakeholder Engagement • Procurement Policy • Products & Services 	<ul style="list-style-type: none"> • Environmental Certification • Environmental Management Programmes 	<ul style="list-style-type: none"> • Sports Development at Grassroots Level • IJM Scholarship Programme • Graduate Employment • Education Programme at the Plantations • Community Services 	<ul style="list-style-type: none"> • Health & Safety • Workplace Diversity • Human Capital Development • Loyalty Appreciation • Work-Life Balance • Staff Welfare

Given the nature of business the Group operates within, it is mindful of the fact that its social obligations towards the marketplace, environment, communities and its employees are highly regarded. IJM strongly believes that intertwining its businesses with CSR initiatives will help its businesses grow by leaps and bounds, whilst at the same time affecting the marketplace, environment, communities and its workforce positively. Throughout the financial year, several efforts have been implemented to ensure that these four key areas are not overlooked. The Group's CSR framework and programme have been designed to deliver long term sustainable value to the society at large.

In recognition of the Group's CSR efforts, IJM was accorded the second runner-up in the Best Social Reporting in the ACCA MESRA Awards in May 2007 and an honourable mention at the Prime Minister's CSR Awards in November 2007. This is a testament of the Group's commitment and dedication towards corporate social responsibility.

MARKETPLACE

The sustainability of the market's confidence in the Group's operations and business conduct is important to the Group. Various best practices, policies and procedures on excellent business ethics and values, good

corporate governance and procurement policies, quality and innovative products and services, and stakeholder engagement, are enforced throughout the Group.

Business Ethics & Values

In its commitment to ethical business conduct and values, the Group has laid down policies, procedures and best practices, which are practical, simple and beneficial and which have a significant impact on the Group's emphasis on good economic, social and environmental well being. Such business ethics include the timely delivery of quality products and services, accident-free operations, elimination of occupational health hazards, and environmental conservation and preservation.

The Group's policies, procedures and best practices are extensively published through the Company's website, information portal and annual reports; policy statements are also posted in various locations within the organisation. An effective and efficient operational structure, a robust business process as well as an internationalisation strategy, have been put in place to maximise returns to stakeholders.



Directors and staff attend the annual Senior Management Dialogue to discuss operational performance, future plans and strategies, share views and provide feedback.

Corporate Governance

In line with its policy statement "*We strive to uphold the highest standards of professionalism and exemplary corporate governance to maximise the benefits for all stakeholders*", the Group is committed to ensure that the highest standards of corporate governance are practised throughout the Group. Therefore, the Group has in place various best practices from adequate Board balance among executive, non-executive and independent directors for sound decision making process to transparent disclosures of the Board's remuneration.

Along with good governance, the Board is committed to ensure true and fair financial reporting and maintenance of a proper risk management framework, proper safeguard of the Group's assets and prevention of fraud and other irregularities. The Group's risk management framework adopts a risk-based approach and its reviews cover the areas of non-compliance with applicable laws, regulations, guidelines, changes to internal controls and management information systems. The outcome of the current year's risk assessment reviews has been satisfactory and no material misstatements or losses, contingencies or uncertainties have arisen.

For more details, please refer to the *Corporate Governance Statement* (for the Group's best corporate governance practices) and *Internal Control Statement* (for the risk management framework and practices).

Stakeholder Engagement

The disclosure and communication of quality information to investors, regulators, customers, suppliers, employees and general public, with proper accountability and transparency in line with good governance and best practices, are of utmost importance to IJM. For instance, annual customers' satisfaction surveys are carried out to obtain customers' feedback in order to serve them better.

Avenues for whistle-blowing are available where an employee can report fraud or irregularities in the most confidential and discreet means to the Group Internal Auditor, Chief Executive Officer & Managing Director or the Company Secretary. Opportunities are also provided for employees to provide feedback and opinions through interactive intranet forums and suggestion boxes.

The Company has a well established Investor Relations (IR) framework and programme to disseminate quality information on the Group's developments, operations and performance to investors and the financial community. In order to provide the investors and financial community an overview of the Group's performance and developments, various disclosures and announcements are made to the Bursa Malaysia, regular dialogues are held with analysts and fund managers, and press conferences. More details of the Group's Investor Relations activities are contained in the *Corporate Governance Statement*.



Regular reviews and quality control assessments are carried out at project sites to ensure and maintain quality

The Group also has a comprehensive website at <http://www.ijm.com> to further enhance investor relations and stakeholder communications. Feedback is also encouraged from shareholders and visitors at the Group's website to improve its product offerings, services and any other matters they wish to raise.

Procurement Policy

The Group controls the purchasing process to ensure that materials or services, which are purchased, satisfy the client's requirements and contract specifications. It is the Group's policy to obtain the most reliable source of materials and services in terms of pricing, quality, availability and timely delivery. To meet the procurement objectives, the Group adopts neutral and open procurement policies and procedures which have been ISO 9001:2000 certified.

The Group's neutral procurement policy is based on open standards and aimed at providing choice, quality, efficiency and economies of scale in the provision of quality products and services to ensure customer satisfaction. It covers areas such as requests for tenders and quotations, evaluation and selection of sub-contractors and suppliers based on established criteria, periodic sub-contractor/supplier assessments and regular updates of approved sub-contractor, consultant/architect and supplier lists.

Products & Services

Quality

In its efforts to deliver superior quality products and services to meet customers' expectations and comply with applicable regulatory requirements, the Group has

in place the highest standards of policies, procedures and best practices with the adoption of ISO quality certification. This is in line with the Group's policy statement to "...ensure the quality of our products and services exceeds our customers' expectations". To date, the Group's ISO-certified companies stand at 13. The Group's commitment to quality is further epitomised in its adoption of 'Mark of Excellence' branding and 'Excellence through Quality' corporate motto.

As a responsible corporation, the Group carried out regular reviews, process improvements and quality control assessments, to continuously enhance the production process and quality of its products and services, to prevent product defects, accidents, health and environmental hazards, whilst at the same time, satisfying its customers' requirements and meeting the needs of its stakeholders and the communities at large.

Additionally, IJM has developed its own niche building technology and expertise by becoming an established leader in the construction industry for the private and public sectors, as well as the international arena. As a testament of the Group's commitment to quality, it has received strong recognition from satisfied customers, governmental and regulatory bodies, and public support, through an assortment of awards and endorsements including CIDB's International Achievement Award and the Industry Excellence Award in 2007.

More information on the Group's best quality practices are covered in the *Quality Report*.



Specific gravity test in Industries Division's R&D laboratory to determine volume of PCE Admixture in Grade 80 PSC piles



Ultimate axial load capacity of PSC piles is verified by our 2000-tonne compression machine at the R&D laboratory in Klang

Innovation, Research & Development

Innovative and quality products and services are of utmost importance to the Group to achieve customer satisfaction, sustainability of business and preservation of the IJM brand in the market place. IJM has historically embraced in its culture, the production of high quality and innovative products at lower costs and at greater speeds than its competitors, to maintain a competitive edge. In this regard, the Group practices constant reengineering and reinvention through ongoing research and development (R&D) to produce the highest quality and innovative products.

An innovative construction subsidiary, IJM Building Systems Sdn Bhd was accredited by the Malaysian Book of Records for the production of the first lightweight oil palm fibre reinforced cement composite panels in Malaysia.

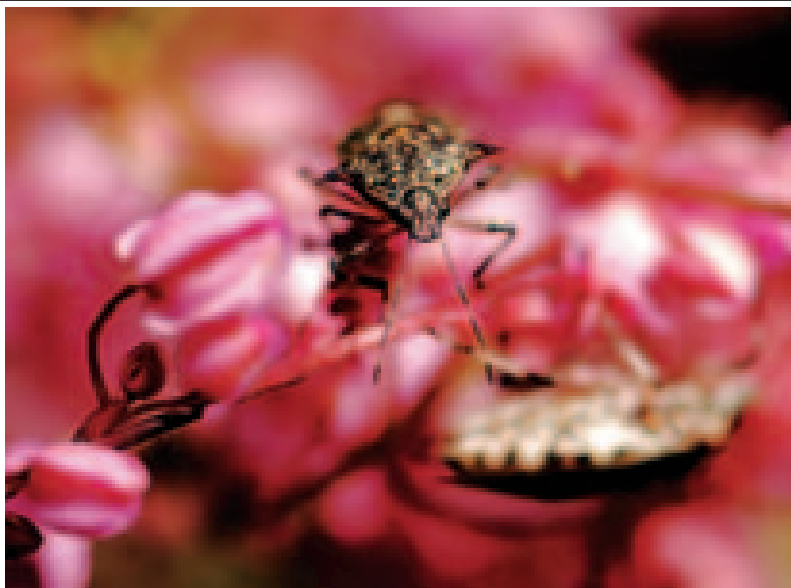
The Industries Division has a Central Research and Development Laboratory at its Klang factory with facilities such as a 2000-tonne compression jack enabling axial loading tests on pretensioned spun concrete (PSC) piles, a lab steam boiler and autoclave facilities, and test spinning equipment to conduct compaction tests. In its efforts to enhance product quality, reliability and durability to meet market demands, extensive studies are made on concrete designs for higher durable PSC piles using fly ash and silica components, resulting in higher structural and durable concrete, which are vital in aggressive environment conditions.

Our Industries Division's new high performance chemical additives and cementation materials have been improved through joint efforts with reputable companies, resulting in stronger and more durable PSC piles. The R&D team also achieved success in high strength epoxy products which provides good workability and ultra-high strength for high performance structural requirements. Its R&D laboratory has been accredited by the Department of Standards, Malaysia for calibration scope covering dimension and mass since 2000. The laboratory has also been actively involved in national level and international inter-lab comparisons in mass calibration, for continuous improvement and update on knowledge and skills in achieving high resolution and accuracy in mass measurements.

Our Plantations Division continuously carried out R&D activities through its Quality, Training and Research Centre (QTRC) to improve the performance and quality of its oil palm products. Such efforts included the implementation of biological controls to reduce the use of chemical pesticides. Other R&D efforts carried out included oil palm yield improvement through breeding and selection, scientific recordings of genetic blocks, selection of mother palms in Sijas Estate, Sabah and progeny testing trials. The breeding programme allowed the Division to produce high yielding quality planting materials. Additionally, the SIRIM MS157:2005 and Malaysian Palm Oil Board (MPOB) certified hybrid oil palm seeds bearing the 'IJM DxP' trademark were produced and used in the Division's oil palm replantings in Sabah as well as new plantings in Indonesia. During the year, approximately 1 million IJM DxP seeds were produced.



Breeding, selection and scientific recordings are carried out to improve oil palm yield



R&D is used to emerge biological controls through breeding of predatory insects to reduce the use of chemical pesticides at the plantations

The Group, in its stride to deliver high quality and innovative products and services, will continue to invest and allocate resources in synergistic manner in R&D activities to eliminate ineffective and inefficient processes by embracing the highest standards of quality and state-of-the-art technology to safeguard the environment and satisfy its valued customers.

ENVIRONMENT

As part of the Group's dedication and commitment towards environmental conservation and preservation, various environmental programmes have been developed and put in place as part of daily operations to mitigate the potential damages and harm to the environment and society.

Environmental Certification

In the Group's endeavour to preserve the environment in all its project sites, the Group achieved the prestigious ISO 140001 EMS certification by SIRIM in early 2006. It was one of the very few large-scale Malaysian companies to achieve such a feat.

Various environmental protection and preservation initiatives, policies and procedures, and Health, Safety and Environment (HSE) committees, have been put in place as part of routine operations by the Group's diverse divisions. This includes working towards adhering to all environmental legislations and guidelines, carrying out frequent trainings, HSE audits and spot checks.

Environmental Management Programmes

Environmental Quality Monitoring Programme

The Group adopted the Environmental Quality Management Programme (EQMP) which serves as a self-measure on the quality of the surrounding environment that is affected by our business operations and activities. It was established to voluntarily monitor and measure the projects that are not subject to Environmental Impact Assessment (EIA) Approval Conditions.

The programme focuses on the quality of air, noise and river water to minimise the potential damage or harm towards the ecological system. Throughout the year, 65% of all projects have been subjected to the EQMP and 60% of the projects have successfully implemented the programme on schedule.

Waste Management

In our Construction and Properties projects, an effective solid waste management system is in place to manage the construction, domestic and scheduled waste regularly and effectively at our sites. It was developed in accordance with the Environmental Quality (Scheduled Waste) Regulation 2005, Local Government Act 1976 and other requirements by Local Municipal Council.

The Plantations Division has a 'zero waste' target in all its palm oil mills. Various measures have been implemented to ensure proper waste management and to recycle waste into other beneficial use, where possible. In this instance, treated palm oil mill effluent (POME) with minimised pollution load, is applied to the plantation land for irrigation purposes. Its Sabang



At the plantations, drip irrigation technique is employed to address water and labour efficiency usage in the nursery operations



Hill slopes turfing and hydro-seeding are implemented at work sites to prevent soil erosion and land slides

biocomposting plant converts shredded fibers from empty fruit bunches (EFB) and POME into semi-decomposed organic compost for use in the estates in Sugut. In its Desa Talisai palm oil mill, bunch ash derived from incinerating EFB is recycled back to the estates to replace inorganic potash fertilisers for environmental preservation.

Water Quality Control

Proper drainage and water discharge systems are built at all our work sites to prevent wastes being discharged into rivers during heavy downpours. In addition, other preventive measures include sedimentation ponds, silt traps and bunkers.

The Plantations Division's commercial nursery trial used the drip irrigation technology in its Desa Talisai Estate, Sabah and succeeded in addressing water and labour efficiency usage in the nursery operations.

Flood Control

The Construction and Properties Divisions, in their efforts to prevent flooding of the surrounding low-lying areas near their development sites, have implemented controlled earthworks and effective Flood Mitigation Controls which include adequate earth drainage and detention ponds to regulate the rainwater flow.

At the Plantations, water reservoirs are installed in selected areas in the estates to alleviate floods, which also serve as a source of irrigation water for the surrounding fields during periods of drought.

Erosion & Sedimentation Control

In our Construction and Properties sites, we have put in place preventive measures such as phased developments, hill slopes turfing, progressive revegetation, hydro-seeding, slope stabilisation and silt/sediment trap to avoid soil erosion and sedimentation.

At the quarries of our Industries Division, we have also adopted the turfing of hillsides as part of preventive actions on landslide and other adverse effects to the environment. Additionally, other preservation measures included garden landscaping, installation of fish ponds and waterfall systems.

Our Plantations Division uses legume cover crops such as the *Mucuna bracteata* to immediately cover newly established land clearings in the plantation developments and replants to minimise soil loss and land slides. The cover crops also provide other benefits such as conversion of atmospheric nitrogen into a usable form by plants, additional organic matter to the soil, improvement in the physical and chemical properties of the soil and help to lower soil temperature and conserve moisture as well.



Our plantations sequestered over half a million metric tonnes of carbon annually

Air Quality Control

In the Group's efforts towards carbon sequestration, various policies have been put in place to reduce the emission of carbon dioxide and greenhouse gases in the atmosphere.

At our construction and property development sites, we forbid open burning to prevent smoke and carbon dioxide emissions which reduce the air quality of the surrounding residential and commercial development areas.

The Plantations Division also adopts a zero-burn policy in all its replantings that is clearly stated in all its land clearing contracts where the services of third party contractors are employed. As for new plantings, zero-burn is the preferred policy, however where the situation warrants it, strictly controlled burning is enforced with the prior approval of the authorities and in compliance with the appropriate regulations.

The oil palm trees within the plantations had sequestered over half a million metric tonnes of carbon annually, thereby contributing to the removal of greenhouse gas from the atmosphere. The Plantations Division also carries out experimentation with encapsulated micro-organisms capable of fixing atmospheric nitrogen.

To reduce dust pollution arising from our construction works and quarry sites, regular sprinkling of water is carried out in addition to sprinkler systems installed on crushers, conveyors and along quarry access. Environmental friendly plant and machinery are also employed in our operations.

Noise Control

The manufacturing 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 the quarries. Independent consultants are also engaged to review the level of permissible noise levels where required. In addition, staff are required to wear noise protective equipments where noise levels exceed the acceptable levels.

At our construction sites, in order to prevent noise pollution, proper piling methods are used during foundation works.

No-Dig Pipelines

The Construction Division employs an environmental friendly and cost-effective low maintenance trenchless ('No-Dig') pipelines rehabilitation technology that use minimal excavation. In addition, the lifespan of its pipes has proven to exceed the conventional 30 years period.



Green property designs incorporate lush landscaping and green courtyards to harmonise with the environment



Beneficial plants are planted all over the estates and they act as an alternate food source for the predators of pests

Green Property Designs

The Properties Division emphasises on environmental preservation in its property designs, functionality and build-up. The Division subscribes to the guiding principles that properties should be developed to harmonise and embrace the environment to create optimal living conditions. Striking a balance between profit objectives and environmental viability, the Division has an innovative edge in value engineering and energy efficient planning with the synergistic support from its in-house Construction Division.

The environmental preservation features employed by the Properties Division prevent the green house effects and depletion of the ozone layer, and have become important standard features in all its building designs. Other features included orientating units to face 'north' and 'south' directions, installing inverter air-conditioning ready piping to conserve energy, planting lush landscaping and green areas, designing court-yards and openings with better cross-ventilation to reduce the need for air-conditioning and conserve energy. Innovative environmental designs are inherent in its projects to give property owners and investors alike a perfect setting for living in harmony with the environment.

Integrated Pest Management

The Plantations Division carries out various integrated pest management activities covering collection, breeding and multiplication of predator insects in specially designed insectariums in its Quality, Training & Research Centre (QTRC), for eventual release in the estates. Throughout the plantations, diverse natural vegetation is being preserved while multiplication of beneficial plants which act as an effective alternative food source for the predators of pests are being propagated and planted all over the estates.

Pheromone and biopesticides such as Metarrhizium are used to control the rhinoceros beetle, *Oryctes rhinoceros*. Additionally, barn owls are being used for biological control of rats and currently being explored with other interested members of the oil palm industry in Sandakan, East Malaysia.



The IJM sponsored international rugby event, 38th HSBC-COBRA 10s 2007, was held to display quality rugby playing to Malaysians



Two South African graduate trainees successfully completed two years of chartered training with IJM

COMMUNITY

The Group in its compassion to 'give back' to society as part of its philanthropy efforts, has carried out numerous community programmes in the areas of sports development, education and social welfare.

Sports Development at Grassroots Level

The Group continues to support the nation's development of sports at grassroots level by focusing on rugby sports and programmes. IJM sponsorship support in collaboration with Combined Old Boys Rugby Association (COBRA) successfully carried out three main programmes during the year:

- a) Development of the standards of COBRA teams and their participation in national rugby leagues and tournaments by providing avenues for rugby playing school leavers to join them to develop their rugby skills and career through provision of continuing education financial assistance, accommodation (for outstation players) and coaching clinics.
- b) Completion of the COBRA Schools Rugby Development Programmes 2005-2007, supported by the Ministry of Education, Malaysian Rugby Union and experts from the HSBC Penguin Rugby Academy in UK, resulting in the graduation of 344 rugby coaches and reaching out to 12,000 students. Additionally, 3 teachers completed a special attachment programme in the UK and became qualified local resources for future rugby development programmes. With the success of the inaugural programme, IJM continues in its support in the second programme which has recently been launched covering periods 2008-2010.
- c) 38th HSBC-COBRA 10s 2007 is an annual rugby international event held with the Prime Minister as the honourable patron and supported by the Sports, Tourism and Information Ministries, to display quality rugby playing and encourage Malaysians to watch and take up the game. The 2007 event was hailed as the best ever and 5,000 students were bussed in to watch the two day event.



IJM Scholarship Award Presentation Ceremony 2007



IJM lends its support to the Rugby Development Programme



IJM donated a TPN machine to UMMC in aid of Aniesa Alesya who is dependant on intravenous feeding

In Sabah, the Plantations Division organised the annual IJM-Adidas Invitational Football Tournament by holding its 12th edition in 2007 to promote solidarity amongst the plantation fraternity and town teams. In addition, the BORNEO-COBRA Rugby 10s Tournament is annually organised to promote rugby development in Sabah and held its 7th edition in 2007. Rugby carnivals are also held to encourage school children participation. The Division is involved in school children rugby development through an Academy of Rugby Excellence in Sabah via a partnership with Sabah Education Department and Sabah Rugby Union.

IJM Scholarship Programme

The IJM Scholarship Award is an annual programme established to help develop, nurture and raise bright and young Malaysian talents of the future. Through our awards, academically bright students who are in need of financial aid are given a chance to realise their potential and achieve their ambitions. Each scholarship is worth RM10,000 per academic year and covers outstanding students in the fields of accounting, engineering (civil, mechanical & electrical), housing, building & planning and quantity surveying.

As part of the scholarship programme, each scholar will be appointed a mentor who is an IJM staff in the same field. A mentor-scholar gathering is organised annually so that scholars can get some advice and guidance from their appointed mentors.

Upon successful completion of their studies, the scholars will be guaranteed employment with IJM as part of its graduate training programme. During the year, 20 recipients were awarded the scholarship.

Graduate Employment

The Group's community obligations extend beyond the country. IJM is proud to announce that two South African graduate trainees, Julian and Owen from the Province of Limpopo have successfully completed a two-year stint of chartered training and development programme with the Company in August 2007. The programme was aimed at equipping the trainees with knowledge, skills and exposure upon their return to their home country.



IJM set a record by collecting a whopping 500kg of rubbish at Gunung Ledang



Basic education is provided to the children of workers and surrounding community at the plantations

Education Programme at the Plantations

The Plantations Division provides basic education for the children of workers and surrounding community through the establishment of kindergartens. An education learning centre has been set up in Desa Talisai South Estate to cater to primary school going children in collaboration with the Borneo Child Aid-Humana.

Community Services

Gunung Ledang Environmental Care

A specially organised project to clean-up Gunung Ledang was held in April 2007 as part of the Company's CSR efforts to contribute to the betterment of society.

About 100 IJM employees from the head office and regional offices spent an overnight stay in Gunung Ledang and collected a whopping 110 bags of rubbish totaling 500 kg. IJM made record by being a corporate entity to collect the most rubbish in the history of Gunung Ledang. At the same time, the Company donated cash, school aids, food and medicines to the residents of Kampung Air Tawas orang asli settlement.

Contribution to Society

During the year, IJM in its aid to the community, donated a TPN machine to the University Malaya Medical Centre (UMMC) in aid of Aniesa Alesya Jamalludin who having been born with a condition called Duodenal Artesia and Intrauterine Vulvulus, is dependent on intravenous feeding or total parental nutrient (TPN).

Apart from that, IJM in its annual pilgrimage, participated in the charity run, The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2007, which helped raised RM1.55 million for 20 charitable organisations. This year also marked the first "green" Rat Race, which took note of environmental concerns and ensured that environmental friendly initiatives were put in place throughout the event.



Staff can appreciate the natural wonders of Gunung Ledang while cleaning up its trails



Staff participated in the Cheerleading competition among the divisions during the IJM Inter-Group games

WORKPLACE

The Group strongly believes that its people are key assets that drive the organisation to great successes and encourages its employees to continuously improve themselves with skills and knowledge in order to be the forefront runners amongst its competitors, as well as encouraging a healthy work-life balance.

Health & Safety

The Group continues to stress on safety and injury preventive measures at the workplace and general public. Intensive efforts are carried out to educate and create awareness among employees on the collective responsibility for prevention of injuries and occupational health hazards, and civic duties to promote workplace and public safety.

To achieve the health and safety objectives, the Group has put in place Health, Safety and Environment (HSE) policies, procedures and best practices, and a comprehensive HSE framework and management system which aid the Group to:

- Comply with all applicable occupational health and safety regulations, guidelines and other requirements - such as OHSAS 18001:1999 and OSHA 1994.
- Set-up various Safety Committees for monitoring, continuous reviews and improvements on health and safety:
 - Health, Safety and Environment Management Committee - to review HSE operations and performance such as objectives and targets, incidents statistics and non-conformity reports.
 - Health, Safety and Environment Committee - to develop safety and health rules, reviews safety and health programmes.
 - IJM Health and Safety Assessment System - to perform safety and health assessment of projects.



Employees are familiarised with training, information and facilities on best occupational health and safety practices

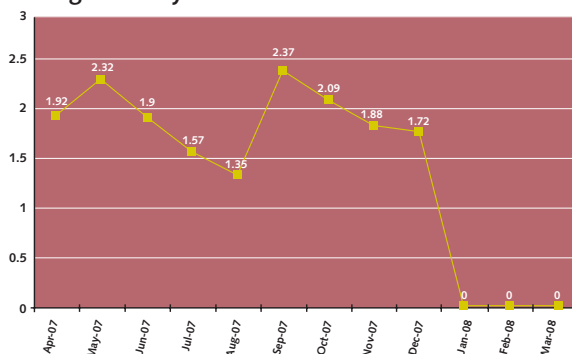


Fire drill talk given by the local Bomba Authorities to educate staff on safety from fire

- Carry out planned audits and surprise inspections - During the year, 41 HSE audits and 40 surprise inspections on current active projects at different stages of construction were carried out.
- Familiarise all employees with training, information and facilities available - The Group's commitment towards safety education and development programmes are carried out to inculcate in all staff, the key essence of occupational health and safety practices in all aspects related to their work scope. Such trainings are endorsed by various authorities and government bodies. Some of the trainings conducted covered:
 - Introduction to Occupational Health and Safety Assessment Series (OHSAS) 18001;
 - Accident Investigation; and
 - Plant and Machinery Safety.
- Increase awareness and accountability at all levels of the organisation - HSE policies and procedures are communicated to staff via the Group's Internal Information Portal which stores updated HSE manuals and guidelines on best practices, corrective and preventive HSE measures. Examples of non-compliance incidents are also shared with staff to prevent such mishaps in their project sites. Sign boards and notices are put up at strategic locations to remind staff on good HSE practices.
- Measure performance - Performance indicators such as lost time injury, severity and frequency rates are used to monitor and regularly review its set objectives. The Group regularly reviewed and revised their targeted rates to further improve on their performance, such as follows:

	Frequency rate	Severity rate
2006	Below 0.5	Below 5.0
2007	Below 0.3	Below 3.0
2008	Below 0.3	Below 3.0

Average Severity Rate Chart



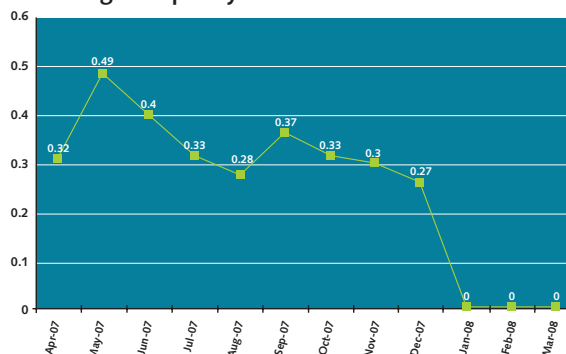
The Group's other health and safety practices are covered in the *Health, Safety and Environment Report*.

During the year, the average severity target rate of below 3.0 has been achieved, with January 2008 to March 2008 attaining 'zero' rates (refer to Average Severity Rate Chart). As for average frequency rate, for the first nine months of the year, the average rate was above the targeted rate of 0.3, however the average frequency rate improved from January 2008 to March 2008 by attaining 'zero' target rate (refer to Average Frequency Rate Chart).

Workplace Diversity

The Group's commitment towards workplace diversity is upheld in its policy statement, "We strive to respect the different cultures, gender, religion, human rights and dignity of our stakeholders". The Group practices non-prejudice policies against any race, gender, age or minorities. These policies serve as the overall guiding principles promulgating basic human rights and labour rights whilst maintaining a healthy, good governance and professional workplace diversity for all its employees. Analysis of the number of employees by classification, ethnic composition and productivity statistics can be found in the *Employees and Productivity Report*.

Average Frequency Rate Chart



Human Capital Development

To help its employees to upgrade their skills and knowledge in order to excel within the organisation, the Group has developed personal development plans and training programmes throughout the year. The trainings conducted must be relevant to the employees' job scope and also take into consideration the current level of knowledge, skills and abilities.

The Group has organised various training for staff from technical-related and skills management courses to soft skills and lifelong learning, some of which are listed below:

- Quality (Project Quality Plan, Corrective Action Request Control);
- Project Management (Construction Law, Contract Administration);
- Technical (Geotechnical Engineering, Quantity Surveying, Accidents Investigation);
- Management (Business Continuity Planning, Corporate Sustainability Reporting, Strategic And Operational Risk Management);
- Communication (IJM Toastmasters Club, English at Work); and
- Administrative (Customer Service, Training Of Storekeepers, Orientation and Induction, Plantations Best Management Practices).



Training programmes are organised to help employees upgrade their skills and knowledge



The IJM Toastmasters Club helps to improve our staff's public speaking skills



Annual Dinner held to promote camaraderie among staff



Sports are organised to provide staff with healthy activities



Christmas carolling by staff to promote the festive atmosphere



Health awareness talks are organised to educate staff on common diseases



Staff taking the opportunity to consult with health experts during the health screening tests

Loyalty Appreciation

During the Company's Annual Dinner event, Long Service Awards have been presented to loyal staff that attained 20 years of service. A total of 4 employees were awarded this round. This was a means for the Company to show its gratitude and appreciation to dedicated and long serving employees.

Work-Life Balance

The Group believes in recognising the importance of supporting employees between their professional and personal lives. Therefore, various social, sports and welfare activities have been organised by the Kelab Sukan IJM (KSIJM) to provide a fun and healthy work environment for our people.

Social Gatherings

Communication and camaraderie among staff is fostered and strengthened through social gatherings such as the Annual Dinner, IJM Family Day, New Year Bash 2008, Christmas carolling, short trips and KSIJM "Movie Mania" organised for our staff and their families.



Retiring staff are presented with retirement awards in appreciation for their services



Staff and family awaiting anxiously for the start of IJM Family Day at Wet World Water Park, Shah Alam, Selangor



Long service awards presented to staff who attained 20 years of service



Health screening tests are conducted regularly to educate staff on healthy living

Healthy Living

Our employees are encouraged to participate in healthy wholesome activities. The Company manages the Kompleks Sukan IJM-COBRA which has housed many of KSIJM organised indoor and outdoor sports activities such as badminton, squash and pilates. In-house sports competitions like netball, volleyball, futsal, bowling, darts and carom have been organised to promote healthy competition among staff. In the recent IJM Inter-Group Games held between December 2007 and March 2008, a total of 340 participants took part in a series of games.

In addition to the sporting events, health awareness talks on Obstetrics & Gynaecology and Stroke have been organised during the year, and health screening tests are conducted regularly to educate our people on a healthy lifestyle and various preventive measures against diseases. Blood donation drives are regularly organised to help build up the blood bank supplies of University Malaya Medical Centre.

Staff Welfare

The Group has taken a step further in its pursuit of ensuring that its staff welfare is well taken care of with the adaptation and implementation of the Group Multiple Insurance Benefits Scheme (GMIBS) which is a combination of term life, critical illnesses and investment return scheme, and is portable should the employee leaves the Company. In addition, employees are covered by the Group's personal accident scheme as well.

The Group also grants Employee Share Option Scheme to eligible employees to encourage better work performance and loyalty. In the Group's effort to look after the health of its employees, the Group bears the cost of outpatient medical attention and dental, annual physical examination, and hospitalisation and surgical fees.

In line with the Ministry of Education's effort in encouraging parents to play a more important role in their children's education, IJM has been rewarding the children of staff who performed well in major examinations with Academic Excellence Awards and cash prizes to encourage them to excel further.

A photograph of several smooth, dark, oval-shaped stones scattered on a light-colored, textured surface like sand. The stones are arranged in a loose, diagonal line from the top right towards the bottom left. The lighting is warm and soft, creating gentle shadows.

Financial Statements & Others

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Success is a spiralling journey
and IJM continuously steps up
its pace to lead the way.
Our history is pebbled with
financial strength and
milestones that leverage on
the previous success
to deliver new standards of
achievements. Our spiralling
success through the years is a
testament to our unwavering
commitment to the
IJM MARK OF EXCELLENCE.
It inspires us to constantly
look ahead and claim the
next milestone.

*25 years
of
performance
excellence*

...the momentum continues

1. The Directors have pleasure in submitting their 24th annual report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2008.

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, hotel operations, port operations, tollway operations, plantations and investment holding.

There have been no significant changes in these principal activities during the financial year, except that the Group commenced its activities in hotel operations and port operations following the completion of the acquisition of a subsidiary, Road Builder (M) Holdings Bhd ("RBH") by the Company.

3. FINANCIAL RESULTS

	The Group RM'000	The Company RM'000
Net loss for the financial year	(300,162)	(809,972)
Attributable to:		
Equity holders of the Company	(420,467)	(809,972)
Minority interest	120,305	–
	(300,162)	(809,972)

4. DIVIDENDS

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

	RM'000
In respect of the financial year ended 31 March 2007, as shown in the Directors' report of that year:	
Second interim dividend of 5% less income tax at 26%, paid on 17 August 2007	31,542

No dividend has been declared since the end of the Company's previous financial year.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2008.

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 issued and paid-up ordinary share capital of the Company was increased from RM570,327,355 to RM859,313,724 by way of:

- (a) The issuance of 258,889,538 and 13,771,831 new ordinary shares of RM1.00 each on 2 April 2007 and 27 April 2007 respectively as the purchase consideration for the acquisition of RBH as disclosed in Note 46 to the financial statements;
- (b) The issuance of 14,286,600 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

6. SHARE CAPITAL (cont'd)

- (c) The issuance of 2,038,400 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
161,700	3.93*/3.91**
443,700	4.20*/4.18**
1,388,000	4.33*/4.31**
35,000	4.35**
10,000	4.41*/4.39**
<hr/> 2,038,400	

* Exercise price of the ESOS has been adjusted on 1 August 2006

** Exercise price of the ESOS has been adjusted on 1 August 2007

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

7. TREASURY SHARES

During the financial year, the Company repurchased 346,700 of its issued share capital from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM1,773,792. The average price paid for the shares repurchased was approximately RM5.12 per share.

Details of the treasury shares are set out in Note 14 to the financial statements.

8. 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 (deceased on 22 January 2008)
 - (iii) Datuk Oh Chong Peng
 - (iv) Datuk Yahya bin Ya'acob
 - (v) Dato' Goh Chye Keat (ceased on 16 August 2006)
 - (vi) Dato' Ismail bin Shahudin (ceased 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.

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

- (f) The exercise price of the ESOS had been adjusted on 30 April 2005, 1 August 2006 and 1 August 2007 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, 1 August 2006 and 1 August 2007 respectively are as follows:

Offer Date	Offer Price at Offer Date	Adjusted on 30 April 2005	Adjusted on 1 August 2006	Adjusted on 1 August 2007
8 January 2004	RM3.99	RM3.96	RM3.93	RM3.91
7 April 2004	RM4.47	RM4.44	RM4.41	RM4.39
30 April 2004	RM4.39	RM4.36	RM4.33	RM4.31
20 May 2004	RM4.21	RM4.18	RM4.15	RM4.13
30 August 2005	RM4.40	n/a	RM4.37	RM4.35
26 October 2005	RM4.23	n/a	RM4.20	RM4.18

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

9. WARRANTS 2005/2010

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

On 23 August 2005, the Company allotted:

- 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
- 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.

10. 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*

Datuk Yahya bin Ya'acob, *Senior Independent Non-Executive Director*

Tan Sri Abdul Halim bin Ali, *Independent Non-Executive Director*

Datuk Oh Chong Peng, *Independent Non-Executive Director*

Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad, *Non-Executive Director*

Datuk Lee Teck Yuen, *Non-Executive Director*

Dato' David Frederick Wilson, *Non-Executive Director*

Hasni bin Harun, *(ceased as an Alternate to Ayyaril Karikulath Feizal Ali on 21 April 2008, and appointed as Non-Executive Director on 21 April 2008)*

Tan Gim Foo, *Alternate to Soo Heng Chin*

Teh Kean Ming, *Alternate to Dato' Goh Chye Koon*

Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor, *Senior Independent Non-Executive Director (deceased on 22 January 2008)*

Ayyaril Karikulath Feizal Ali, *Non-Executive Director (ceased on 21 April 2008)*

10. 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:

Number of Ordinary Shares of RM1 each				
	Balance at 1.4.2007	Acquired	Disposed	Balance at 31.3.2008
IJM Corporation Berhad				
<u>Name of Director</u>				
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob				
Direct interest	50,000	20,000	20,000	50,000
Dato' Tan Boon Seng @ Krishnan				
Direct interest	1,190,000	40,000	275,400	954,600
Indirect interest	–	50,000	–	50,000
Dato' Goh Chye Koon				
Direct interest	370,712	490,000	562,000	298,712
Soo Heng Chin				
Direct interest	399,400	310,000	589,000	120,400
Datuk Yahya bin Ya'acob				
Direct interest	50,000	–	–	50,000
Teh Kean Ming				
Direct interest	50,000	55,000	85,000	20,000
Indirect interest	–	42,000	–	42,000

Number of Ordinary Shares of RM0.50 each				
	Balance at 1.4.2007	Acquired	Disposed	Balance at 31.3.2008
<u>Industrial Concrete Products Berhad (a subsidiary)</u>				
<u>Name of Director</u>				
Dato' Tan Boon Seng @ Krishnan				
Direct interest	732,000	30,000	–	762,000
Indirect interest	901,200	–	–	901,200
Dato' Goh Chye Koon				
Direct interest	220,000	–	135,600	84,400
Teh Kean Ming				
Direct interest	50,000	–	–	50,000
Indirect interest	30,000	–	–	30,000

10. DIRECTORS (cont'd)

Number of Ordinary Shares of RM0.50 each				
	Balance at 1.4.2007	Acquired	Disposed	Balance at 31.3.2008
<u>IJM Plantations Berhad (a subsidiary)</u>				
<u>Name of Director</u>				
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
Datuk Oh Chong Peng Direct interest	–	50,000	–	50,000
Teh Kean Ming Direct interest	30,000	50,000	50,000	30,000
Indirect interest	30,000	–	30,000	–

Number of Ordinary Shares of RM1 each				
	Balance at 2.4.2007*	Acquired	Disposed	Balance at 31.3.2008
<u>RB Land Holdings Berhad ("RBLH") (a subsidiary)</u>				
<u>Name of Director</u>				
Datuk Lee Teck Yuen Direct interest	3,932,000	–	–	3,932,000

* Date of completion of the acquisition of a subsidiary, RBH, the holding company of RBLH.

Number of options over ordinary shares of RM1 each				
	Balance at 1.4.2007	Granted	Exercised	Balance at 31.3.2008
<u>IJM Corporation Berhad</u>				
<u>Name of Director</u>				
Dato' Goh Chye Koon	1,040,000	–	490,000	550,000
Soo Heng Chin	220,000	–	220,000	–
Datuk Oh Chong Peng	100,000	–	–	100,000
Teh Kean Ming	70,000	–	35,000	35,000

Number of options over ordinary shares of RM0.50 each				
	Balance at 1.4.2007	Granted	Exercised	Balance at 31.3.2008
<u>IJM Plantations Berhad (a subsidiary)</u>				
<u>Name of Director</u>				
Datuk Oh Chong Peng	100,000	–	50,000	50,000

10. DIRECTORS (cont'd)

	Number of Warrants				Balance at 31.3.2008
	Balance at 1.4.2007/ date of appointment	Acquired	Disposed	Exercised	
<u>IJM Corporation Berhad</u>					
<u>Name of Director</u>					
Dato' Tan Boon Seng @ Krishnan					
Direct interest	501,900	—	—	—	501,900
Dato' Goh Chye Koon					
Direct interest	373,000	—	260,000	—	113,000
Soo Heng Chin					
Direct interest	336,000	4,500	17,100	50,000	273,400
Datuk Lee Teck Yuen					
Direct interest	* 2,200,000	—	—	—	2,200,000
Tan Gim Foo					
Direct interest	10,000	—	—	—	10,000
Teh Kean Ming					
Direct interest	137,000	—	40,000	—	97,000
Indirect interest	15,000	—	10,000	—	5,000

* As at date of appointment on 30 May 2007

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).

11. OTHER STATUTORY INFORMATION

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

- 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
- 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:

- 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
- 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
- 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.

11. OTHER STATUTORY INFORMATION (cont'd)

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

- (a) 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 143 to 261 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 2008 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.

12. 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
27 May 2008

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	Note	The Group		The Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Operating revenue	4,13	4,637,172	2,311,234	204,406	186,613
Cost of sales		(3,652,868)	(1,837,853)	(143,430)	(90,215)
Gross profit		984,304	473,381	60,976	96,398
Other operating income		331,029	76,720	158,477	86,104
Tendering, selling and distribution expenses		(83,559)	(55,749)	–	–
Administrative expenses		(169,215)	(74,022)	(16,364)	(11,954)
Other operating expenses:					
- Impairment of investment in a subsidiary		–	–	(940,860)	–
- Impairment of goodwill	45	(940,860)	–	–	–
- Others		(127,583)	(35,712)	(28,660)	(26,400)
Operating (loss)/profit before finance cost	5	(5,884)	384,618	(766,431)	144,148
Finance cost	9	(157,459)	(72,289)	(22,652)	(21,334)
Operating (loss)/profit after finance cost		(163,343)	312,329	(789,083)	122,814
Share of profits of associates		14,638	13,085	–	–
Share of profits/(losses) of jointly controlled entities		3,857	(6,485)	–	–
(Loss)/profit before taxation	13	(144,848)	318,929	(789,083)	122,814
Income tax expense	10,13	(155,314)	(78,820)	(20,889)	(29,073)
Net (loss)/profit for the financial year	13	(300,162)	240,109	(809,972)	93,741
Attributable to:					
Equity holders of the Company		(420,467)	194,336	(809,972)	93,741
Minority interest		120,305	45,773	–	–
Net (loss)/profit for the financial year	13	(300,162)	240,109	(809,972)	93,741
Dividends per share	12			–	15.0 Sen
(Loss)/earnings per share					
Net (loss)/profit attributable to ordinary equity holders of the Company		(420,467)	194,336		
(Loss)/earnings per share attributable to ordinary equity holders of the Company:					
- Basic	11(a)	(49.4 Sen)	38.0 Sen		
- Fully diluted	11(b)	(48.9 Sen)	37.0 Sen		
Supplementary information on earnings per share excluding the impairment of goodwill are as follows:					
Net (loss)/profit attributable to ordinary equity holders of the Company		(420,467)	194,336		
Impairment of goodwill		940,860	–		
Net profit attributable to ordinary equity holders of the Company, excluding impairment of goodwill		520,393	194,336		
Earnings per share attributable to ordinary equity holders of the Company, excluding the impairment of goodwill:					
- Basic		61.2 Sen	38.0 Sen		
- Fully diluted		60.5 Sen	37.0 Sen		

BALANCE SHEETS

AS AT 31 MARCH 2008

		The Group		The Company	
	Note	2008 RM'000	2007 RM'000 (Restated)	2008 RM'000	2007 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	14	859,314	570,327	859,314	570,327
Share premium	14	1,991,180	748,846	1,991,180	748,846
Treasury shares	14	(1,774)	–	(1,774)	–
Revaluation reserve		36,196	27,056	–	–
Exchange translation reserve		17,793	12,886	(1,198)	579
Other reserves	15	37,919	50,975	669	1,383
Retained profits	10	1,687,622	1,192,832	552,191	471,450
		4,628,250	2,602,922	3,400,382	1,792,585
MINORITY INTEREST					
		936,026	559,459	–	–
TOTAL EQUITY					
		5,564,276	3,162,381	3,400,382	1,792,585
NON-CURRENT LIABILITIES					
Bonds	16	844,130	168,464	–	–
Commercial Papers and Medium Term Notes	17	274,384	150,000	150,000	150,000
Term loans	18	990,633	654,085	–	–
Government support loan	19	273,365	–	–	–
Hire purchase and lease creditors	20	5,605	9,697	–	–
Deferred tax liabilities	21	347,760	90,947	–	–
Trade and other payables	22	75,221	52,666	–	–
Retirement benefits	23	5,670	–	–	–
		2,816,768	1,125,859	150,000	150,000
DEFERRED INCOME					
	24	68,952	58,371	–	–
		8,449,996	4,346,611	3,550,382	1,942,585
NON-CURRENT ASSETS					
Property, plant and equipment	25	1,179,706	698,347	18,138	11,115
Leasehold land	26	309,668	210,853	–	–
Investment properties	27	35,489	38,664	–	–
Concession assets	28	2,184,803	474,385	–	–
Subsidiaries	29	–	–	2,032,665	605,071
Associates	30	397,586	383,063	101,140	84,866
Jointly controlled entities	31	661,557	405,204	101,733	28,818
Long term investments	32	86,233	100,722	2,050	2,050
Long term receivables	33	55,410	109,385	–	–
Intangible assets	34	86,681	66,669	–	–
Deferred tax assets	21	65,820	18,862	1,506	2,368
Land held for property development	35	638,891	319,037	281	281
Plantation development expenditure	36	416,898	408,500	–	–
		6,118,742	3,233,691	2,257,513	734,569

	Note	The Group		The Company	
		2008 RM'000	2007 RM'000 (Restated)	2008 RM'000	2007 RM'000
CURRENT ASSETS					
Property development costs	35	1,667,188	685,488	–	–
Inventories	37	341,868	233,365	5,366	5,628
Trade and other receivables	38	2,178,722	1,414,104	1,591,718	1,616,959
Short term investments	39	68,455	71,228	24,564	3,897
Deposits, cash and bank balances	40	666,537	400,933	95,337	68,877
Assets held for sale	41	94,940	–	–	–
Tax recoverable		11,961	–	–	–
		5,029,671	2,805,118	1,716,985	1,695,361
Less:					
CURRENT LIABILITIES					
Trade and other payables	42	1,816,802	1,238,891	403,069	343,948
Borrowings					
- Bank overdrafts	43	67,932	127,033	–	73,419
- Others	43	779,260	312,308	20,046	64,948
Current tax liabilities		34,423	13,966	1,001	5,030
		2,698,417	1,692,198	424,116	487,345
NET CURRENT ASSETS		2,331,254	1,112,920	1,292,869	1,208,016
		8,449,996	4,346,611	3,550,382	1,942,585

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

Attributable to equity holders of the Company

	Note	Attributable to equity holders of the Company							Minority interest RM'000	Total equity RM'000
		Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Other reserves RM'000	Retained profits RM'000		
The Group										
At 1 April 2007		570,327	748,846	-	27,056	12,886	50,975	1,192,832	2,602,922	3,162,381
Transfer to capital reserve upon issuance of bonus shares by a subsidiary		-	-	-	-	-	544	(544)	-	-
Exchange differences arising from translation of net investment in foreign subsidiaries, associates and branch		-	-	-	-	4,907	-	-	4,907	4,907
Share of realisation of revaluation reserve of a subsidiary		-	-	-	(710)	-	-	710	-	-
Effects of changes in tax rates on revaluation reserve		-	-	-	2,193	-	-	-	2,193	2,193
Adjustments to fair values of previously held interest in a piecemeal acquisition		-	-	-	25,929	-	-	-	25,929	34,914
Income and expense recognised directly in equity		-	-	-	27,412	4,907	-	710	33,029	42,014
Realisation of revaluation reserve upon disposal of land		-	-	-	(18,272)	-	-	-	(18,272)	(25,113)
Realisation of reserves upon disposal of an investment / subsidiary		-	-	-	-	-	(12,886)	(37)	(12,923)	(12,923)
Net loss for the financial year		-	-	-	-	-	-	(420,467)	(420,467)	(300,162)
Total recognised income and expense for the year		-	-	-	9,140	4,907	(12,886)	(419,794)	(418,633)	(296,184)

Attributable to equity holders of the Company

The Group	Note	Attributable to equity holders of the Company									
		Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
Acquisition of a subsidiary		-	-	-	-	-	-	-	-	320,111	320,111
Acquisition of additional interest from minority shareholders		-	-	-	-	-	-	1,195	1,195	(1,195)	-
Accretion of interest in a subsidiary upon conversion of redeemable convertible unsecured loan stocks		-	-	-	-	-	-	23,220	23,220	(23,220)	-
Effect of current year's equity accounting of a jointly controlled entity which was consolidated in the previous year		-	-	-	-	-	-	-	-	(34,052)	(34,052)
Dividends:											
- Year ended 31 March 2007	12	-	-	-	-	-	-	(31,542)	(31,542)	-	(31,542)
Dividends paid by subsidiaries to minority shareholders		-	-	-	-	-	-	-	-	(24,291)	(24,291)
Issuance of shares:											
- Acquisition of subsidiaries	14,46	272,661	2,102,935	-	-	-	-	-	2,375,596	-	2,375,596
- Exercise of Warrants 2005/2010	14	14,287	55,003	-	-	-	(714)	-	68,576	-	68,576
- Exercise of ESOS	14	2,039	6,651	-	-	-	-	-	8,690	-	8,690
Shares buy back	14	-	-	(1,774)	-	-	-	-	(1,774)	-	(1,774)
Issuance of shares by a subsidiary to minority shareholders		-	-	-	-	-	-	-	-	16,765	16,765
Transfer of impairment of goodwill to share premium	14	-	(922,255)	-	-	-	-	922,255	-	-	-
At 31 March 2008		859,314	1,991,180	(1,774)	36,196	17,793	37,919	1,687,622	4,628,250	936,026	5,564,276

STATEMENTS OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	Note	Attributable to equity holders of the Company							Total equity RM'000
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Other reserves RM'000	Retained profits RM'000	Minority interest RM'000	
The Group									
At 1 April 2006		479,931	420,401	25,515	14,298	53,991	1,081,707	463,652	2,539,495
Exchange differences arising from translation of net investment in foreign subsidiaries, associates and branch		-	-	-	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
Income and expense recognised directly in equity		-	-	1,541	10,001	-	189	(461)	11,270
Realisation of exchange translation reserve upon settlement of a loan previously classified as net investment in a foreign subsidiary		-	-	-	(11,413)	-	-	-	(11,413)
Net profit for the financial year		-	-	-	-	-	194,336	45,773	240,109
Total recognised income and expense for the year		-	-	1,541	(1,412)	-	194,525	45,312	239,966
Dividends:									
- Year ended 31 March 2006		-	-	-	-	-	(35,668)	-	(35,668)
- Year ended 31 March 2007	12	-	-	-	-	-	(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
- Exercise of Warrants 2005/2010	14	60,300	232,153	-	-	(3,016)	-	-	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	559,459	3,162,381

	Note				Non-distributable	Distributable	Total
		Share capital	Share premium	Treasury shares	Exchange translation reserve	Other reserve	
The Company		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2007		570,327	748,846	–	579	1,383	1,792,585
Exchange differences arising from translation of a foreign branch		–	–	–	(1,777)	–	(1,777)
Expense recognised directly in equity		–	–	–	(1,777)	–	(1,777)
Net loss for the financial year		–	–	–	–	(809,972)	(809,972)
Total recognised income and expense for the year		–	–	–	(1,777)	–	(811,749)
Dividends:							
- Year ended 31 March 2007	12	–	–	–	–	–	(31,542)
Issuance of shares:							
- Acquisition of subsidiaries	14,46	272,661	2,102,935	–	–	–	2,375,596
- Exercise of Warrants 2005/2010	14	14,287	55,003	–	–	(714)	68,576
- Exercise of ESOS	14	2,039	6,651	–	–	–	8,690
Shares buy back	14	–	–	(1,774)	–	–	(1,774)
Transfer of impairment of investment in a subsidiary to share premium	14	–	(922,255)	–	–	–	922,255
At 31 March 2008		859,314	1,991,180	(1,774)	(1,198)	669	3,400,382

	Note				Non-distributable	Distributable	Total
		Share capital	Share premium	Treasury shares	Exchange translation reserve	Other reserve	
The Company		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2006		479,931	420,401	–	47	4,399	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	–	94,273
Dividends:							
- Year ended 31 March 2006		–	–	–	–	–	(35,668)
- Year ended 31 March 2007	12	–	–	–	–	–	(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	1,792,585

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	Note	2008 RM'000	2007 RM'000
OPERATING ACTIVITIES			
Receipts from customers		4,269,480	1,947,549
Payments to contractors, suppliers and employees		(3,715,946)	(1,817,123)
Interest received		56,532	18,915
Interest paid		(182,246)	(62,704)
Income tax paid		(120,680)	(59,144)
Net cash flow from operating activities		307,140	27,493
INVESTING ACTIVITIES			
Acquisition of a subsidiary	46	282,172	–
Acquisition of shares from minority shareholders in subsidiaries		(12,850)	–
Disposal of shares in a subsidiary	47	69,127	–
Investments in jointly controlled entities		(65,345)	(25,500)
Investments in associates		(56,713)	–
Acquisition of investments		(43,357)	(31,299)
Purchase of development land held for property development		(76,751)	(125,875)
Disposal of development land held for property development		–	–
Purchase of property, plant and equipment and leasehold land		(309,769)	(220,552)
Cost incurred on concession assets		(158,366)	(268,556)
Additions to plantation development expenditure		(6,565)	(7,263)
Deferred expenditure incurred	34	(3,655)	(975)
Disposal of property, plant and equipment, investment properties and leasehold land		45,518	7,383
Disposal of an associate		106,364	–
Disposal of investments		178,453	93,800
Dividends received from associates		11,890	19,359
Dividends received from other investments		635	1,044
Advances to associates		(3,274)	(11,848)
Repayment of advances from associates		10,303	73,454
Advances to jointly controlled entities		(172,336)	(165,479)
Repayment of advances from jointly controlled entities		25,791	19,795
Net cash flow used in investing activities		(178,728)	(642,512)

	Note	2008 RM'000	2007 RM'000
FINANCING ACTIVITIES			
Issuance of shares by the Company:			
- Exercise of ESOS		8,690	126,388
- Exercise of Warrants 2005/2010		68,576	289,437
Issuance of shares by subsidiaries to minority shareholders		16,765	66,531
Repayment of Bonds		(65,000)	(25,000)
Proceeds from bank borrowings		549,041	396,036
Repayments of bank borrowings		(291,210)	(95,694)
Advances from the State Government		7,000	14,000
Repayment of Government Support Loan		(2,500)	–
Repayments to hire purchase and lease creditors		(14,366)	(14,195)
Payment of MTN interests		(8,267)	(8,250)
Payment of Bonds interests		(8,000)	(8,000)
Dividends paid by subsidiaries to minority shareholders		(24,291)	(16,036)
Dividends paid by the Company		(31,542)	(83,400)
(Increase)/decrease in bank deposits assigned to trustees		(13,481)	12,455
Shares buy back	14(C)	(1,774)	–
Net cash flow from financing activities		189,641	654,272
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR			
		318,053	39,253
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR			
		251,793	212,764
FOREIGN EXCHANGE DIFFERENCES ON OPENING BALANCES			
		(7,129)	(224)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR			
	49	562,717	251,793

COMPANY CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	Note	2008 RM'000	2007 RM'000
OPERATING ACTIVITIES			
Receipts from customers		98,972	91,316
Payments to contractors, suppliers and employees		(187,786)	(101,932)
Interest received		6,175	4,482
Interest paid		(2,513)	(3,190)
Income tax paid		(17,514)	(12,132)
Net cash flow used in operating activities		(102,666)	(21,456)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(8,305)	(1,998)
Disposal of property, plant and equipment		–	243
Acquisition of a subsidiary	46	(11,709)	–
Disposal of shares in a subsidiary	47	73,139	–
(Acquisition)/disposal of investments		(20,197)	76,936
Acquisition of shares in associates		(34,244)	–
Dividends received from subsidiaries		22,845	29,351
Dividends received from associates		6,615	19,359
Dividends received from other investments		536	907
Net repayment of advances from/(advances to) subsidiaries		200,709	(472,857)
Advances to associates		–	(18,095)
Repayment of advances from associates		3,847	–
Advances to jointly controlled entities		(21,472)	–
Repayment of advances from jointly controlled entities		–	2,080
Net cash flow from/(used in) investing activities		211,764	(364,074)
FINANCING ACTIVITIES			
Issuance of shares by the Company:			
- Exercise of ESOS		8,690	126,388
- Exercise of Warrants 2005/2010		68,576	289,437
Proceeds from bank borrowings		–	41,102
Repayments of bank borrowings		(44,902)	(35,000)
Payment of MTN interests		(8,267)	(8,250)
Dividends paid by the Company		(31,542)	(83,400)
Re-purchase of treasury shares		(1,774)	–
Net cash flow (used in)/from financing activities		(9,219)	330,277
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		99,879	(55,253)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		(4,542)	50,711
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	49	95,337	(4,542)

Significant non-cash transaction

During the year, the Company acquired the entire equity interest in Road Builder (M) Holdings Bhd for a total purchase consideration of RM2,387.3 million, of which RM2,375.6 million was discharged by issuance of shares as explained in Note 46(a).

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 and amendment to standards that are effective

The standards and amendment to published standards that are effective and applicable for the Group's and the Company's financial year beginning on or after 1 April 2007 are as follows:

- FRS 6 Exploration for and Evaluation of Mineral Resources
- FRS 117 Leases
- FRS 124 Related Party Disclosures
- Amendment to FRS 119₂₀₀₄ Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures

All changes in accounting policies have been made in accordance with the transition provisions in the respective standards and amendment to published standards.

FRS 124 "Related Party Disclosures" has been early adopted by the Group and the Company in the previous financial year.

FRS 6 is not relevant to the Group's and the Company's operations as the Group and the Company do not carry out exploration for and evaluation of mineral resources business.

The changes in accounting policy as a result of the adoption of FRS 117 have been made in accordance with the transition provisions in the standard. A summary of the impact of FRS 117 on the financial statements of the Group is set out in Note 48 to the financial statements.

The amendment of FRS 119₂₀₀₄ has no significant impact on the financial statements of the Group and of the Company.

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

The new standards, amendment to published standards and IC Interpretations that are mandatory for the Group's financial year beginning on or after 1 April 2008 or later periods, and the Group has not early adopted, are as follows:

- Amendment to FRS 121 "The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation" (effective for accounting periods beginning on or after 1 July 2007).
- FRS 112 "Income Taxes" (effective for accounting periods beginning on or after 1 July 2007). This revised standard removes the requirements that prohibit recognition of deferred tax on unutilised reinvestment allowances or other allowances in excess of capital allowances. The Group will apply this standard from financial periods beginning on 1 April 2008.

1 BASIS OF PREPARATION (cont'd)

(b) Standards, amendment to published standards and IC Interpretations to existing standards that are not yet effective and have not been early adopted (cont'd)

The impact of the application of this standard on the financial position of the Group in the year of initial application is as follows:

	The Group RM'000
Increase in deferred tax assets	13,348
Increase in retained profits	13,348

- FRS 120 "Accounting for Government Grants and Disclosure of Government Assistance" (effective for accounting periods beginning on or after 1 July 2007).
- Other revised standards (effective for accounting periods beginning on or after 1 July 2007) that have no significant changes compared to the original standards:
 - FRS 107 Cash Flow Statements
 - FRS 111 Construction contracts
 - FRS 118 Revenue
 - FRS 137 Provisions, Contingent Liabilities and Contingent Assets

The Group will apply these standards from financial periods beginning on 1 April 2008.

- FRS 134 "Interim Financial Reporting (effective for accounting periods beginning on or after 1 July 2007). The Group will apply this standard from financial periods beginning on 1 April 2008.
- FRS 139 "Financial Instruments: Recognition and Measurement" (effective date yet to be determined by the Malaysian Accounting Standards Board). 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 and the Company will apply this standard when it becomes effective.
- IC 1 "Changes in Existing Decommissioning, Restoration and Similar Liabilities" (effective for accounting periods beginning on or after 1 July 2007).
- IC 8 "Scope of FRS 2" (effective for accounting periods beginning on or after 1 July 2007).

With the exception of the amendment to FRS 121, FRS 112 and FRS 139, the above standards, amendments to published standards and interpretations to existing standards are not anticipated to have any significant impact on the financial position of the Group and the Company in the year of initial application. As allowed under the transitional provision of FRS 139, the Group and the Company are exempted from having to disclose the possible impact of the application of this standard on the financial statements of the Group and the Company in the year of initial application.

(c) IC Interpretations to existing standards that are not yet effective and are not relevant to the Group's and the Company's operations

- IC Interpretation 2 "Members' Shares in Co-operative Entities and Similar Instruments" (effective for accounting periods beginning on or after 1 July 2007).
- IC Interpretation 5 "Rights to Interests arising from Decommission, Restoration and Environmental Rehabilitation Funds" (effective for accounting periods beginning on or after 1 July 2007).
- IC Interpretation 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 Interpretation 7 "Applying the Restatement Approach under FRS 129₂₀₀₄ 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, except for business combinations involving entities or businesses under common control with agreement dates on or after 1 January 2006 are accounted for using the merger 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 on goodwill. 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 represents 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.

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the merged enterprises, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

All inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated except for contracted finished goods which are stated at net realisable value. 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.

(b) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. For purchases from minority interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is deducted from equity. Gains or losses on disposals to minority interests are also recorded in equity. For disposals to minority interests, differences between any proceeds received and the relevant share of minority interests are also recorded in equity.

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(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.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associate includes goodwill identified on acquisition, net of any accumulated impairment loss.

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 to the extent of the Group's interest in the associates; unrealised losses are also 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.

(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.

3 GOODWILL (cont'd)

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 and an allowance for diminution in value is made where, 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 an 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 reserves attributable to equity holders of the Company. 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.

Hotel operating equipment represents glassware, silverware and chinaware which are capitalised at the minimum level requirements for normal operations and are not depreciated. Subsequent replacement costs are written off to the income statement in the financial year in which they are acquired. In the opinion of the Directors, the difference between the replacement costs charged to the income statement and the depreciation had the hotel operating equipment been capitalised and depreciated over their estimated useful life is not material to the financial statements.

Maintenance dredging expenditure, comprising costs incurred to maintain the depth of the basin, are capitalised and amortised on a straight-line basis over the estimate useful life of five years.

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:

Plantation infrastructure development expenditure	2%
Buildings, including hotel building	2 to 33.3%
Plant, machinery, equipment and vehicles	4 to 33.3%
Office equipment, furniture and fittings and renovations	5 to 33.3%
Liquid chemical berths	3.3%
Inner harbour basin	2%

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 accumulated depreciation and accumulated impairment losses. Accordingly, these valuations have not been updated.

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.

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.

Where applicable, the fair value of property, plant and equipment at the date of acquisition of subsidiaries is carried forward in place of cost.

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 less residual values 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

Items classified as concession assets comprise Expressway Development Expenditure and heavy repairs.

(a) Expressway Development Expenditure

Expressway Development Expenditure ("EDE") comprises the cost of construction (inclusive of the cost of reconstruction, widening and rehabilitation) of the concession assets. EDE is measured at cost less accumulated amortisation and accumulated impairment losses.

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.

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

$$\frac{\text{Cumulative traffic volume to-date}}{\text{Projected total traffic volume for the entire concession period}} \times \text{EDE}$$

The projected total traffic volume for the entire concession period is determined by a traffic survey carried out by a firm of independent traffic consultants and Directors' annual re-assessment of the projected total traffic volume.

All interests and fees incurred during the period of construction are capitalised in the EDE 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.

(b) Heavy repairs

Heavy repairs comprise expenditure incurred in respect of structural repair and rehabilitation of embankment, slopes and road pavement along the highway. The cost of heavy repairs are amortised on a straight-line basis over the anticipated economic life of such works of seven years, commencing from the date the expenditure are incurred.

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

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.

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 bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

9 REVENUE AND PROFIT RECOGNITION (cont'd)

(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) Port Revenue

Revenue from port operations is recognised when services are rendered to customers.

(f) Hotel and Club Operations Revenue

Rental of hotel rooms is recognised on an accrual basis unless collectibility is in doubt, in which case the recognition of such income is suspended.

Sales of food and beverages, and rendering of services are recognised upon delivery of products and customer acceptance, and performance of services.

9 REVENUE AND PROFIT RECOGNITION (cont'd)

(g) 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 201₂₀₀₄ 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.

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

12 INVENTORIES (cont'd)

(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, other than for contracted plantations finished goods which are stated at 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 costs to 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 and 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 periodic constant rate of interest 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.

15 LEASES (cont'd)

(b) Accounting as Lessor (cont'd)

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.

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

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.

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.

(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 were 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").

On 15 August 2007, the Retirement Benefit Plan of the Company has transferred a sum of RM24,524,583 to the members' accounts with the EPF. After the transfer, the surplus in the value of assets available for distribution to members of RM2,442,029 was redistributed back to the members.

20 EMPLOYEE BENEFITS (cont'd)

(b) Post-Employment Benefits (cont'd)

(iii) Unfunded defined benefit schemes

Unfunded defined benefit scheme I

Industrial Concrete Products Berhad Group, a subsidiary of the Company operates an unfunded defined benefit scheme. The subsidiary's 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.

In calculating the subsidiary's obligation in respect of the scheme, to the extent that any cumulative unrecognised actuarial gains or losses exceed 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 obligation 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.

Unfunded defined benefit scheme II

Kuantan Port Consortium Sdn Bhd, a subsidiary of the Company operates an unfunded, defined benefit Retirement Benefit Scheme for its employees in accordance with the provisions in the Collective Agreement. Benefits are payable based on the number of years of service with the company.

Provision is made in the balance sheet of the company for the cost of retirement benefits under this Scheme which is determined based on actuarial valuation using the projected unit credit method. Under this method, the cost of providing retirement benefits is recognised in the income statement on a systematic basis so as to spread the cost over the employees' working lives with the company. The obligation is measured at the present value of the estimated future cash outflows using the yield at balance sheet date on government securities that have maturity dates approximating the terms of the company's obligations.

Actuarial gains and losses arise mainly from the changes in actuarial assumptions and differences between actuarial assumptions and what has actually occurred. Such gains and losses are credited or charged to the income statement over the expected average remaining working lives of the employees participating in the plan.

(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.

The Group has taken advantage of the transitional provisions of FRS 2 "Share-based Payment" in respect of equity instruments granted after 31 December 2004 and have not vested as at 1 April 2006, and had not recognised any expense in respect of these instruments.

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

Interim 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.

(v) Purchase of own shares

Where the Company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental external costs, net of tax, is deducted from capital and reserves attributable to equity holders of the Company as treasury shares until they are cancelled, reissued or disposed of.

Where such shares are sold and the proceeds are equal to or less than the purchase price paid by the Company, the proceeds are treated as a realised profit. Where the proceeds exceed the purchase price, the excess over the purchase price is transferred to the share premium account.

Where such shares are cancelled, the issued share capital is reduced by the nominal value of the cancelled shares. The amount by which the Company's issued share capital is diminished on cancellation of shares is transferred to a capital redemption reserve account.

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 statements associated with each item.

(b) Financial Instruments Not Recognised on the Balance Sheet

The Group is a party to financial instruments that comprise 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 on contracts are recognised when settled at which time they are included in the measurement of the transaction hedged.

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.

23 FINANCIAL INSTRUMENTS (cont'd)

(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 an 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 137₂₀₀₄ and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118₂₀₀₄.

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 costs 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.

30 LEASEHOLD LAND

The Directors have applied the transitional provisions of FRS 117 "Leases" for the lease of land previously recognised as property, plant and equipment.

Where the Group and the Company had previously classified a lease of land as finance lease and had recognised the amount of the leasehold land as property within property, plant and equipment, the Group and the Company will treat the lease as an operating lease with the unamortised carrying amount being classified as leasehold land.

Where the Group and the Company had previously revalued the leasehold land, the Group and the Company will retain the unamortised revalued amount as the surrogate carrying amount of lease rentals, which is amortised over the lease term.

Leasehold land are amortised over the remaining period of the respective leases ranging from 22 to 98 years.

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, hotel operations, tollway operations, port operations, plantations and investment holding. The principal activities of the subsidiaries and associates are described in Note 56 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 27 May 2008.

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) 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.

(b) 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 judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

(c) 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.

(d) 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.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(e) Amortisation of concession assets

The expressway development expenditure of the Group are amortised over the concession period based on the following formula:

$$\frac{\text{Cumulative traffic volume to-date}}{\text{Projected total traffic volume for the entire concession period}} \times \text{Expressway development expenditure}$$

In order to determine the projected total traffic volume for the entire concession period, the Group relies on the traffic survey carried out by a firm of independent traffic consultants and Directors' annual re-assessment of the current and future years' projected total traffic volume. Any changes in the projected total traffic volume for the entire concession period will impact the amortisation charge for the year.

(f) 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.

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.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

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. The Group also minimises its exposure through analysing the counterparties' financial condition prior to entering into any agreements/contracts. 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, other than the concentration of credit risk in respect of amounts due from Kumpulan Europlus Berhad ("KEB"), an associate and companies related to the associate. The Group has also carried out an assessment on the recoverability of balances due from KEB and companies related to KEB. 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	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Construction contract revenue	2,081,901	898,752	148,561	119,374
Property development revenue	838,743	461,250	677	–
Sale of quarry and manufactured products	811,442	658,832	–	–
Sale of goods	63,964	–	–	–
Toll concession revenue	135,975	10,338	–	–
Port revenue	99,362	–	–	–
Sale of crude palm oil and plantations related products	478,029	271,633	–	–
Management services	24,616	3,119	1,361	6,147
Dividend income	741	5,940	53,536	60,780
Rental of properties	3,896	1,370	271	312
Rendering of other services	98,503	–	–	–
	4,637,172	2,311,234	204,406	186,613

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:

	2008 RM'000	2007 RM'000
Operating revenue of the Group	4,637,172	2,311,234
Share of operating revenue of:		
Associates	327,398	329,653
Jointly controlled entities	123,475	99,701
	5,088,045	2,740,588

5 OPERATING (LOSS)/PROFIT BEFORE FINANCE COST

- (a) The following expenses (excluding finance cost and tax expense) by nature have been debited in arriving at operating (loss)/profit before finance cost:

	Note	The Group		The Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Construction contract costs		1,910,457	763,835	142,753	90,215
Property development costs		722,165	361,092	677	—
Cost of quarry and manufactured products sold		657,315	551,345	—	—
Cost of plantation products sold		219,854	161,581	—	—
Toll operation costs		43,035	—	—	—
Port operation costs		56,653	—	—	—
Costs of rendering of other services		43,389	—	—	—
Employee benefits cost	6	240,210	156,211	13,100	10,950
Property, plant and equipment:	25				
- depreciation		79,790	61,162	1,282	923
- written off		748	194	—	—
- loss on disposal		42	2,330	—	—
- impairment		38	63	—	—
Amortisation of leasehold land	26	4,628	2,878	—	—
Investment properties					
- depreciation	27	486	235	—	—
- impairment	27	1,718	—	—	—
Rental of land and buildings		3,723	3,442	586	586
Hire of plant and equipment		27,870	3,250	—	—
Port lease and licence		3,215	—	—	—
Auditors' remuneration					
- statutory audit	8	2,326	1,296	235	221
Foreign exchange loss:					
- unrealised		445	339	—	—
- realised		3,059	438	1,800	—
Loss on disposal/liquidation of investments		170	670	—	670
Allowance for diminution in value of quoted investments		1,218	42	—	—
Allowance for diminution in value of unquoted investments		14,750	—	—	—
Impairment losses on investment in associates		20,532	842	20,000	—
Impairment losses on land held for property development	35(a)	3,050	—	—	—
Impairment losses on property development costs	35(b)	2,346	—	—	—
Amortisation of concession assets	28	46,188	7,742	—	—
Amortisation of quarry development expenditure	34	3,092	2,961	—	—
Amortisation of premium paid on quarry rights	34	47	71	—	—
Amortisation of licence fees	34	47	42	—	—
Amortisation of construction order book	34	3,283	—	—	—
Impairment of goodwill	34	940,860	216	—	—

5 OPERATING (LOSS)/PROFIT BEFORE FINANCE COST (cont'd)

- (a) The following expenses (excluding finance cost and tax expense) by nature have been debited in arriving at operating (loss)/profit before finance cost: (cont'd)

Note	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Impairment of investment in a subsidiary	–	–	940,860	–
Amortisation of discount on bonds issue	16 713	845	–	–
Amortisation of premium on acquisition of marketable securities	229	338	–	–
Allowance for doubtful debts	33,956	3,380	4	–
Allowance for obsolete stocks	110	–	–	–
Bad debts written off	1,113	709	–	25,273
Amounts due from an associate written off	–	1,411	–	–
Building stocks written down	435	554	–	–

Direct operating expenses from investment properties that generated rental income for the Group during the financial year amounted to RM256,000 (2007: RM227,000).

Direct operating expenses from investment properties that did not generate rental income for the Group during the financial year amounted to RM160,000 (2007: RM34,000).

- (b) The following amounts have been credited in arriving at operating profit before finance cost:

Note	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Gross dividends received from:				
- subsidiaries				
(quoted)	–	–	29,909	23,323
(unquoted)	–	–	11,699	16,910
- associates				
(quoted)	–	–	163	163
(unquoted)	–	–	11,032	19,242
- other investments				
(quoted)	744	6,078	733	1,142
Interest income	56,532	24,072	96,071	67,003
Foreign exchange gain:				
- unrealised	821	8,699	1,321	1,394
- realised	76	640	4	803
Gain on disposal of property, plant and equipment	7,595	2,394	–	106
Gain on disposal of investment properties	328	–	–	–
Rental income from properties	6,687	4,729	271	312
Rental income from plant, machinery, equipment and vehicles	5,278	–	310	313
Bad debts recovered	2,145	1,725	6,113	80
Write back of allowance for doubtful debts	–	299	–	–
Write back of allowance for diminution in value of investments	670	3,023	670	3,023

5 OPERATING (LOSS)/PROFIT BEFORE FINANCE COST (cont'd)

(b) The following amounts have been credited in arriving at operating profit before finance cost: (cont'd)

Note	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Amortisation of deferred income	24	3,988	3,144	–
Gain on disposal of shares in subsidiaries		21,967	–	54,287
Gain on disposal of an associate		65,540	–	–
Gain on disposal/liquidation of investments		121,160	17,571	–
Negative goodwill arising from acquisition of subsidiaries		2,698	–	–
Realisation of revaluation reserve upon disposal of land and building		18,272	–	–

6 EMPLOYEE BENEFITS COST

Note	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Wages, salaries and bonus		229,254	139,367	10,196
Defined contribution retirement plan		24,968	12,362	1,633
Defined benefit retirement plan		1,723	3,959	–
Other employee benefits		15,281	3,234	1,271
		271,226	158,922	13,100
Less expenses capitalised into:				
- Property development costs	35(b)	(1,045)	(406)	–
- Plantation development expenditure	36	(3,019)	(2,305)	–
- Construction contract work in progress	44	(26,952)	–	–
		240,210	156,211	13,100

7 DIRECTORS' REMUNERATION

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Directors of the Company:				
Fees				
- Current year	666	315	515	245
- Over provision in respect of prior years	(45)	(30)	(45)	(24)
Defined contribution retirement plan	1,028	658	587	473
Defined benefit retirement plan	–	73	–	31
Other emoluments	6,944	4,063	3,215	2,689
	8,593	5,079	4,272	3,414
Directors of subsidiaries:				
Fees	968	336	–	–
Defined contribution retirement plan	1,125	342	–	–
Defined benefit retirement plan	3,633	51	–	–
Other emoluments	8,611	2,913	–	–
	14,337	3,642	–	–

7 DIRECTORS' REMUNERATION (cont'd)

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 RM410,000 (2007: RM331,000) and RM78,000 (2007: RM109,000) 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:

Grant Date	Expiry Date	Exercise Price RM/share	Number of options over ordinary shares of RM 1 each				Balance at 31.3.2008 '000
			Balance at 1.4.2007 '000	Granted '000	Exercised '000	Terminated '000	
8 January 2004	10 November 2008	3.99/3.96*/3.93**/ 3.91***	—	—	—	—	—
7 April 2004	10 November 2008	4.47/4.44*/4.41**/ 4.39***	240	—	—	—	240
30 April 2004	10 November 2008	4.39/4.36*/4.33**/ 4.31***	780	—	470	—	310
20 May 2004	10 November 2008	4.21/4.18*/4.15**/ 4.13***	100	—	—	—	100
30 August 2005	10 November 2008	4.40/4.37**/ 4.35***	70	—	35	—	35
26 October 2005	10 November 2008	4.23/4.20**/ 4.18***	240	—	240	—	—
			1,430	—	745	—	685

The exercise price of the ESOS had been adjusted on 30 April 2005 (*), 1 August 2006 (**) and 1 August 2007 (***) respectively pursuant to Bye-Law 14 of the ESOS Bye-Laws (See Note 14(c)).

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 31.3.2008 '000
		Balance at 1.4.2007 '000	Acquired '000	Disposed '000	Exercised '000	
22 August 2010	4.80	1,358	4	317	50	995

8 AUDITORS' REMUNERATION - STATUTORY AUDIT

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
PricewaterhouseCoopers Malaysia*	1,154	709	235	221
Other member firms of PricewaterhouseCoopers International Limited*	564	207	–	–
Other auditors of subsidiaries	608	380	–	–
	2,326	1,296	235	221

* PricewaterhouseCoopers Malaysia and other member firms of PricewaterhouseCoopers International Limited are separate and independent legal entities.

9 FINANCE COST

Note	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Interest expenses arising from:				
- Interest bearing bank borrowings	105,540	49,675	1,742	2,259
- Advances from subsidiaries	–	–	11,872	9,893
- Hire purchase and leasing	1,891	1,283	–	–
- Bonds	61,486	15,960	–	–
- Medium Term Notes ("MTN")	24,140	8,250	8,267	8,250
- Amortisation of government support loan	9,091	–	–	–
- Others	6,165	3,786	771	932
	208,313	78,954	22,652	21,334
Less interest capitalised into:				
- Concession assets	28 (19,164)	(2,990)	–	–
- Property development costs	35 (27,758)	(2,706)	–	–
- Plantation development expenditure	36 (1,057)	(954)	–	–
- Construction contract work-in-progress	44 (2,875)	(15)	–	–
	(50,854)	(6,665)	–	–
	157,459	72,289	22,652	21,334

10 INCOME TAX EXPENSE

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current tax:				
- Malaysian income tax	122,728	68,474	19,937	27,870
- Overseas taxation	15,026	4,157	90	–
	137,754	72,631	20,027	27,870
Deferred taxation (Note 21)	17,560	6,189	862	1,203
	155,314	78,820	20,889	29,073

10 INCOME TAX EXPENSE (cont'd)

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current tax:				
- Current year	149,144	71,396	21,013	26,627
- Benefits from previously unrecognised temporary differences	(7,834)	(746)	-	-
- (Over)/under accrual in prior years (net)	(3,556)	1,981	(986)	1,243
	137,754	72,631	20,027	27,870
Deferred taxation:				
- Origination and reversal of temporary differences	24,856	8,010	771	1,113
- Change in tax rate	(7,296)	(1,821)	91	90
	155,314	78,820	20,889	29,073

The explanation of the relationship between income tax expense and (loss)/profit before taxation is as follows:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
(Loss)/profit before taxation	(144,848)	318,929	(789,083)	122,814
Tax calculated at the Malaysian tax rate of 26% (2007: 27%)	(37,660)	86,111	(205,162)	33,160
Tax effects of:				
- Different tax rates in other countries	(4,707)	(1,721)	-	-
- Lower tax rates for small and medium companies	(693)	(479)	-	-
- Expenses not deductible for tax purposes	278,429	8,443	251,759	6,559
- Income not subject to tax	(55,963)	(20,042)	(24,813)	(12,463)
- Utilisation of tax incentives	(8,026)	(7,952)	-	-
- Current year's deferred tax assets not recognised	9,395	14,987	-	-
- Utilisation of previously unrecognised tax losses	(7,834)	(746)	-	-
- Share of results of jointly-controlled entities and associates	(5,952)	(881)	-	-
- Change in tax rate	(7,296)	(1,821)	91	90
- Others	(823)	940	-	484
(Over)/under accrual in prior years	(3,556)	1,981	(986)	1,243
Income tax expense	155,314	78,820	20,889	29,073

Income tax is calculated at the statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the financial year. The statutory tax rate will be reduced to 25% effective from year of assessment 2009. The computation of deferred tax as at 31 March 2008 has reflected these changes.

Included in taxation of the Group are tax savings from utilisation of tax losses as follows:

	The Group	
	2008 RM'000	2007 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	7,834	746

10 INCOME TAX EXPENSE (cont'd)

Under the single-tier tax system which comes into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

Companies with Section 108 credits as at 31 March 2008 may continue to pay franked dividends until the Section 108 credits are exhausted or 31 March 2014, whichever is earlier, unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act, 2007.

Subject to the agreement by the Inland Revenue Board, 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 RM413,033,000 (2007: RM373,243,000) out of its retained profits. The extent of retained profits not covered at that date amounted approximately to RM139,158,000 (2007: RM98,207,000).

11 (LOSS) / EARNINGS PER SHARE

(a) Basic

The basic earnings per share for the financial year has been calculated based on the Group's loss attributable to ordinary equity holders of the Company for the financial year of RM420,467,000 (2007: Profit attributable to ordinary equity holders of the Company of RM194,336,000) and on the weighted average number of ordinary shares in issue during the financial year of 850,544,000 (2007: 511,616,000) 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 loss attributable to ordinary equity holders of the Company for the financial year of RM420,467,000 (2007: Profit attributable to ordinary equity holders of the Company of RM194,336,000) 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	
	2008 RM'000	2007 RM'000
Net (loss)/profit attributable to ordinary equity holders of the Company	(420,467)	194,336
	'000	'000
Weighted average number of ordinary shares in issue	850,544	511,616
Adjustments for ESOS	1,192	1,997
Adjustments for Warrants 2005/2010	8,808	11,045
Weighted average number of ordinary shares for diluted (losses)/earnings per share	860,544	524,658
Diluted (losses)/earnings per share	(48.9 Sen)	37.0 Sen

12 DIVIDENDS

Dividends declared in respect of the current financial year are as follows:

	The Company			
	2008		2007	
	Gross dividend per share Sen	Amount of dividend, net of 26% tax RM'000	Gross dividend per share Sen	Amount of dividend, net of 27% tax RM'000
First interim dividend	–	–	5	27,590
Special dividend (tax exempt)	–	–	5	20,142
Second interim dividend	–	–	5	31,542
	–	–	15	79,274

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2008 (2007: 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 and quarrying - Production and sale of concrete products, and quarrying activities
- (d) Plantation - Cultivation of oil palm
- (e) Infrastructure - Tollway and port 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
2008							
REVENUE:							
Total revenue	2,871,022	928,030	862,040	478,029	235,337	95,943	5,470,401
Less: Inter-segment revenue	(718,721)	–	(50,598)	–	–	(63,910)	(833,229)
Total segment revenue	2,152,301	928,030	811,442	478,029	235,337	32,033	4,637,172
RESULTS:							
Segment results	201,064	108,260	128,892	192,954	181,401	(818,455)	(5,884)
Finance cost	(47,516)	(887)	(9,472)	(4,865)	(94,719)	–	(157,459)
Share of results of associates	7,596	185	(562)	2,979	2,046	2,394	14,638
Share of results of jointly controlled entities	4,414	(515)	–	83	(125)	–	3,857
Profit/(loss) before taxation	165,558	107,043	118,858	191,151	88,603	(816,061)	(144,848)
Income tax expense							(155,314)
Net loss for the financial year							(300,162)

13 SEGMENTAL REPORTING (cont'd)

(a) Primary reporting - Business segments (cont'd)

	Note	Construc- tion RM'000	Property Develop- ment RM'000	Manu- facturing & quarrying RM'000	Planta- tion RM'000	Infra- structure RM'000	Invest- ment & Others RM'000	Group RM'000
2008								
NET ASSETS:								
Segment assets		1,847,016	3,451,007	785,509	972,584	2,732,539	222,834	10,011,489
Investment in associates		53,722	30,127	12,529	11,562	271,395	18,251	397,586
Investment in jointly controlled entities		159,180	382,969	–	10,691	108,717	–	661,557
								11,070,632
Unallocated corporate assets								77,781
Consolidated total assets								11,148,413
Segment liabilities		916,876	516,612	145,685	122,591	359,102	94,838	2,155,704
Interest bearing instruments		825,820	314,652	185,080	69,841	1,581,905	–	2,977,298
Unallocated corporate liabilities								382,183
Consolidated total liabilities								5,515,185
Deferred income		–	–	–	–	68,952	–	68,952
OTHER INFORMATION:								
Capital expenditure:								
- Property, plant and equipment	25	74,482	30,170	110,852	40,304	41,737	26	297,571
- Leasehold land	26	11	22,393	189	948	–	–	23,541
- Concession assets	28	–	–	–	–	177,530	–	177,530
								498,642
Depreciation charged to income statement:								
- Property, plant and equipment	25	15,502	1,692	26,942	20,096	11,079	4,479	79,790
- Investment properties	27	–	182	304	–	–	–	486
								80,276
Amortisation of:								
- Leasehold land	26	228	928	845	1,732	556	339	4,628
- Concession assets	28	–	–	–	–	46,188	–	46,188
- Quarry development expenditure	34	–	–	3,092	–	–	–	3,092
- Construction order book	34	3,283	–	–	–	–	–	3,283
- Premium paid on quarry rights and licence fees	34	47	–	47	–	–	–	94
- Deferred income	24	–	–	–	–	3,988	–	3,988
								61,273
Impairment losses on:								
- Goodwill	34	–	–	–	–	–	940,860	940,860

13 SEGMENTAL REPORTING (cont'd)

(a) Primary reporting - Business segments (cont'd)

	Construc- tion RM'000	Property Develop- ment RM'000	Manu- facturing & quarrying RM'000	Planta- tion RM'000	Infra- structure RM'000	Invest- ment & Others RM'000	Group RM'000
2007							
REVENUE:							
Total revenue	1,281,110	463,879	690,875	271,633	10,338	65,923	2,783,758
Less: Inter-segment revenue	(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)
Profit/(loss) before taxation	120,425	77,177	73,740	57,106	(22,946)	13,427	318,929
Income tax expense							(78,820)
Net profit for the financial year							240,109
NET ASSETS:							
Segment assets	1,462,447	1,524,415	738,106	833,590	558,020	88,396	5,204,974
Investment in associates	43,969	27,621	12,986	8,881	287,131	2,475	383,063
Investment in jointly controlled entities	93,127	310,577	–	1,500	–	–	405,204
							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)

	Note	Construc- tion RM'000	Property Develop- ment RM'000	Manu- facturing & quarrying RM'000	Planta- tion RM'000	Infra- structure RM'000	Invest- ment & Others RM'000	Group RM'000
2007								
OTHER INFORMATION (Restated):								
Capital expenditure:								
- Property, plant and equipment	25	86,364	31,963	91,831	21,874	813	–	232,845
- Leasehold land	26	256	172	7,501	2,403	–	–	10,332
- Investment properties	27	–	5,900	–	–	–	–	5,900
- Concession assets	28	–	–	–	–	271,546	–	271,546
								<u>520,623</u>
Depreciation charged to income statement:								
- Property, plant and equipment	25	17,368	756	25,243	17,702	93	–	61,162
- Investment properties	27	–	66	169	–	–	–	235
								<u>61,397</u>
Amortisation of:								
- Leasehold land	26	–	–	885	1,993	–	–	2,878
- Concession assets	28	–	–	–	–	7,742	–	7,742
- Quarry development expenditure	34	–	–	2,961	–	–	–	2,961
- Premium paid on quarry rights and licence fees	34	46	–	67	–	–	–	113
- Deferred income	24	–	–	–	–	3,144	–	<u>3,144</u>

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:

	Construc- tion RM'000	Property Develop- ment RM'000	Manu- facturing & quarrying RM'000	Plantation RM'000	Infra- structure RM'000	Invest- ment & Others RM'000	Total RM'000
2008							
Revenue of the Group	2,152,301	928,030	811,442	478,029	235,337	32,033	4,637,172
Share of operating revenue of associates and jointly controlled entities	200,852	62,997	60,553	49,674	69,682	7,115	450,873
	2,353,153	991,027	871,995	527,703	305,019	39,148	5,088,045
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

(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			
2008			
Malaysia	3,795,669	8,631,727	269,415
India	760,248	1,279,586	227,731
Other countries	81,255	177,957	1,496
	4,637,172	10,089,270	498,642
Associates and jointly controlled entities:			
- India		291,177	
- Malaysia		569,532	
- Argentina		63,369	
- Singapore		54,621	
- Vietnam		27,942	
- Australia		24,432	
- Other countries		28,070	
		11,148,413	

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
Geographical markets			
2007			
Malaysia	1,714,954	3,973,577	176,261
India	469,368	1,045,453	344,234
Other countries	126,912	231,512	128
	2,311,234	5,250,542	520,623
Associates and jointly controlled entities:			
- India		254,124	
- Malaysia		359,188	
- Argentina		70,982	
- Singapore		43,723	
- Vietnam		32,958	
- China		755	
- Australia		24,771	
- Other countries		1,766	
		6,038,809	

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, SHARE PREMIUM AND TREASURY SHARES

(A) SHARE CAPITAL

	The Company			
	2008		2007	
	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	3,000,000	3,000,000	1,000,000	1,000,000
Created during the financial year	-	-	2,000,000	2,000,000
At 31 March	3,000,000	3,000,000	3,000,000	3,000,000
Issued and fully paid:				
At 1 April	570,327	570,327	479,931	479,931
Issuance of shares				
- Arising from the acquisition of a subsidiary	272,661	272,661	-	-
- Exercise of ESOS	2,039	2,039	30,096	30,096
- Exercise of Warrants 2005/2010	14,287	14,287	60,300	60,300
At 31 March	859,314	859,314	570,327	570,327

14 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (cont'd)

- (a) In the preceding 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.
- (b) During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM570,327,355 to RM859,313,724 by way of:
- (i) The issuance of 258,889,538 and 13,771,831 new ordinary shares of RM1.00 each on 2 April 2007 and 27 April 2007 respectively at an issue price of RM8.70 and RM8.95 per ordinary share respectively as the purchase consideration for the acquisition of Road Builder (M) Holdings Bhd, a subsidiary, as disclosed in Note 46 to the financial statements;
 - (ii) The issuance of 14,286,600 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
 - (iii) The issuance of 2,038,400 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
161,700	3.91
443,700	4.18
1,388,000	4.31
35,000	4.35
10,000	4.39
2,038,400	

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, 2,566,000 (2007: 5,234,500) 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				Balance at 31.3.2008 '000
			Balance at 1.4.2007 '000	Granted '000	Exercised '000	Terminated '000	
8 January 2004	10 November 2008	3.99/3.96*/ 3.93**/3.91***	657	—	162	343	152
7 April 2004	10 November 2008	4.47/4.44*/ 4.41**/4.39***	430	—	10	—	420
30 April 2004	10 November 2008	4.39/4.36*/ 4.33**/4.31***	3,080	—	1,388	280	1,412
20 May 2004	10 November 2008	4.21/4.18*/ 4.15**/4.13***	100	—	—	—	100
30 August 2005	10 November 2008	4.40/4.37**/ 4.35***	70	—	35	—	35
26 October 2005	10 November 2008	4.23/4.20**/ 4.18***	897	—	444	6	447
			5,234	—	2,039	629	2,566
Number of share options vested at 31 March 2008							2,566

14 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (cont'd)

(c) Employee Share Option Scheme (cont'd)

The exercise price of the ESOS had been adjusted on 30 April 2005 (*), 1 August 2006 (**) and 1 August 2007 (***) 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, 1 August 2006 and 1 August 2007 respectively are as follows:

Offer Date	Offer Price at Offer Date	Adjusted on 30 April 2005*	Adjusted on 1 August 2006**	Adjusted on 1 August 2007***
8 January 2004	RM3.99	RM3.96	RM3.93	RM3.91
7 April 2004	RM4.47	RM4.44	RM4.41	RM4.39
30 April 2004	RM4.39	RM4.36	RM4.33	RM4.31
20 May 2004	RM4.21	RM4.18	RM4.15	RM4.13
30 August 2005	RM4.40	n/a	RM4.37	RM4.35
26 October 2005	RM4.23	n/a	RM4.20	RM4.18

The weighted average quoted price of shares of the Company at the time when the options were exercised was RM8.49 (2007: RM6.46) per share.

(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:

- 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
- 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 14,286,600 new ordinary shares being issued at RM4.80 each. The weighted average quoted price of shares of the Company at the time when the warrants were exercised was RM8.54 (2007: RM7.79) per share.

As at the balance sheet date, 22,161,000 Warrants 2005/2010 (2007: 36,448,001) remain unexercised.

(B) SHARE PREMIUM

Note	The Group and the Company	
	2008 RM'000	2007 RM'000
At 1 April	748,846	420,401
Arising from:		
- Acquisition of a subsidiary	2,102,935	–
- Exercise of ESOS	6,651	96,292
- Exercise of Warrants 2005/2010	55,003	232,153
	2,913,435	748,846
Transfer of impairment loss on investment in a subsidiary/goodwill from retained earnings	(922,255)	–
At 31 March	1,991,180	748,846

14 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (cont'd)

(B) SHARE PREMIUM (cont'd)

On 12 March 2008, the Company received the order from the High Court of Malaya, Shah Alam for the transfer of negative retained earnings at the Company level to the extent of the impairment loss recognised on the Company's cost of investment in Road Builder (M) Holdings Bhd ("RBH") of RM922,254,582 to the Share Premium Account of the Company under Section 60(2) and Section 64 of the Companies Act, 1965.

Accordingly, the Group recognised a transfer of the impairment loss on the goodwill arising from the acquisition of RBH of RM922,254,582 against the Share Premium Account at the Group level.

(C) TREASURY SHARES

	The Group and The Company			
	2008		2007	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
At 1 April	—	—	—	—
Shares buy back	347	1,774	—	—
At 31 March	347	1,774	—	—

The shareholders of the Company had approved an ordinary resolution at the Extraordinary General Meeting held on 29 August 2007 for the Company to repurchase its own shares up to a maximum of 10% of the issued and paid-up capital of the Company. The Directors of the Company are committed to enhancing the value of the Company and believe that the repurchase plan are being applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 346,700 of its issued share capital from the open market on Bursa Malaysia for RM1,773,792. The average price paid for the shares repurchased was approximately RM5.12 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares as allowed under Section 67A of the Companies Act, 1965. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended. None of the treasury shares repurchased has been sold, cancelled or re-issued as at 31 March 2008.

15 OTHER RESERVES

	The Group	
	2008 RM'000	2007 RM'000
(a) Capital reserve		
At 1 April	49,592	49,592
Realisation of reserves upon disposal of investments	(12,886)	—
Transfer to capital reserve upon issuance of bonus shares by a subsidiary	544	—
At 31 March	37,250	49,592
(b) Warrants reserve		
At 1 April	1,383	4,399
Transferred to share premium upon conversion of Warrants 2005/2010	(714)	(3,016)
At 31 March	669	1,383
At 31 March	37,919	50,975

	The Company	
	2008 RM'000	2007 RM'000
Warrants reserve		
At 1 April	1,383	4,399
Transferred to share premium upon conversion of Warrants 2005/2010	(714)	(3,016)
At 31 March	669	1,383

16 BONDS

	8% Secured Fixed Rate Bonds 1999/2009 (a) RM'000	Junior Bai Bithaman Ajil Notes (b) RM'000	Secured Senior Bai Bithaman Ajil Notes (b) RM'000	Unsecured Al-Bai' Bithaman Ajil Bonds (c) RM'000	Total RM'000
The Group					
2008					
At 1 April	100,000	–	–	105,000	205,000
Arising from the acquisition of a subsidiary (Note 46)	–	267,774	478,017	–	745,791
Redeemed during the year	–	–	–	(35,000)	(35,000)
At 31 March	100,000	267,774	478,017	70,000	915,791
Less:					
Discount on amortisation	(4,932)	–	–	(379)	(5,311)
Accumulated amortisation	4,192	–	(4)	220	4,408
	(740)	–	(4)	(159)	(903)
	99,260	267,774	478,013	69,841	914,888
Less:					
Amount redeemable within 12 months (Note 43)	–	–	(35,812)	(34,946)	(70,758)
	99,260	267,774	442,201	34,895	844,130
2007					
At 1 April	100,000	–	–	130,000	230,000
Redeemed during the year	–	–	–	(25,000)	(25,000)
At 31 March	100,000	–	–	105,000	205,000
Less:					
Discount on amortisation	(4,932)	–	–	(731)	(5,663)
Accumulated amortisation	3,699	–	–	352	4,051
	(1,233)	–	–	(379)	(1,612)
	98,767	–	–	104,621	203,388
Less:					
Amount redeemable within 12 months (Note 43)	–	–	–	(34,924)	(34,924)
	98,767	–	–	69,697	168,464

16 BONDS (cont'd)

A. Maturity profile of Bonds

	Carrying amount RM'000	The Group					
		< 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	> 5 years RM'000
2008							
<u>Secured</u>							
8% Secured Fixed Rate Bonds 1999/2009	99,260	–	99,260	–	–	–	–
Junior Bai Bithaman Ajil Notes	267,774	–	–	–	–	–	267,774
Senior Bai Bithaman Ajil Notes	478,013	35,812	57,563	84,128	94,194	104,910	101,406
	845,047	35,812	156,823	84,128	94,194	104,910	369,180
<u>Unsecured</u>							
Al-Bai' Bithaman Ajil Bonds	69,841	34,946	34,895	–	–	–	–
	914,888	70,758	191,718	84,128	94,194	104,910	369,180
2007							
<u>Secured</u>							
8% Secured Fixed Rate Bonds 1999/2009	98,767	–	–	98,767	–	–	–
<u>Unsecured</u>							
Al-Bai' Bithaman Ajil Bonds	104,621	34,924	34,802	34,895	–	–	–
	203,388	34,924	34,802	133,662	–	–	–

B. Currency profile of Bonds

The bonds are all denominated in Ringgit Malaysia.

C. 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:

- The RM100,000,000 nominal amount of 8% Secured Fixed Rate Bonds 1999/2009 was issued by a subsidiary, Nilai Cipta Sdn Bhd, 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 33(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.
- 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.

16 BONDS (cont'd)

C. Principal features of Bonds (cont'd)

(b) Junior and Senior Bai Bithaman Ajil ("BBA") Notes

The principal features of the Junior and Senior BBA Notes are as follows:

- (i) A subsidiary, New Pantai Expressway Sdn Bhd, has issued RM250,000,000 secured Junior BBA Notes and RM490,000,000 secured Senior BBA Notes on 27 October 2003 and 31 October 2003 respectively.

The RM250,000,000 Junior BBA Notes was issued at its nominal value and carry a profit rate ranging from 7.45% to 7.75% per annum. It is repayable in four (4) semi-annual instalments, commencing 11 1/2 years after the issue date.

The RM490,000,000 Senior BBA Notes comprise RM390,000,000 issued at its nominal value and RM100,000,000 issued at a discount. RM390,000,000 nominal value of the notes carry a profit rate of 5.9% per annum and RM100,000,000 nominal value of the discounted notes carry an annual profit rate of 5.6% per annum. The nominal value is repayable four (4) to ten (10) years after the issue date.

- (ii) The Junior and Senior BBA Notes are secured by the following:

- a debenture creating a fixed and floating charge over all assets, rights and interests, both present and future of the issuer;
- assignment of all contractual rights of the issuer, being its rights arising under the Project Agreements (as defined in the Senior and Junior BBA Notes Trust Deeds);
- a charge and an assignment over the Designated Accounts (as defined in the Senior and Junior BBA Notes Trust Deeds); and
- an assignment of all the issuer's interests in all relevant insurances required to be undertaken in respect of the New Pantai Highway Project.

In addition, the Junior BBA Notes are secured by the shareholder's guarantee which shall provide an irrevocable, unconditional and continuing corporate guarantee to meet any cash shortfall in the issuer's payment obligations at each payment date under the Junior BBA Notes so long as the Senior BBA Notes remain outstanding.

- (iii) The Senior BBA Notes shall rank in priority to the Junior BBA Notes.

(c) 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 1.4.2007 RM'000	Redeemed during the year RM'000	At 31.3.2008 RM'000
1	6.48	*15 December 2005	—*	—	—
2	6.50	*15 December 2006	—*	—	—
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
			105,000	35,000	70,000

* Redeemed in the previous financial years

16 BONDS (cont'd)

C. Principal features of Bonds (cont'd)

(c) Al-Bai' Bithaman Ajil Bonds (cont'd)

- (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 RM35 million, which matured on 15 December 2007. This bond carried a profit rate of 6.71% 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.
- (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.

17 COMMERCIAL PAPERS AND MEDIUM TERM NOTES ("CP/MTN")

Note	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current:				
<u>Secured:</u>				
- RM100 million CP 2007/2014	(a) 49,000	—	—	—
<u>Unsecured:</u>				
- RM400 million CP 2006/2013	(b) 95,000	—	—	—
- RM400 million MTN 2006/2013	(b) 40,124	—	—	—
	184,124	—	—	—
Non-current				
<u>Unsecured:</u>				
- RM400 million MTN 2006/2013	(b) 124,384	—	—	—
- 5.5% MTN 2005/2010	(c) 150,000	150,000	150,000	150,000
	274,384	150,000	150,000	150,000
	458,508	150,000	150,000	150,000

17 COMMERCIAL PAPERS AND MEDIUM TERM NOTES ("CP/MTN") (cont'd)

A. Effective interest rate, maturity profile and currency profile of CP/MTN

The net exposure of CP/MTN to interest rate cash flow risk and the periods in which the CP/MTN mature or reprice are as follows:

	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	< 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000
2008							
<u>Secured</u>							
RM100 million CP 2007/2014	3.5 - 3.6	49,000	RM	49,000	—	—	—
<u>Unsecured</u>							
5.5% MTN 2005/2010	5.5	150,000	RM	—	150,000	—	—
RM400 million MTN 2006/2013	5.5 - 6.3	259,508	RM	135,124	41,004	41,532	41,848
		458,508		184,124	191,004	41,532	41,848
2007							
<u>Unsecured</u>							
5.5% MTN 2005/2010	5.5	150,000	RM	—	—	150,000	—

B. Principal features of CP/MTN

(a) RM100 million CP 2007/2014

The CP was issued by Besraya (M) Sdn Bhd ("Besraya"), a subsidiary of the Company, on 5 January 2007 under a principal Facility Agreement for a RM100 million CP/MTN facility.

The RM100 million CP/MTN facility is secured by way of:

- a second debenture creating a fixed and floating charge over all the assets, rights and interest, both present and future, of Besraya;
- a supplemental assignment of Besraya's rights, interest, title, benefits and proceeds under the respective Project Documents and Insurance Policies as defined in the Assignment of Contracts and the Supplemental Assignment of Contracts;
- a supplemental assignment of Besraya's present and future rights, title and interest in all monies in the Project Account and Operating Account as defined in the Assignment of Designated Accounts and the Supplemental Assignment of Designated Accounts;
- an additional letter of comfort from Road Builder (M) Holdings Bhd ("RBH"), a subsidiary of the Company; and
- an additional letter of undertaking from RBH that it will not require Besraya to redeem any preference shares prior to the full repayment of the RM100 million CP/MTN facility.

(b) RM400 million CP/MTN 2006/2013

The MTN was issued by Road Builder (M) Sdn Bhd ("RBM"), a subsidiary of the Company on 23 March 2006 under a RM400 million nominal value CP/MTN Programme and is secured by way of a charge and assignment over the Finance Service Reserve Account of RBM upon maturity and full redemption of the Secured Stapled Bond issued by RBM.

The Secured Stapled Bond had been fully redeemed by RBM in the previous financial year.

The RM 400 million CP/MTN facility contains covenants which require RBM to maintain its debt to equity ratio.

17 COMMERCIAL PAPERS AND MEDIUM TERM NOTES ("CP/MTN") (cont'd)

B. Principal features of CP/MTN (cont'd)

(c) 5.5% MTN 2005/2010

The MTN was issued by the Company 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 CP/MTN Programme contains covenants which require the Group to maintain its debt to equity ratio.

18 TERM LOANS

Current:

- Secured
- Unsecured

Non-current:

- Secured
- Unsecured

The Group	
2008 RM'000	2007 RM'000
329,102	95,454
35,571	49,124
364,673	144,578
461,460	171,142
529,173	482,943
990,633	654,085
1,355,306	798,663

A. Currency profile of term loans

The currency exposure profile of term loans is as follows:

- Ringgit Malaysia
- Indian Rupee
- United States Dollar
- Chinese Renminbi

The Group	
2008 RM'000	2007 RM'000
348,535	46,960
500,397	261,113
487,564	468,140
18,810	22,450
1,355,306	798,663

18 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans

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 2008

Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Floating interest rate						Fixed interest rate				
				< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	>5 years RM'000	<1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000
2008														
Secured														
Term loan 1	10.4	492,094	Rs	(a) 47,255	35,312	34,185	37,087	37,087	172,966	128,202	-	-	-	-
Term loan 2	4.5	2,741	USD	(a) -	-	-	-	-	-	2,741	-	-	-	-
Term loan 3	6.4	129,000	RM	(b) -	-	-	-	-	-	43,000	43,000	43,000	-	-
Term loan 4	4.7	43,080	RM	(c) 43,080	-	-	-	-	-	-	-	-	-	-
Term loan 5	4.7	28,439	RM	(d) 4,740	9,480	9,480	4,739	-	-	-	-	-	-	-
Term loan 6	4.8	7,890	RM	(e) 1,316	2,630	2,630	1,314	-	-	-	-	-	-	-
Term loan 7	5.4	26,000	RM	(f) -	5,000	10,000	11,000	-	-	-	-	-	-	-
Term loan 8	5.0	56,968	RM	(g) -	-	-	-	-	-	56,968	-	-	-	-
Term loan 9	6.0	4,350	RM	(h) -	-	-	-	-	-	1,800	1,800	750	-	-
		790,562		96,391	52,422	56,295	54,140	37,087	172,966	232,711	44,800	43,750	-	-

18 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

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: (cont'd)

At 31 March 2008

Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Floating interest rate						Fixed interest rate						
				< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	>5 years RM'000	<1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000		
2008																
Unsecured																
Term loan 10	3.9	8,261	USD	4,310	3,951	-	-	-	-	-	-	-	-	-	-	-
Term loan 11	7.7	18,810	RMB	12,540	3,990	1,140	1,140	-	-	-	-	-	-	-	-	-
Term loan 12	10.0	2,633	Rs	-	-	-	-	-	-	-	-	-	-	-	-	-
Term loan 13	12.0	5,670	Rs	-	-	-	-	-	-	-	-	-	-	-	-	-
Term loan 14	5.4	27,807	RM	-	-	-	-	-	-	-	-	-	-	-	-	-
Term loan 15	5.0	25,001	RM	-	-	-	-	-	-	-	-	-	-	-	-	-
Term loan 16	3.4	319,850	USD	-	79,963	79,963	79,963	79,961	-	-	-	-	-	-	-	-
Term loan 17	3.3	63,970	USD	-	7,108	28,431	28,431	-	-	-	-	-	-	-	-	-
Term loan 18	3.3	31,985	USD	-	6,397	12,794	12,794	-	-	-	-	-	-	-	-	-
Term loan 19	3.2	54,375	USD	-	-	19,191	19,191	15,993	-	-	-	-	-	-	-	-
Term loan 20	5.95	6,382	USD	6,382	-	-	-	-	-	-	-	-	-	-	-	-
		564,744		23,232	101,409	141,519	141,519	95,954	-	12,339	14,757	16,175	12,003	5,837		
		1,355,306		119,623	153,831	197,814	195,659	133,041	172,966	245,050	59,557	59,925	12,003	5,837		

18 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

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: (cont'd)

At 31 March 2007

Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Floating interest rate							Fixed interest rate														
				< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	>5 years RM'000	<1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000											
2007																									
Secured																									
Term loan 1	9.7	257,713	Rs	(a) 89,532	9,245	29,005	37,889	38,768	53,274	-	-	-	-	-	-	-									
Term loan 2	4.5	8,883	USD	(a) -	-	-	-	-	-	5,922	2,961	-	-	-	-	-									
														266,596	89,532	9,245	29,005	37,889	38,768	53,274	5,922	2,961	-	-	-
2007																									
Unsecured																									
Term loan 10	6.6	13,574	USD	4,654	4,654	4,266	-	-	-	-	-	-	-	-	-	-									
Term loan 11	6.0	22,450	RMB	10,290	9,354	2,806	-	-	-	-	-	-	-	-	-	-									
Term loan 12	10.0	3,400	Rs	-	-	-	-	-	-	-	800	800	800	800	200										
Term loan 14	5.4	33,560	RM	-	-	-	-	-	-	5,752	5,753	5,753	5,754	10,548											
Term loan 16	6.0	345,500	USD	-	-	86,375	86,375	86,375	86,375	-	-	-	-	-	-	-									
Term loan 17	6.0	38,005	USD	-	-	4,223	16,891	16,891	-	-	-	-	-	-	-	-									
Term loan 18	6.0	34,550	USD	-	-	6,910	13,820	13,820	-	-	-	-	-	-	-	-									
Term loan 20	6.9	27,628	USD	27,628	-	-	-	-	-	-	-	-	-	-	-	-									
Term loan 21	4.8	13,400	RM	-	-	-	-	-	-	-	13,400	-	-	-	-	-									
														532,067	42,572	14,008	104,580	117,086	117,086	86,375	6,552	19,953	6,553	6,554	10,748
														798,663	132,104	23,253	133,585	154,975	155,854	139,649	12,474	22,914	6,553	6,554	10,748

18 TERM LOANS (cont'd)

C. Principal features of term loans

- (a) Term loan 1 of RM492,094,000 (2007: RM257,713,000) and term loan 2 of RM2,741,000 (2007: RM8,883,000) are secured by fixed and floating charges over the property, plant and equipment (Note 25), concession assets (Note 28) and amounts due from customers on construction contracts (Note 44) of IJM (India) Infrastructure Limited ("IJMII"), a subsidiary of the Company, and certain subsidiaries of IJMII.
- (b) Term loan 3 of RM129,000,000 (2007: Nil) is secured by way of:
 - (i) land titles of certain subsidiaries of RB Land Sdn Bhd ("RBLSB"), a subsidiary of the Company, pertaining to developments (Note 35) with a minimum value of 1.67 times the loan outstanding for the creation of Lien-Holder's Caveat;
 - (ii) letter of undertaking from a subsidiary of RBLSB to open Housing Development Accounts with the Bank during the duration of the loan; and
 - (iii) assignment of the said Housing Development Accounts to the Bank.
- (c) Term loan 4 of RM43,080,000 (2007: Nil) is secured by way of:
 - (i) a facilities agreement for the sum of RM43,080,000;
 - (ii) a first legal charge created under the National Land Code 1965 over the 2 parcels of freehold vacant commercial land of a subsidiary of RBLSB held under individual titles Geran 90708, Lot 33384 and Geran 90709, Lot 33385 Seksyen 39, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor Darul Ehsan (Note 35); and
 - (iii) a corporate guarantee by RB Land Holdings Berhad ("RB Land"), a subsidiary of the Company.
- (d) Term loan 5 of RM28,439,000 (2007: Nil) is secured by way of:
 - (i) a facilities agreement for the sum of RM28,439,000;
 - (ii) a first legal charge created under the National Land Code 1965 over the 4 parcels of freehold land of a subsidiary of RBLSB held under individual titles Geran 36663, GM 1063, GM 1062 and GM 1065 for Lot No. 1576, 1577, 1578 and 1579 respectively, all in Mukim and Daerah Kuala Lumpur and Negeri Wilayah Persekutuan Kuala Lumpur (Note 35);
 - (iii) a negative pledge over all present and future assets of a subsidiary of RBLSB; and
 - (iv) a corporate guarantee by RBLSB.
- (e) Term loan 6 of RM7,890,000 (2007: Nil) is secured by way of:
 - (i) a facilities agreement for the sum of RM7,890,000;
 - (ii) a registered open all monies first party charge over the 2 parcels of freehold vacant agricultural land of a subsidiary of RBLSB held under Geran Mukim No. Hakmilik 6133 and 1770, Lot No. 2485 and 2486 respectively, all in Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur (Note 35); and
 - (iii) a corporate guarantee by RB Land.
- (f) Term loan 7 of RM26,000,000 (2007: Nil) is secured by way of:
 - (i) a facilities agreement for the sum of RM26,000,000;
 - (ii) a first legal charge created under the National Land Code 1965 over the 26 parcels of freehold vacant commercial land of a subsidiary of RBLSB held under Lot No. 3268 to 3284 and Lot No. 3290 to 3298, all in the Mukim Pulau, Daerah Johor Bahru, Negeri Johor Darul Takzim (Note 35); and
 - (iii) a corporate guarantee by RB Land.
- (g) Term loan 8 of RM56,968,000 (2007: Nil) is secured by way of:
 - (i) a facility agreement; and
 - (ii) an assignment of all contract proceeds in respect of the Letter of Acceptance/Main Contract entered into by Road Builder (M) Holdings Bhd ("RBH"), a subsidiary of the Company, in relation to the Kuantan Bypass project (Note 44).

18 TERM LOANS (cont'd)

C. Principal features of term loans (cont'd)

(h) Term loan 9 of RM4,350,000 (2007: Nil) is secured by way of:

- (i) a first legal charge over the tugboat and container crane of Kuantan Port Consortium Sdn Bhd ("KPC"), a subsidiary of the Company (Note 25).
- (ii) an assignment and / or noting of the bank's interest on the following insurance in respect of the tugboat of KPC:
 - (i) hull, machinery and equipment;
 - (ii) increased value; and
 - (iii) mortgage interest insurance; and
- (iii) a corporate guarantee by RBH.

- (i) On 23 August 2005, IJM Investment (L) Limited, a subsidiary of the Company, has entered into a Facility Agreement for the acceptance of USD 100 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.

19 GOVERNMENT SUPPORT LOANS - UNSECURED

	Note	The Group	
		2008 RM'000	2007 RM'000
Government Support Loans:			
- Government Support Loan 1	(a)	96,432	—
- Government Support Loan 2	(b)	77,626	—
- Government Support Loan 3	(c)	101,807	—
		275,865	—
Less: Payable within 12 months (Note 42)		(2,500)	—
		273,365	—

A. Maturity profile of Government Support Loans

	Total carrying amount RM'000	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	>5 years RM'000
2008							
Government Support Loan 1	96,432	—	—	—	—	—	96,432
Government Support Loan 2	77,626	—	—	—	—	4,614	73,012
Government Support Loan 3	101,807	2,500	2,418	2,320	4,487	4,338	85,744
	275,865	2,500	2,418	2,320	4,487	8,952	255,188

B. Currency profile of Government Support Loans

The government support loans are all denominated in Ringgit Malaysia.

19 GOVERNMENT SUPPORT LOANS - UNSECURED (cont'd)

C. Principal features of Government Support Loans

The principal features of Government Support Loans of subsidiaries of Road Builder (M) Holdings Bhd, a newly acquired subsidiary of the Company, are as follows:

(a) Government Support Loan 1

On 26 March 1996, New Pantai Expressway Sdn Bhd, a subsidiary of the Company, entered into a Land Cost Supplemental Agreement with the Government of Malaysia ("the Government") for an interest-free loan provided by the Government in making available the concession area to the Company as Reimbursable Land Cost for the construction of the New Pantai Expressway.

As amended by a second Supplemental Concession Agreement dated 7 October 2003, the Government Support Loan 1 is reimbursable to the Government in five (5) annual instalments, with the first instalment to commence on 26 March 2016.

(b) Government Support Loan 2

The Government Support Loan 2 is in respect of an agreement between Besraya (M) Sdn Bhd, a subsidiary of the Company, and the Government of Malaysia ("the Government") for an interest-free loan provided by the Government in connection with the cost incurred by the Government in acquiring the "right of way" for the expressway development.

The Government Support Loan 2 is repayable to the Government in nine (9) annual variable instalments, with the first instalment to commence on 15 August 2012.

(c) Government Support Loan 3

The Government Support Loan 3 is in respect of an agreement between Kuantan Port Consortium Sdn Bhd and the Government of Malaysia ("the Government") in connection with the reimbursable infrastructure cost for the purpose of financing the dredging of the new harbour basin. In financial year 2007, the instalment payments were re-scheduled to commence on 15 June 2006 and are repayable in twenty-two (22) yearly variable instalments.

The Government Support Loan 3 is secured by a negative pledge and by a deed of assignment over:

- (a) the balance of the revenue from the scheduled leases, tenancies and new sub leases and tenancies granted after the commencement date of the Privatisation Agreement after deducting the amounts payable to Kuantan Port Authority; and
- (b) all other revenue received from its port operations.

20 HIRE PURCHASE AND LEASE CREDITORS

Minimum payments:

- Payable within 1 year
- Payable between 1 and 5 years

Less: Future finance charges

Present value of liabilities

Present value of liabilities:

- Payable within 1 year (Note 42)
- Payable between 1 and 5 years (included in non-current liabilities)

The Group	
2008 RM'000	2007 RM'000
16,889	14,964
5,965	10,443
22,854	25,407
(1,895)	(2,435)
20,959	22,972
15,354	13,275
5,605	9,697
20,959	22,972

20 HIRE PURCHASE AND LEASE CREDITORS (cont'd)

The currency exposure profile of hire purchase and lease creditors is as follows:

	The Group	
	2008 RM'000	2007 RM'000
Ringgit Malaysia	24	–
Indian Rupee	20,732	22,758
United States Dollar	–	52
Singapore Dollar	44	162
UAE Dirham	159	–
	20,959	22,972

Hire purchase and lease liabilities are effectively secured as the rights to the leased assets revert to the financier in the event of default. As at balance sheet date, the effective interest rate was 9.67% (2007: 9.35%) per annum.

21 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the balance sheet.

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Deferred tax assets	65,820	18,862	1,506	2,368
Deferred tax liabilities	(347,760)	(90,947)	–	–
	(281,940)	(72,085)	1,506	2,368
At 1 April	(72,085)	(65,896)	2,368	3,571
(Charged)/credited to income statement (Note 10)				
- Property, plant and equipment	(5,047)	81,085	(270)	(318)
- Concession assets	2,620	–	–	–
- Post-employment benefit	291	(527)	–	(233)
- Intangible assets	(32)	584	–	–
- Plantation development expenditure	(336)	(77,960)	–	–
- Inventories	(13)	(1,060)	(13)	(26)
- Tax losses and unabsorbed allowances	(26,937)	(14,828)	(58)	(117)
- Payables	2,218	(2)	(372)	(498)
- Development properties	1,903	572	–	–
- Foreseeable loss	806	3,259	–	–
- Finance lease receivables	(1,317)	(908)	–	–
- Borrowings	2,721	–	–	–
- Leasehold land	250	–	–	–
- Ports	(704)	–	–	–
- Others	6,017	3,596	(149)	(11)
	(17,560)	(6,189)	(862)	(1,203)
Charged to equity	2,280	–	–	–
Acquisition of subsidiaries (Note 46)	(196,463)	–	–	–
Disposal of a subsidiary (Note 47)	1,888	–	–	–
At 31 March	(281,940)	(72,085)	1,506	2,368

21 DEFERRED TAXATION (cont'd)

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Subject to income tax				
Deferred tax assets (before offsetting)				
- Property, plant and equipment	349	3,256	-	-
- Development properties	24,029	7,348	-	-
- Post-employment benefit	1,713	93	-	-
- Inventories	1,253	342	329	342
- Payables	8,738	4,229	990	1,362
- Tax losses and unabsorbed capital allowances	40,417	65,393	1,453	1,511
- Foreseeable loss	6,171	5,365	-	-
- Borrowings	10,260	-	-	-
- Concession assets	1,588	-	-	-
- Ports	12,513	-	-	-
- Others	6,790	5,885	-	149
	113,821	91,911	2,772	3,364
Offsetting	(48,001)	(73,049)	(1,266)	(996)
Deferred tax assets (after offsetting)	65,820	18,862	1,506	2,368
Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	(108,965)	(66,115)	(1,266)	(996)
- Plantation development expenditure	(82,319)	(83,566)	-	-
- Development properties	(55,748)	(1,008)	-	-
- Intangible assets	(1,693)	(1,661)	-	-
- Finance lease receivables	(12,280)	(10,963)	-	-
- Port	(5,405)	-	-	-
- Borrowings	(28,328)	-	-	-
- Inventories	(2,225)	-	-	-
- Leasehold land	(12,259)	-	-	-
- Concession assets	(85,787)	-	-	-
- Others	(752)	(683)	-	-
	(395,761)	(163,996)	(1,266)	(996)
Offsetting	48,001	73,049	1,266	996
Deferred tax liabilities (after offsetting)	(347,760)	(90,947)	-	-

The amount of unutilised temporary differences and unused tax losses for which no deferred tax asset is recognised in the balance sheet are as follows:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unutilised temporary differences	61,738	27,219	-	-
Unused tax losses	110,467	32,305	-	-
	172,205	59,524	-	-
Deferred tax assets not recognised	43,051	15,476	-	-

22 TRADE AND OTHER PAYABLES

Note	The Group	
	2008 RM'000	2007 RM'000
Trade payables:		
Outstanding purchase consideration on acquisition of land	(a) 31,666	63,333
Less: Payable within 12 months (Note 42)	(31,666)	(31,667)
Payable after 12 months	–	31,666
Other payables:		
Advances from the State Government	(b) 28,000	21,000
Land premium payable to State Government	(c) 21,100	–
Less: Payable within 12 months (Note 42)	(1,500)	–
Payable after 12 months	19,600	–
Interests in projects	(d) 21,243	–
Refundable membership securities	(e) 6,378	–
	75,221	52,666

- (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

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

As at 31 March 2008, Jelutong Expressway is at stage 2 of the Construction Works and the estimated date of completion is in January 2009. Stage 3 of the Construction Works is expected to commence in February 2009.

22 TRADE AND OTHER PAYABLES (cont'd)

- (c) On 4 October 2002, a subsidiary of IJM Properties Sdn Bhd ("IJMPRP"), Jelutong Development Sdn Bhd ("JDSB") entered into a Supplementary Agreement to the Privatisation Agreement with the Penang State Government in connection with the land alienation to the subsidiary in exchange for undertaking the Jelutong Expressway Project. IJMPRP shall pay the State Government a land premium of RM24.1 million from the date of issuance of advertising permit for sale of the first phase of the low-medium cost housing units on Parcel C2.

The land premium is repayable to the State Government as follows:

	RM'000
Payable within 1 year	1,500
Payable between 1 and 2 years	1,500
Payable between 2 and 3 years	3,000
Payable between 3 and 4 years	3,000
Payable between 4 and 5 years	3,000
Payable after 5 years	9,100
	<hr/> 21,100

- (d) This represents the share of net results of Road Builder (M) Sdn Bhd, a subsidiary of the Company, in certain projects in India in accordance with the arrangements set out in the Ancillary Agreement dated 8 January 2003.
- (e) This represents membership securities received by ERMS Berhad ("ERMS"), a subsidiary of the Company, prior to the implementation of a Deed of Trust dated 20 May 1993. The membership securities are refundable only upon the transfer of a membership by a member to an acceptable transferee and after the said transferee has paid the required refundable securities.

Based on the Deed of Trust, the refundable membership securities shall be paid to an Accumulation Fund over 92 equal annual payments of RM77,000. Subsequently on 28 June 1997, the Trustee agreed to an annual payment of RM364 to be paid to the Accumulation Fund over 88 years beginning from 15 June 1998.

On 20 March 2003, ERMS had withdrawn the Accumulated Fund and purchased a group premium pension scheme, which terminal value will be used to refund the membership securities to the members. Accordingly, ERMS had ceased to contribute the fixed annual payment to the Accumulated Fund.

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 were 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 had 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;

23 RETIREMENT BENEFITS (cont'd)

(b) Defined benefit plan (cont'd)

(i) Funded (cont'd)

- (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").

On 15 August 2007, the Retirement Benefit Plan of the Company has transferred a sum of RM24,524,583 to the members' accounts with the EPF. After the transfer, the surplus in the value of assets available for distribution to members of RM2,442,029 was redistributed back to the members.

(ii) Unfunded

A subsidiary of the Company, Industrial Concrete Products Berhad, operated 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.

Another subsidiary of the Company, Kuantan Port Consortium Sdn Bhd, operates an unfunded defined benefit Retirement Benefit Scheme ("the scheme") for its eligible employees. Under the scheme, eligible employees are entitled to retirement benefits varying between 75% and 100% of final salary on attainment of the retirement age of 55 years based on the number of years of service with the company. The 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 movements during the financial year on the amounts recognised in the consolidated balance sheet are as follows:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<u>Funded</u>				
At 1 April	–	1,717	–	831
Charged to the income statement	–	3,073	–	255
Contributions and benefits paid	–	(3,069)	–	(255)
	–	1,721	–	831
Reclassified to other payables (Note 42)	–	(1,721)	–	(831)
At 31 March	–	–	–	–
<u>Unfunded</u>				
At 1 April	–	3,433	–	–
Acquisition of subsidiaries (Note 46)	5,109	–	–	–
Charged to income statement	1,723	886	–	–
Contributions paid during the financial year	(686)	(205)	–	–
	6,146	4,114	–	–
Reclassified to other payables (Note 42)	(476)	(4,114)	–	–
At 31 March	5,670	–	–	–
At 31 March	5,670	–	–	–

23 RETIREMENT BENEFITS (cont'd)

(b) Defined benefit plan (cont'd)

The amounts of unfunded defined benefit recognised in the balance sheet may be analysed as follows:

	The Group	
	2008 RM'000	2007 RM'000
Present values of unfunded defined benefit obligations	6,831	–
Unrecognised actuarial losses	(685)	–
Liability in the balance sheets	6,146	–
Analysed as:		
Current (included in other payables - Note 42)	476	–
Non-current	5,670	–
	6,146	–

The expenses recognised in the income statements were analysed as follows:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current service cost	712	2,842	–	209
Interest cost	348	1,404	–	191
Expected return on plan assets	–	(1,380)	–	(160)
Actuarial losses recognised during the year	3	493	–	–
Amortisation of transitional liability	660	600	–	15
Total defined benefit retirement plan	1,723	3,959	–	255
Analysed as:				
- Funded	–	3,073	–	255
- Unfunded	1,723	886	–	–
Defined benefit retirement plan	1,723	3,959	–	255
Defined contribution retirement plan	24,968	12,362	1,633	1,014
Total included in employee benefits cost (Note 6)	26,691	16,321	1,633	1,269

The charges to the income statements were included in the following line items:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cost of sales	13,924	8,514	–	–
Administrative expenses	12,767	7,807	1,633	1,269
Total included in employee benefits cost (Note 6)	26,691	16,321	1,633	1,269

The principal actuarial assumptions used in respect of the Group's unfunded defined benefit plan were as follows:

	The Group	
	2008 %	2007 %
Discount rate	5.5	N/A
Expected rate of salary increases	5.5	N/A

N/A denotes "Not Applicable"

24 DEFERRED INCOME

	The Group	
	2008 RM'000	2007 RM'00
Cost		
Government grants	79,977	68,558
Exchange translation differences	578	(2,478)
	80,555	66,080
Accumulated amortisation		
At 1 April	(7,709)	(4,736)
Current amortisation (Note 5(b))	(3,988)	(3,144)
Exchange translation differences	94	171
At 31 March	(11,603)	(7,709)
	68,952	58,371

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:

	Land			Plantation
	Freehold land RM'000	Long term leasehold RM'000	Short term leasehold RM'000	Long term leasehold RM'000
The Group				
2008				
Net book value				
At 1 April 2007				
As previously reported	39,030	83,826	21,282	99,885
Effects of adoption of FRS 117 (Note 48)	–	(83,826)	(21,282)	(99,885)
As restated	39,030	–	–	–
Acquisition of subsidiaries (Note 46)	19,623	–	–	–
Disposal of a subsidiary (Note 47)	–	–	–	–
Additions	3,260	–	–	–
Disposals	(6,798)	–	–	–
Written off	–	–	–	–
Depreciation charges for the year	–	–	–	–
Impairment loss	–	–	–	–
Exchange differences arising from translation of assets of foreign entities	35	–	–	–
Reclassifications	4,681	–	–	–
Transferred to assets held for sale (Note 41)	–	–	–	–
Transferred to investment properties (Note 27)	–	–	–	–
Transferred to property development cost (Note 35(b))	–	–	–	–
At 31 March 2008	59,831	–	–	–

25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Short term leasehold RM'000	Plantation infrastructure development expenditure RM'000	Buildings RM'000	Plant, machinery, equipment & vehicles RM'000
The Group (cont'd)				
2008				
Net book value				
At 1 April 2007				
As previously reported	5,861	81,085	108,702	372,365
Effects of adoption of FRS 117 (Note 48)	(5,861)	–	–	–
As restated	–	81,085	108,702	372,365
Acquisition of subsidiaries (Note 46)	–	–	167,589	62,448
Disposal of a subsidiary (Note 47)	–	–	(30,746)	(5,783)
Additions	–	10,119	33,690	122,022
Disposals	–	–	(20,893)	(3,013)
Written off	–	–	(42)	(241)
Depreciation charges for the year	–	(2,565)	(14,283)	(73,335)
Impairment loss	–	–	(38)	–
Exchange differences arising from translation of assets of foreign entities	–	–	256	1,612
Reclassifications	–	1,435	(50,202)	9,562
Transferred to assets held for sale (Note 41)	–	–	(1,940)	–
Transferred to investment properties (Note 27)	–	–	–	–
Transferred to property development cost (Note 35(b))	–	–	–	–
At 31 March 2008	–	90,074	192,093	485,637

25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Office equipment, furniture & fittings & renovations RM'000	Liquid chemical berths RM'000	Inner harbour basin RM'000	Capital work-in- progress RM'000	Total RM'000
The Group (cont'd)					
2008					
Net book value					
At 1 April 2007					
As previously reported	19,472	–	–	84,523	916,031
Effects of adoption of FRS 117 (Note 48)	–	–	–	(6,830)	(217,684)
As restated	19,472	–	–	77,693	698,347
Acquisition of subsidiaries(Note 46)	15,777	23,618	116,344	24,036	429,435
Disposal of a subsidiary (Note 47)	(3,633)	–	–	–	(40,162)
Additions	14,955	5,200	–	110,265	299,511
Disposals	(348)	–	–	(24,171)	(55,223)
Written off	(465)	–	–	–	(748)
Depreciation charges for the year	(8,543)	(2,411)	(2,177)	–	(103,314)
Impairment loss	–	–	–	–	(38)
Exchange differences arising from translation of assets of foreign entities	248	–	–	105	2,256
Reclassifications	(21)	62,166	–	(27,621)	–
Transferred to assets held for sale (Note 41)	–	–	–	–	(1,940)
Transferred to investment properties (Note 27)	–	–	–	(14,699)	(14,699)
Transferred to property development cost (Note 35(b))	–	–	–	(33,719)	(33,719)
At 31 March 2008	37,442	88,573	114,167	111,889	1,179,706

25 PROPERTY, PLANT AND EQUIPMENT (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
The Group (cont'd)						
2007 (restated)						
Net book value						
At 1 April 2006						
As previously reported	36,614	76,686	22,756	101,257	3,719	72,401
Effects of adoption of FRS 117 (Note 48)	–	(76,686)	(22,756)	(101,257)	(3,719)	–
As restated	36,614	–	–	–	–	72,401
Additions	85	–	–	–	–	9,512
Disposals	–	–	–	–	–	–
Written off	–	–	–	–	–	–
Depreciation charges for the year	–	–	–	–	–	(916)
Impairment loss	(63)	–	–	–	–	–
Exchange differences arising from translation of assets of foreign entities	(24)	–	–	–	–	–
Reclassifications	–	–	–	–	–	88
Transferred to building stocks	–	–	–	–	–	–
Transferred from property development cost (Note 35(b))	2,418	–	–	–	–	–
Reversal of over accruals of incidental costs	–	–	–	–	–	–
At 31 March 2007	39,030	–	–	–	–	81,085

25 PROPERTY, PLANT AND EQUIPMENT (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
The Group (cont'd)					
2007 (restated)					
Net book value					
At 1 April 2006					
As previously reported	89,428	289,927	13,153	51,416	757,357
Effects of adoption of FRS 117 (Note 48)	–	–	–	(6,830)	(211,248)
As restated	89,428	289,927	13,153	44,586	546,109
Additions	10,589	124,470	9,692	78,497	232,845
Disposals	(843)	(3,172)	(420)	(2,159)	(6,594)
Written off	(4)	(179)	(11)	–	(194)
Depreciation charges for the year	(8,893)	(48,666)	(3,473)	–	(61,948)
Impairment loss	–	–	–	–	(63)
Exchange differences					
arising from translation of assets					
of foreign entities	(296)	(3,311)	(117)	(448)	(4,196)
Reclassifications	35,374	13,296	648	(49,406)	–
Transferred to building stocks	(16,653)	–	–	–	(16,653)
Transferred from property					
development cost (Note 35(b))	–	–	–	8,030	10,448
Reversal of over accruals of					
incidental costs	–	–	–	(1,407)	(1,407)
At 31 March 2007	108,702	372,365	19,472	77,693	698,347

	Freehold land RM'000	Plantation infrastructure development expenditure RM'000	Buildings RM'000	Plant, machinery, equipment & vehicles RM'000
The Group (cont'd)				
Net book value				
At 31 March 2008				
Cost	59,831	98,817	257,633	949,050
Valuation	–	–	4,802	3,668
Accumulated depreciation	–	(8,743)	(70,304)	(467,081)
Accumulated impairment losses	–	–	(38)	–
Net book value	59,831	90,074	192,093	485,637
At 31 March 2007 (restated)				
Cost	39,093	87,263	163,559	778,913
Valuation	–	–	5,462	3,668
Accumulated depreciation	–	(6,178)	(60,319)	(410,216)
Accumulated impairment losses	(63)	–	–	–
Net book value	39,030	81,085	108,702	372,365

25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Office equipment, furniture & fittings & renovations RM'000	Liquid chemical berths RM'000	Inner harbour basin RM'000	Capital work-in- progress RM'000	Total RM'000
The Group (cont'd)					
Net book value					
At 31 March 2008					
Cost	65,397	90,984	116,344	111,889	1,749,945
Valuation	–	–	–	–	8,470
Accumulated depreciation	(27,955)	(2,411)	(2,177)	–	(578,671)
Accumulated impairment losses	–	–	–	–	(38)
Net book value	37,442	88,573	114,167	111,889	1,179,706
At 31 March 2007 (restated)					
Cost	42,903	–	–	77,693	1,189,424
Valuation	–	–	–	–	9,130
Accumulated depreciation	(23,431)	–	–	–	(500,144)
Accumulated impairment losses	–	–	–	–	(63)
Net book value	19,472	–	–	77,693	698,347

	Freehold land RM'000	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
The Company						
2008						
Net book value						
At 1 April 2007	–	5,941	2,887	2,287	–	11,115
Additions	900	–	2,967	1,200	3,238	8,305
Depreciation charges for the year	–	(136)	(577)	(569)	–	(1,282)
At 31 March 2008	900	5,805	5,277	2,918	3,238	18,138
2007						
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
At 31 March 2008						
Cost	900	6,912	6,975	6,298	3,238	24,323
Accumulated depreciation	–	(1,107)	(1,698)	(3,380)	–	(6,185)
Net book value	900	5,805	5,277	2,918	3,238	18,138
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

25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) Valuation

Property, plant and equipment include 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 buildings and plant been carried at cost less accumulated depreciation, the net book values would have been as follows:

	The Group	
	2008 RM'000	2007 RM'000
Buildings	413	658
Plant	846	1,028
	1,259	1,686

(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	
	2008 RM'000	2007 RM'000
Plant, machinery, equipment and vehicles	99,027	39,921

(c) Net book values of assets pledged as security for term loans of certain subsidiaries (Note 18):

	The Group	
	2008 RM'000	2007 RM'000
Freehold land	230	236
Plant, machinery, equipment and vehicles	12,986	92,916
Office equipment, furniture and fittings and renovations	327	37
	13,543	93,189

(d) During the financial year, the following depreciation charges have been included in the aggregate costs incurred to-date within amounts due from/(to) customers on construction contracts of the Group and capitalised as plantation development expenditure respectively:

	Note	The Group	
		2008 RM'000	2007 RM'000
Included in the aggregate costs incurred to-date within amounts due from/(to) customers on construction contracts	44	22,987	—
Capitalised as plantation development expenditure	36(b)	537	786

26 LEASEHOLD LAND

		The Group	
	Note	2008 RM'000	2007 RM'00 (Restated)
Cost			
At 1 April:			
As previously reported		–	–
Effect of adoption of FRS 117	48	227,556	218,229
As restated		227,556	218,229
Acquisition of subsidiaries	46	132,593	–
Disposal of a subsidiary	47	(12,955)	–
Additions		29,967	10,332
Disposals		(40,471)	(900)
Transferred to assets held for sale	41	(6,426)	–
Exchange differences arising from translation of assets of foreign entities		70	(105)
At 31 March		330,334	227,556
Accumulated amortisation			
At 1 April:			
As previously reported		–	–
Effect of adoption of FRS 117	48	16,703	13,811
As restated		16,703	13,811
Disposal of a subsidiary	47	(726)	–
Charge for the financial year	5(a)	4,868	3,067
Disposals		(179)	(175)
At 31 March		20,666	16,703
Net book value			
At 31 March		309,668	210,853

Long term leasehold land and long term leasehold plantation land of certain subsidiaries were last revalued in 1982, 1993 and 1997 based on an open market value basis by firms of independent professional valuers. As at 1 April 2007, upon the adoption of FRS 117 "Leases", the unamortised amount of leasehold land as at 31 March 2007 is retained as the surrogate carrying amount as allowed by the transitional provision of FRS 117.

The title deeds to the leasehold land of certain subsidiaries with net book values amounting to RM21,463,573 (2007: RM21,334,254) are currently being processed by the relevant authorities and have yet to be issued to the respective subsidiaries.

During the financial year, the amortisation expenses of RM240,000 (2007: RM189,000) have been included in the plantation development expenditure (Note 36(b)).

27 INVESTMENT PROPERTIES

	Note	Freehold land RM'000	Freehold buildings RM'000	Long term leasehold buildings RM'000	Total RM'000
The Group					
2008					
Net book value					
At 1 April 2007		24,152	7,936	6,576	38,664
Transferred from property, plant and equipment	25	–	–	14,699	14,699
Disposals		–	(1,125)	–	(1,125)
Depreciation charges for the year	5(a)	–	(352)	(134)	(486)
Impairment losses	5(a)	–	(532)	(1,186)	(1,718)
Transferred to assets held for sale	41	(14,545)	–	–	(14,545)
At 31 March 2008		9,607	5,927	19,955	35,489
2007					
Net book value					
At 1 April 2006		24,152	8,154	693	32,999
Additions		–	–	5,900	5,900
Depreciation charges for the year	5(a)	–	(218)	(17)	(235)
At 31 March 2007		24,152	7,936	6,576	38,664
Net book value:					
At 31 March 2008:					
Cost		9,607	7,348	21,375	38,330
Accumulated depreciation		–	(889)	(234)	(1,123)
Accumulated impairment losses		–	(532)	(1,186)	(1,718)
Net book value		9,607	5,927	19,955	35,489
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

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 RM40,450,000 (2007: RM47,076,000) by the Directors based on either valuations by independent professionally qualified valuers or the Directors' estimates by reference to open market value of properties in the vicinity.

28 CONCESSION ASSETS

	Note	The Group 2008 RM'000	2007 RM'000
Cost			
At 1 April		493,377	230,148
Arising from the acquisition of subsidiaries	46	1,707,339	–
Additions during the financial year		177,530	271,546
Derecognised due to current year's equity accounting of a jointly controlled entity which was consolidated in the previous year	31	(132,812)	–
Exchange translation differences		4,317	(8,317)
At 31 March		2,249,751	493,377

28 CONCESSION ASSETS (cont'd)

	Note	The Group	
		2008 RM'000	2007 RM'000
Accumulated amortisation			
At 1 April		(18,992)	(11,672)
Current amortisation	5(a)	(46,188)	(7,742)
Exchange translation differences		232	422
At 31 March		(64,948)	(18,992)
		2,184,803	474,385

The concession assets in India with a net carrying value of RM510,744,000 (2007: RM474,385,000) are pledged as security for the Term Loan 1 (Note 18).

Interest expenses of RM19,164,000 (2007: RM2,990,000) (Note 9) have been capitalised and included in additions during the financial year.

29 SUBSIDIARIES

	Note	The Company	
		2008 RM'000	2007 RM'000
At cost:			
Quoted shares:			
- in Malaysia		298,471	258,721
Unquoted Redeemable Convertible Unsecured Loan Stocks ("RCULS")*		–	39,750
Unquoted shares:			
- in Malaysia		2,674,689	306,235
- outside Malaysia		6,436	6,436
		2,979,596	611,142
		(946,931)	(6,071)
		2,032,665	605,071
Less: Accumulated impairment losses			
Market value			
Quoted shares:			
- in Malaysia		1,057,695	807,387

* The RCULS were issued by a subsidiary, IJM Plantations Berhad ("IJMP") and bore interest at 5% per annum from 2 July 2003 until the date of redemption or maturity, whichever is earlier. The RCULS could 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 would be redeemed in full by IJMP at par on 1 July 2008.

During the financial year, the Company has converted the remaining RM39,750,000 RCULS into 79,500,000 ordinary shares of RM0.50 each in IJMP. After the conversion, IJMP became a 54.6% held subsidiary of the Company.

(a) During the financial year, the Company recognised an impairment loss on the cost of investment in subsidiaries, of which RM940,860,000 relates to the impairment of the Company's investment in Road Builder (M) Holdings Bhd ("RBH"). The Company carried out an impairment assessment on the carrying values of subsidiaries which have indications of impairment based on value-in-use ("VIU") calculations using pre-tax cash flow projections and discount rates that reflect the specific risks relating to the cash generating units.

Accordingly, an impairment loss is recognised on the carrying values of subsidiaries which are not supported by the VIU calculations. Details of the impairment test on the newly acquired subsidiary, RBH, is disclosed in Note 45 on the impairment test for goodwill arising from the acquisition of RBH.

(b) The Group's effective equity interest in the subsidiaries and their respective principal activities and countries of incorporation are set out in Note 56 to the financial statements.

30 ASSOCIATES

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
(a) Associates other than Grupo Concesionario del Oeste S.A ("Grupo")	327,674	312,080	56,846	40,572
(b) Grupo	69,912	70,983	44,294	44,294
	397,586	383,063	101,140	84,866
Represented by: Group's share of net assets	397,586	383,063		
Market value				
Quoted shares:				
- in Malaysia	50,107	4,794	50,107	4,794
- outside Malaysia (Grupo)	29,291	15,572	29,291	15,572
	79,398	20,366	79,398	20,366

The Group's effective equity interest in the associates and their respective principal activities and countries of incorporation are set out in Note 56 to the financial statements.

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
(a) Associates other than Grupo:				
Quoted shares, at cost:				
- in Malaysia	50,664	17,219	50,664	17,219
Unquoted shares, at cost:				
- in Malaysia	80,977	56,664	42,437	40,058
- outside Malaysia	158,085	191,144	1,765	1,765
	289,726	265,027	94,866	59,042
Share of post-acquisition retained profits	80,002	59,912	-	-
Share of post-acquisition reserves	10,915	16,360	-	-
	380,643	341,299	94,866	59,042
Less: Accumulated impairment losses	(52,969)	(29,219)	(38,020)	(18,470)
	327,674	312,080	56,846	40,572
(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	27,618	28,689	-	-
Less: Accumulated impairment losses	(47,000)	(47,000)	(45,000)	(45,000)
	69,912	70,983	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.

Based on 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.

30 ASSOCIATES (cont'd)

- (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	
	2008 RM'000	2007 RM'000
Current year share of losses	(280)	–
Cumulative share of losses	(14,936)	(14,656)

- (d) The Group's share of assets and liabilities of the associates are as follows:

	The Group	
	2008 RM'000	2007 RM'000
Non-current assets	701,559	594,395
Current assets	777,839	263,204
Non-current liabilities	(616,673)	(367,331)
Current liabilities	(468,320)	(107,205)
Net assets	394,405	383,063
Premium on acquisition	3,181	
	397,586	

The Group's share of the revenue and expenses of the associates are as follows:

	The Group	
	2008 RM'000	2007 RM'000
Revenue	327,398	329,653
Expenses including taxation	(312,760)	(316,568)
Net profit for the financial year	14,638	13,085

31 JOINTLY CONTROLLED ENTITIES

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Share of net assets of jointly controlled entities	177,402	60,422	–	–
Amounts owing by jointly controlled entities	493,155	353,782	101,733	28,818
Less: Allowance for doubtful debts	(9,000)	(9,000)	–	–
	484,155	344,782	101,733	28,818
	661,557	405,204	101,733	28,818

31 JOINTLY CONTROLLED ENTITIES (cont'd)

(a) Details of the jointly controlled entities are as follows:

	Group's effective interest in jointly controlled entities		Principal activity
	2008 %	2007 %	
Astaka Tegas Sdn Bhd	50	50	Property development
Elegan Pesona Sdn Bhd	50	50	Property development
Ambang Usaha Sdn Bhd	50	50	Construction
LCL-IJMI International Interiors Private Limited	49	49	Manufacturing custom-made furniture, interior design, advisory, consultancy and fit-out works for buildings, offices and homes
IJM-SCL Joint Venture	50	50	Construction
IJM-Gayatri 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-Peremba 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
IJMC-Zublin Joint Venture	50	50	Construction
IJMC-Teratai Joint Venture	50	50	Construction
IJMC-LCL Interiors LLC	70	–	Construction
ISZL Consortium	25	25	Construction
IM Technologies Pakistan Pvt Ltd	60	–	Construction
ECC - IJM Joint Venture	50	50	Construction
Valencia Terrace Sdn Bhd	50	50	Property development
Radiant Pillar Sdn Bhd	50	50	Property development
Good Debut Sdn Bhd	50	50	Property development
Cekap Tropikal Sdn Bhd	50	50	Property development
IJM Biofuel Sdn Bhd	60	60	Manufacture and sale of biodiesel
Godrej Gokarna Oil Palm Limited	51	–	Trading of oil palm fresh fruit bunches and milling
Perdana Highway Operations Private Ltd	49	49	Dormant
BSC-RBM-PATI JV	38	–	Construction
RBM-PATI JV	75	–	Construction
Trichy Tollway Private Limited	50	50	Highway development
Lebuhraya Kajang Seremban Sdn Bhd	50	–	Toll road operations
Larut Leisure Enterprise (Hong Kong) Limited	50	–	Investment holding

31 JOINTLY CONTROLLED ENTITIES (cont'd)

(b) The Group's share of assets and liabilities of the jointly controlled entities is as follows:

	The Group	
	2008	2007
	RM'000	RM'000
Non-current assets	705,528	37,599
Current assets	595,471	336,832
Non-current liabilities	(738,734)	(32,672)
Current liabilities	(384,863)	(281,337)
Net assets	177,402	60,422

The Group's share of the revenue and expenses of the jointly controlled entities are as follows:

	The Group	
	2008	2007
	RM'000	RM'000
Revenue	123,475	99,701
Expenses including taxation	(119,618)	(106,186)
Net profit/(loss) for the financial year	3,857	(6,485)

During the financial year, the investment in Trichy Tollway Private Limited has been reclassified from a subsidiary to a jointly-controlled entity to better reflect the nature of the arrangement between the shareholders. There is no financial impact on the financial results of the Group in the current and the preceding financial years. The impact on the Group's balance sheet in the current financial year is mainly the derecognition of the cost of concession assets previously consolidated of RM132,812,000 (Note 28) and the recognition of the share of net assets in the jointly-controlled entities of RM57,018,000.

32 LONG TERM INVESTMENTS

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Cost				
Quoted shares:				
- in Malaysia	18,110	4,143	-	-
Unquoted shares:				
- in Malaysia	48,385	48,589	6,500	6,500
- outside Malaysia	264	264	260	260
	48,649	48,853	6,760	6,760
Quoted corporate bonds:				
- in Malaysia	55,267	55,486	-	-
Transferable club membership	234	-	-	-
	122,260	108,482	6,760	6,760
Allowance for diminution in value				
Quoted shares	(15,692)	(2,175)	-	-
Unquoted shares:				
- in Malaysia	(20,075)	(5,325)	(4,450)	(4,450)
- outside Malaysia	(260)	(260)	(260)	(260)
	(36,027)	(7,760)	(4,710)	(4,710)
	86,233	100,722	2,050	2,050
Market value				
Quoted shares:				
- in Malaysia	2,418	1,968	-	-
Quoted corporate bonds:				
- in Malaysia	55,962	56,415	-	-
	58,380	58,383	-	-

32 LONG TERM INVESTMENTS (cont'd)

The currency exposure profile of investments outside Malaysia is as follows:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Indian Rupee	4	4	–	–

33 LONG TERM RECEIVABLES

	Note	The Group	
		2008 RM'000	2007 RM'000 (Restated)
Lease receivables	(a)	94,039	89,948
Less: Transfer to assets held for sale (Note 41)		(72,029)	–
		22,010	89,948
Less: Amount receivable within 12 months (included in trade and other receivables - Note 38)		(2,527)	(9,048)
		19,483	80,900
Receivable for construction of the Kementerian Kerja Raya Office Blocks	(b)	18,570	26,239
Less:			
- Amount receivables within 12 months (included in trade and other receivables - Note 38)		(7,668)	(7,656)
		10,902	18,583
Amount due from a jointly controlled entity	(c)	17,600	3,071
Deposits for leasehold land	(d)	7,425	6,831
		55,410	109,385

(a) Lease receivables

	The Group	
	2008 RM'000	2007 RM'000
Lease receivables	47,340	285,146
Less: Unearned interest income	(25,330)	(195,198)
	22,010	89,948
Lease receivables		
- Receivable within 1 year	2,527	9,048
- Receivable between 1 and 5 years	10,822	39,304
- Receivable after 5 years	8,661	41,596
	22,010	89,948

The lease receivables arise from the following lease arrangements entered into by IJM Properties Sdn Bhd, a subsidiary of the Company:

(i) Lease arrangement I

A finance lease arrangement 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.

The lease receivable has been reclassified as assets held for sale (Note 41) as at 31 March 2008.

(ii) Lease arrangement II

A lease arrangement to lease a building to a third party for a period of 15 years commencing 1 March 2007.

33 LONG TERM RECEIVABLES (cont'd)

(b) The cost of construction of the Kementerian Kerja Raya Office Blocks by Nilai Cipta Sdn Bhd, 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 16 to the financial statements.

(c) IJM Plantations Berhad, a subsidiary of the Company, entered into a Shareholders' Agreement with CTI Biofuels Malaysia LLC on 23 March 2006 to build, own and operate a biodiesel plant in Sandakan.

The amount due from a jointly controlled entity is unsecured and bears interest at a fixed rate of 7.25% (2007: 7.25%) per annum, and will be settled in cash after the fulfilment of certain terms and conditions as set out in the Shareholders' Agreement.

(d) This represents deposits paid by IJM Plantations Berhad, a subsidiary of the Company, to the State Land Department for the subsidiary's applications to acquire certain parcels of leasehold land.

34 INTANGIBLE ASSETS

	Goodwill on consolidation RM'000	Construction order book RM'000	Quarry development expenditure RM'000	Premium paid on quarry rights RM'000	Licence fees RM'000	Total RM'000
The Group						
2008						
Cost						
At 1 April 2007	64,314	–	12,153	202	287	76,956
Acquisition of subsidiaries (Note 46(a))	953,992	9,850	–	–	–	963,842
Additions	–	–	3,655	–	–	3,655
Written off	–	–	(12)	–	–	(12)
Disposal of a subsidiary (Note 47)	(156)	–	–	–	–	(156)
At 31 March 2008	1,018,150	9,850	15,796	202	287	1,044,285
Accumulated impairment losses						
At 1 April 2007	(4,216)	–	–	–	–	(4,216)
Impairment of goodwill during the financial year	(940,860)	–	–	–	–	(940,860)
At 31 March 2008	(945,076)	–	–	–	–	(945,076)
Accumulated amortisation						
At 1 April 2007	–	–	(5,833)	(155)	(83)	(6,071)
Current amortisation	–	(3,283)	(3,092)	(47)	(47)	(6,469)
Written off	–	–	12	–	–	12
At 31 March 2008	–	(3,283)	(8,913)	(202)	(130)	(12,528)
	73,074	6,567	6,883	–	157	86,681

34 INTANGIBLE ASSETS (cont'd)

	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
The Group						
2007						
Cost						
At 1 April 2006	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
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)
Accumulated amortisation						
At 1 April 2006	–	–	(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

Amortisation for the current financial year was included in the following income statement line items:

- Cost of sales
- Other operating expenses

The Group	
2008 RM'000	2007 RM'000
3,139	3,032
3,330	42
6,469	3,074

35 PROPERTY DEVELOPMENT

(a) Land held for property development

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Freehold land, at cost	438,988	244,807	281	281
Leasehold land, at cost	95,983	69,083	–	–
Leasehold land, at valuation	63,465	–	–	–
Development costs	43,505	5,147	–	–
Accumulated impairment losses	(3,050)	–	–	–
	638,891	319,037	281	281
At 1 April	319,037	246,481	281	281
Arising from the acquisition of subsidiaries (Note 46)	237,169	–	–	–
Additions during the year	96,407	125,875	–	–
Transferred from/(to) property development costs (Note 35(b)):				
- Land cost	(6,915)	(47,941)	–	–
- Development costs	16,712	(4,150)	–	–
	9,797	(52,091)	–	–
Disposals during the year	(20,469)	(1,228)	–	–
Impairment losses during the year (Note 5(a))	(3,050)	–	–	–
At 31 March	638,891	319,037	281	281

Leasehold land of RM63,310,000 was revalued in 1994 based on the valuation conducted by an independent firm of professional valuers on 6 November 1992 on an open market basis.

Leasehold land of RM155,000 was revalued in 1989 based on valuation conducted by an independent firm of professional valuers on an open market basis.

(b) Property development costs

	Note	The Group	
		2008 RM'000	2007 RM'000
At 1 April			
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
Less: Completed development properties:			
Freehold land - at cost		(16,487)	–
Leasehold land - at cost		(23,354)	(6,693)
Development costs		(393,393)	(136,532)
Accumulated costs charged to income statement		361,255	142,665
Completed units transferred to building stocks		71,979	560
		685,488	459,325

35 PROPERTY DEVELOPMENT (cont'd)

(b) Property development costs (cont'd)

Note	The Group	
	2008 RM'000	2007 RM'000
Arising from the acquisition of subsidiaries		
- Land cost	735,567	–
- Development costs	166,068	–
	901,635	–
Costs incurred during the financial year:		
- Purchase of land	25,819	76,569
- Development costs	761,341	436,379
	787,160	512,948
Disposal of land	(10,401)	(663)
Transferred from/(to) land held for property development:		
- Land cost	6,915	47,941
- Development costs	(16,712)	4,150
	(9,797)	52,091
Costs charged to income statement	(696,475)	(315,019)
Completed units transferred to inventories	(30,325)	(9,836)
Exchange differences	8,530	(2,910)
Transferred to capital work-in-progress in property plant and equipment	–	(8,030)
Land transferred from/(to) property, plant and equipment	33,719	(2,418)
Impairment losses during the year	(2,346)	–
At 31 March	1,667,188	685,488
At 31 March:		
Freehold land - at cost	429,288	242,790
Leasehold land - at cost	377,702	291,990
Development costs	2,254,797	1,257,902
Accumulated costs charged to income statement	(1,361,404)	(1,034,353)
Completed units transferred to building stocks	(30,849)	(72,841)
Accumulated impairment losses	(2,346)	–
	1,667,188	685,488

Property development costs incurred during the financial year include the capitalisation of the following expenses:

Note	The Group	
	2008 RM'000	2007 RM'000
Interest expenses	27,758	2,706
Employee benefits cost	1,045	406

The carrying value of freehold land amounting to RM72,997,000 (2007: Nil) is pledged as security for Term Loans 4, 5, 6 and 7 of a subsidiary (Note 18).

36 PLANTATION DEVELOPMENT EXPENDITURE

		The Group	
		2008	2007
		RM'000	RM'000
Cost			
At 1 April		239,767	230,575
Additions during the year		8,398	9,192
At 31 March		248,165	239,767
Valuation			
At 1 April / At 31 March		168,733	168,733
At 31 March		416,898	408,500

- (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 (2007: RM64,116,744).

- (b) Plantation development expenditure capitalised during the financial year include the following:

		The Group	
		2008	2007
		RM'000	RM'000
	Note		
Depreciation of property, plant and equipment	25	537	786
Amortisation of leasehold land	26	240	189
Finance cost	9	1,057	954
Employee benefits cost	6	3,019	2,305

37 INVENTORIES

		The Group		The Company	
		2008	2007	2008	2007
		RM'000	RM'000	RM'000	RM'000
Cost					
Raw materials:					
- Construction materials		22,934	38,681	1,261	842
- Other raw materials		73,848	49,391	-	-
Finished goods:					
- Completed buildings		116,399	59,194	-	-
- Quarry and manufactured products		54,277	51,166	-	-
- Plant and turf		32	-	-	-
- Compost		265	304	-	-
- Crude palm kernel oil		288	1,359	-	-
- Crude palm oil		18,651	6,220	-	-
- Palm kernel		1,487	827	-	-
Oil palm seeds		716	797	-	-
Oil palm nursery		1,315	970	-	-
Fertilisers and chemicals		3,867	1,435	-	-
Stores, spares & consumables		9,848	8,362	-	-
Food and beverages		268	-	-	-
Work-in-progress		760	329	-	-
		304,955	219,035	1,261	842

37 INVENTORIES (cont'd)

Net realisable value

Finished goods:

- Completed buildings
- Crude palm oil
- Consumables
- Palm kernel

The Group		The Company	
2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
26,901	11,759	4,105	4,786
8,888	2,571	–	–
494	–	–	–
630	–	–	–
36,913	14,330	4,105	4,786
341,868	233,365	5,366	5,628

38 TRADE AND OTHER RECEIVABLES

Trade receivables

Less: Allowance for doubtful debts

Trade and tender deposits

Trade advances

Less: Allowance for doubtful debts

Accrued billings in respect of
property development

Other receivables

Less: Allowance for doubtful debts

Amounts due from customers on
construction contracts (Note 44)

Amounts owing by subsidiaries

Amounts owing by associates

Less: Allowance for doubtful debts

Deposits and prepayments

The Group		The Company	
2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
1,412,871	961,951	97,598	66,693
(61,771)	(29,601)	(11,692)	(11,692)
1,351,100	932,350	85,906	55,001
36,094	766	296	766
219,570	34,485	37,205	34,485
(5,075)	(1,356)	(274)	(1,356)
214,495	33,129	36,931	33,129
156,117	–	–	–
124,382	18,980	–	–
(2,309)	(1,856)	–	–
122,073	17,124	–	–
173,748	104,752	3,917	–
–	–	1,442,890	1,452,519
39,966	91,294	14,749	74,676
(5,427)	(5,304)	(2,425)	(2,598)
34,539	85,990	12,324	72,078
2,088,166	1,174,111	1,582,264	1,613,493
90,556	239,993	9,454	3,466
2,178,722	1,414,104	1,591,718	1,616,959

38 TRADE AND OTHER RECEIVABLES (cont'd)

The currency exposure profile of trade and other receivables is as follows:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Ringgit Malaysia	1,567,046	799,368	1,539,208	1,597,806
Indian Rupee	416,357	221,065	36,085	15,687
Australian Dollar	–	6,814	–	–
United States Dollar	2,758	57,016	–	–
Sterling Pound	72	437	–	–
UAE Dirham	31,115	41,014	–	–
NZ Dollar	–	52	–	–
Euro Dollar	189	14	–	–
Hongkong Dollar	13,775	–	–	–
Singapore Dollar	56,854	48,331	6,971	–
	2,088,166	1,174,111	1,582,264	1,613,493

Credit terms of trade receivables range from payment in advance to 90 days (2007: range from payment in advance to 90 days).

The amounts owing by subsidiaries and associates are unsecured, bear interest at rates ranging from 4.5% to 8.8% (2007: 4.0% to 8.0%) per annum and have no fixed terms of repayment.

Trade receivables include the current portion of the following items:

	The Group	
	2008 RM'000	2007 RM'000
Lease receivable (Note 33(a))	2,527	9,048
Amount due for construction of the Kementerian Kerja Raya Office Blocks (Note 33(b))	7,668	7,656

39 SHORT TERM INVESTMENTS

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cost				
Quoted shares				
- In Malaysia	10,021	10,282	10,021	10,221
- Outside Malaysia*	–	67,312	–	–
	10,021	77,594	10,021	10,221
Unquoted shares				
- In Malaysia	839	839	839	839
Quoted warrants in Malaysia	47	47	47	47
Quoted unit trusts in Malaysia	64,088	–	20,197	–
	74,995	78,480	31,104	11,107
Allowance for diminution in value of investments				
- Quoted shares in Malaysia	(5,701)	(6,413)	(5,701)	(6,371)
- Unquoted shares in Malaysia	(839)	(839)	(839)	(839)
	(6,540)	(7,252)	(6,540)	(7,210)
	68,455	71,228	24,564	3,897

39 SHORT TERM INVESTMENTS (cont'd)

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Market value				
Quoted shares:				
- In Malaysia	3,493	3,322	3,493	3,303
- Outside Malaysia	–	117,995	–	–
	3,493	121,317	3,493	3,303
Quoted warrants in Malaysia	874	612	874	612
Quoted unit trusts in Malaysia	64,088	–	20,197	–
	68,455	121,929	24,564	3,915

* The short term investment in quoted shares outside Malaysia in the preceding financial year represents the Group's investment in Guangdong Provincial Expressway Development Co. Ltd ("GPED"), a corporation incorporated in The People's Republic of China. The Group has disposed its entire investment in GPED in the current financial year as disclosed in Note 54(b).

The currency exposure profile of investments outside Malaysia is as follows:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Hong Kong Dollar	–	67,312	–	–

40 DEPOSITS, CASH AND BANK BALANCES

		The Group		The Company	
	Note	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Deposits with licensed banks	(a)	339,683	174,073	87,908	28,186
Cash and bank balances		232,028	164,824	7,429	40,691
Housing Development accounts	(b)	94,826	62,036	–	–
		326,854	226,860	7,429	40,691
		666,537	400,933	95,337	68,877

- (a) Included in deposits with licensed banks are the deposits of Nilai Cipta Sdn Bhd, a subsidiary, amounting to RM35,588,000 (2007: RM22,107,000) 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 the subsidiary referred to in Note 16 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.
- (b) Cash and bank balances include balances amounting to RM94,826,000 (2007: RM62,035,595) 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 projects 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.

40 DEPOSITS, CASH AND BANK BALANCES (cont'd)

The currency exposure profile of the deposits with licensed banks is as follows:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Ringgit Malaysia	331,695	102,485	87,908	28,186
Australian Dollar	88	307	–	–
United States Dollar	–	56,662	–	–
UAE Dirham	479	10,995	–	–
Hong Kong Dollar	–	3,624	–	–
Indian Rupee	5,258	–	–	–
New Taiwan Dollar	2,163	–	–	–
	339,683	174,073	87,908	28,186

The currency exposure profile of cash and bank balances and housing development accounts is as follows:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Ringgit Malaysia	237,797	165,782	4,778	39,611
Indian Rupee	21,098	24,930	1,973	1,001
Hong Kong Dollar	–	4,807	–	–
Singapore Dollar	4,184	12,852	678	79
Australian Dollar	199	371	–	–
United States Dollar	62,853	3,579	–	–
Chinese Renminbi	–	–	–	–
UAE Dirham	723	14,539	–	–
	326,854	226,860	7,429	40,691

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		The Company	
	2008 %	2007 %	2008 %	2007 %
Deposits with licensed banks	3.08	3.76	3.38	3.00
Cash at bank held under Housing Development Accounts	2.33	2.00	–	–

The cash and bank balances are deposits at call with banks and earn no interest.

Deposits with licensed banks have a maturity period ranging between 1 and 458 days (2007: 1 and 30 days).

41 ASSETS HELD FOR SALE

	Note	The Group 2008 RM'000	2007 RM'000
Property, plant and equipment (Note 25)	(a)	1,940	–
Leasehold land (Note 26)	(a)	6,426	–
Investment property (Note 27)	(b)	14,545	–
Long term receivables (Note 33)	(b)	72,029	–
		94,940	–

As at 31 March 2008, the following assets of the Group satisfied the criteria set in FRS 5 "Non-current Assets Held for Sale and Presentation of Discontinued Operations" and were therefore classified as "Assets Held for Sale":

- The Directors of Kamad Quarry Sdn Bhd, a subsidiary of the Company, had approved the disposal of certain property, equipment and leasehold land; and
- The Directors of IJM Properties Sdn Bhd, a subsidiary of the Company, had approved the disposal of a freehold land together with a special purpose building.

As at 31 March 2008, the sales and purchase agreements for the above disposals were in the process of being finalised.

42 TRADE AND OTHER PAYABLES

	Note	The Group 2008 RM'000	2007 RM'000	The Company 2008 RM'000	2007 RM'000
Trade payables		1,040,238	924,487	13,578	40,153
Amounts due to customers on construction contracts	44	126,695	84,659	2,840	23,795
Progress billings in respect of property development		23,082	715	–	–
Amounts owing to subsidiaries		–	–	330,235	238,408
Amounts owing to associates		8,600	8,678	6,427	6,207
Amounts owing to jointly controlled entities		16,716	17,333	5,690	7,077
Hire purchase and lease creditors	20	15,354	13,275	–	–
Trade accruals		131,436	10,459	32,187	10,458
Other payables and accruals		451,668	173,383	12,075	16,952
Dividend payable		37	67	37	67
Retirement benefits payable	23	476	5,835	–	831
Government support loan	19	2,500	–	–	–
		1,816,802	1,238,891	403,069	343,948

The currency exposure profile of trade and other payables is as follows:

	The Group 2008 RM'000	2007 RM'000	The Company 2008 RM'000	2007 RM'000
Ringgit Malaysia	1,110,470	705,460	356,656	338,825
Indian Rupee	319,276	336,799	9,055	445
Singapore Dollar	41,659	54,072	37,358	4,678
Australian Dollar	285	63	–	–
United States Dollar	318,735	90,016	–	–
UAE Dirham	26,308	29,107	–	–
Chinese Renminbi	–	21,285	–	–
Japanese Yen	54	2,089	–	–
Sterling Pound	15	–	–	–
	1,816,802	1,238,891	403,069	343,948

42 TRADE AND OTHER PAYABLES (cont'd)

Credit terms of trade and other payables range from payments in advance to 180 days (2007: 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 8.75% (2007: 5.5% to 8.0%) per annum and have no fixed terms of repayment.

Trade payables include the current portion of the following items:

	Note	The Group 2008 RM'000	2007 RM'000
Payables in connection with the acquisition of land for property development	22	31,666	31,667

43 BORROWINGS

	Note	The Group 2008 RM'000	2007 RM'000	The Company 2008 RM'000	2007 RM'000
<u>Secured</u>					
Term loans	18	329,102	95,454	—	—
Bonds	16	35,812	—	—	—
Bankers' acceptances		17,401	—	—	—
Bank overdrafts		54,804	47,507	—	—
Commercial Papers and Medium Term Notes	17	49,000	—	—	—
		486,119	142,961	—	—
<u>Unsecured</u>					
Term loans	18	35,571	49,124	—	—
Bonds	16	34,946	34,924	—	—
Bankers' acceptances		114,578	76,380	20,046	44,948
Revolving credits		27,726	56,426	—	20,000
Bank overdrafts		13,128	79,526	—	73,419
Commercial Papers and Medium Term Notes	17	135,124	—	—	—
		361,073	296,380	20,046	138,367
		847,192	439,341	20,046	138,367

The secured bank overdrafts are secured by fixed and floating charges over amounts due from customers on construction contracts (Note 44) of IJM (India) Infrastructure Limited ("IJMII"), a subsidiary of the Company, and certain subsidiaries of IJMII.

The currency exposure profile of the above bank borrowings is as follows:

	Note	The Group 2008 RM'000	2007 RM'000	The Company 2008 RM'000	2007 RM'000
Ringgit Malaysia		566,415	230,983	20,046	138,367
Indian Rupee		237,793	139,114	—	—
United States Dollar		9,123	55,479	—	—
Chinese Renminbi		33,861	13,765	—	—
		847,192	439,341	20,046	138,367

43 BORROWINGS (cont'd)

As at the balance sheet date, the weighted average effective interest rates for the bank borrowings, other than Bonds, Commercial Papers, Medium Term Notes and Term Loans which are disclosed in notes 16, 17 and 18 respectively, of the Group and of the Company are as follows:

	The Group and The Company					
	2008			2007		
	Bankers' acceptance	Revolving credit	Bank overdraft	Bankers' acceptance	Revolving credit	Bank overdraft
	%	%	%	%	%	%
Ringgit Malaysia	3.95	5.41	6.98	3.99	4.33	6.68
Indian Rupee	—	10.00	—	—	10.70	9.75
United States Dollar	—	—	—	—	6.58	—
Chinese Renminbi	—	—	6.90	—	—	5.67

44 AMOUNTS DUE FROM / (TO) CUSTOMERS ON CONSTRUCTION CONTRACTS

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Aggregate costs incurred to-date	7,676,811	4,762,182	846,484	701,516
Attributable profits less recognised losses	673,853	593,371	221,640	213,868
	8,350,664	5,355,553	1,068,124	915,384
Less: Progress billings on contracts	(8,303,611)	(5,335,460)	(1,067,047)	(939,179)
	47,053	20,093	1,077	(23,795)
Amounts due from customers on construction contracts (included in trade and other receivables - Note 38)	173,748	104,752	3,917	—
Amounts due to customers on construction contracts (included in trade and other payables - Note 42)	(126,695)	(84,659)	(2,840)	(23,795)
	47,053	20,093	1,077	(23,795)
Advances received on contracts (included in trade payables)	106,079	41,303	—	—
Retention sums on contracts (included in trade receivables)	151,206	69,329	22,040	14,090

During the financial year, the following expenses have been included in the aggregate costs incurred to-date of the Group:

	Note	The Group	
		2008 RM'000	2007 RM'000
Employee benefits cost	6	26,952	—
Finance cost	9	2,875	15
Depreciation of property, plant and equipment	25	22,987	—

Amounts due from customers on construction contracts amounting to RM156,013,000 (2007: RM50,223,000) are pledged as security for a Term Loan 1 (Note 18) and bank overdrafts (Note 43) of certain subsidiaries.

45 IMPAIRMENT OF ASSETS

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segments.

The carrying amounts of goodwill allocated to the CGUs are as follows:

	Manufacturing and quarrying RM'000	Construction RM'000	Property development RM'000	Infrastructure RM'000	Others (individually insignificant) RM'000	Total RM'000
At 1 April 2007	56,026	–	–	–	4,072	60,098
Arising from acquisition of subsidiaries (Note 46)	–	13,132	336,326	604,534	–	953,992
	56,026	13,132	336,326	604,534	4,072	1,014,090
Impairment loss during the year	–	–	(336,326)	(604,534)	–	(940,860)
Disposal of a subsidiary (Note 47)	–	–	–	–	(156)	(156)
At 31 March 2008	56,026	13,132	–	–	3,916	73,074

Goodwill arising from the acquisition of Road Builder (M) Holdings Bhd ("RBH") have been allocated to the following CGUs, identified according to business segments as follows:

	The Group 2008 RM'000
Construction	13,132
Property Development	336,326
Infrastructure:	
- Highway	523,615
- Port	80,919
	953,992

The recoverable amounts of the respective CGUs are determined based on value-in-use ("VIU") calculations, using pre-tax cash flow projections on the following basis:

CGU	Basis of cash flow projections	Growth rate	Discount rate
Manufacturing and Quarrying	Financial budgets approved by management based on past performance and expectations of market development	7%	13.1%
Construction	Discounted cash flows of the construction order book	Not applicable	10.3%
Property Development	Discounted cash flows of property development projects based on existing projects	Not applicable	9.0% - 10.0%
Highway	Discounted cash flows over the remaining concession period based on traffic consultant's report	1% - 22%	12.5% - 13.4%
Port	Discounted cash flows over the remaining concession period based on committed expansion plan set out in the privatisation agreement	2% - 22%	14.9% - 17.9%

The discount rate used reflects the specific risks relating to the CGU.

During the financial year, the Group recognised an impairment loss of RM940,860,000 in respect of the goodwill arising from the acquisition of RBH as the goodwill allocated to the acquired property development, highway and port CGUs are not supportable by the respective recoverable amounts. The high goodwill arising from the acquisition of RBH is attributable to the positive market response to the acquisition, which resulted in a significant increase in IJM's share price from the offer price of RM6.00 per share to the share price at the date of completion of acquisition of RM8.70 and RM8.95 per share.

46 ACQUISITION OF SUBSIDIARIES

(a) During the current financial year, the Group acquired the following subsidiaries/additional interest in subsidiaries:

- (i) On 25 January 2007, the shareholders of the Company approved a proposed conditional takeover offer by the Company for all the ordinary shares of RM1.00 each of Road Builder (M) Holdings Bhd ("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 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 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 at RM8.70 per share were issued on 2 April 2007 and a further 13,771,831 new IJM Shares at RM8.95 per share were issued on 27 April 2007. Upon the completion of the acquisition, RBH became a wholly-owned subsidiary of the Company.

The Group carried out a Purchase Price Allocation ("PPA") exercise upon completion of the acquisition of RBH, which involves identifying and determining the fair values to be assigned to the identifiable assets, liabilities and contingent liabilities of the acquired entity. The fair values of investment properties, concession assets, land held for property development, development properties, property, plant and equipment, investment in associates and inventories are determined by independent valuers by reference to market prices or present value of expected net cash flows from the assets. The fair values of intangible assets, amounts due to the government, and long term loans and bonds are determined by discounting the future contractual cash flows.

The fair values of the net assets at the date of acquisition of RBH are recognised as costs in the Group's financial statements.

Details of net assets acquired are as follows:

	Note	Acquiree's carrying value RM'000	Fair value RM'000
Identifiable assets and liabilities			
Non-current assets:			
Property, plant and equipment	25	437,048	397,632
Leasehold land	26	72,351	89,174
Land held for property development	35(a)	202,646	221,669
Associates		3,713	26,104
Long term investments		1,735	1,735
Intangible assets	34	–	9,850
Concession assets	28	1,555,952	1,707,339
Deferred tax assets	21	3,624	46,801
Interests in jointly controlled entities		(22,942)	(28,084)
Interests in projects		(6,172)	(6,172)
		2,247,955	2,466,048
Current assets:			
Property development costs	35(b)	777,680	871,649
Inventories		65,278	70,282
Receivables		422,683	422,683
Tax recoverable		9,240	9,240
Short term investment		20,911	20,911
Short term deposits		191,876	191,876
Cash and bank balances		102,305	102,305
		1,589,973	1,688,946

46 ACQUISITION OF SUBSIDIARIES (cont'd)

(a) During the current financial year, the Group acquired the following subsidiaries/additional interest in subsidiaries: (cont'd)

(i) Details of net assets acquired are as follows: (cont'd)

	Note	Acquiree's carrying value RM'000	Fair value RM'000
Identifiable assets and liabilities			
Non-current liabilities:			
Trade and other payables		(483,288)	(363,442)
Bonds		(707,851)	(745,791)
Medium term notes		(160,000)	(164,508)
Term loans		(308,044)	(308,044)
Deferred tax liabilities	21	(100,982)	(240,710)
Hire purchase and lease creditors		(331)	(331)
Retirement benefits	23	(4,507)	(4,507)
		(1,765,003)	(1,827,333)
Current liabilities:			
Retirement benefits	23	(602)	(602)
Payables		(340,778)	(316,008)
Current tax liabilities		(10,709)	(10,709)
Short term borrowings		(246,917)	(246,917)
		(599,006)	(574,236)
Net assets		1,473,919	1,753,425
Less: Minority interest		(284,799)	(320,111)
Identifiable net assets acquired		1,189,120	1,433,314
Goodwill	34		953,992
Purchase consideration			2,387,306

Subsequent to the completion of the acquisition, an impairment assessment was carried out on the goodwill arising from the acquisition of RBH. Following the completion of the impairment assessment, an impairment loss of RM940,860,000 has been recognised in the income statement of the Group (Note 45).

The remaining goodwill of RM13,132,000 is attributable to the workforce of the acquired subsidiary and the expected synergies from the acquisition.

(i) Details of cash flows arising from the acquisition are as follows:

	Group RM'000
Total purchase consideration	(2,387,306)
Purchase consideration discharged by issuance of shares (Note 14(b)(i))	2,375,597
Expenses directly attributable to the acquisition, paid in cash	(11,709)
Less: Cash and cash equivalents of subsidiary acquired*	(293,881)
Cash inflow to the Group on acquisition	282,172
Cash outflow to the Company on acquisition	(11,709)
* Short term deposits	191,876
Cash and bank balances	102,305
	294,181
Less: Restricted deposits with a licensed bank	(300)
Cash and cash equivalents of subsidiary acquired	293,881

The acquired business contributed revenue of RM912,877,000 and profit of RM74,756,000 to the Group for the period from 2 April 2007, date of completion of acquisition, to 31 March 2008.

46 ACQUISITION OF SUBSIDIARIES (cont'd)

(a) During the current financial year, the Group acquired the following subsidiaries/additional interest in subsidiaries: (cont'd)

- (ii) IJM Properties Sdn Bhd ("IJMPRP"), a wholly-owned subsidiary of the Company, had on 2 November 2007 entered into an Agreement for Sale and Purchase of Shares with Penang Development Corporation to acquire 6,000,000 ordinary shares of RM1 each and 3,000,000 preference shares of RM1 each, representing 30% of the issued and paid up capital of Worldwide Ventures Sdn Bhd ("WVSB"), an associate, for a total cash consideration of RM10,800,000, thus acquiring control over WVSB.

Subsequently, IJMPRP had on 7 March 2008 entered into an Agreement for Sale and Purchase of Shares with Nikmat Bersepadu Sdn Bhd to acquire 1,200,000 ordinary shares of RM1 each, representing 6% of the issued and paid up capital of WVSB, for a total cash consideration of RM1,440,000.

Following the completion of the acquisitions, WVSB became an 86%-owned subsidiary of IJMPRP.

Details of net assets acquired are as follows:

	Note	Acquiree's carrying value RM'000	Fair value RM'000
Identifiable assets and liabilities			
Non-current assets			
Property, plant and equipment	25	31,803	31,803
Leasehold land	26	3,309	43,419
Land held for property development	35(a)	7,035	15,500
		<u>42,147</u>	<u>90,722</u>
Current assets			
Property development costs	35(b)	21,635	29,986
Receivables		37,933	38,011
Deposits with licensed bank		92	92
Cash and bank balances		239	239
		<u>59,899</u>	<u>68,328</u>
Non-current liability			
Deferred tax liabilities	21	–	(5,105)
Current liabilities			
Payables		(102,537)	(102,537)
Borrowings		(6,000)	(6,000)
Bank overdraft		(483)	(483)
		<u>(109,020)</u>	<u>(109,020)</u>
Net assets		<u>(6,974)</u>	<u>44,925</u>
Less: 50% of fair value of total net assets previously held as an associate			(22,462)
Less: 20% of fair value of total net assets held by minority interests			(8,985)
Identifiable net assets acquired			<u>13,478</u>
Negative goodwill			(2,678)
Purchase consideration			<u>10,800</u>

46 ACQUISITION OF SUBSIDIARIES (cont'd)

- (a) During the current financial year, the Group acquired the following subsidiaries/additional interest in subsidiaries: (cont'd)

- (ii) Details of cash flow arising from the acquisition of additional 30% equity interest in WVSB are as follows:

	Group RM'000
Total purchase consideration	(10,800)
Less: Cash and cash equivalents of subsidiary acquired	(152)
Cash outflow to the Group on acquisition	<u>(10,952)</u>

The acquired business contributed revenue of RM148,000 and profit of RM16,408,000 to the Group for the period from 2 November 2007, date of completion of acquisition, to 31 March 2008. Had the acquisition took effect at the beginning of the period, the revenue and profit of the Group would have been RM9,509,000 and RM17,995,000 respectively.

- (iii) On 30 April 2007, the Company converted RM11,100,000 Redeemable Convertible Unsecured Loan Stocks ("RCULS") in IJM Plantations Berhad ("IJMP"), a subsidiary of the Company, into 22,200,000 ordinary shares of RM0.50 each, resulting in the Group holding an effective interest of 50.81% in IJMP.

Subsequently, the Company had on 14 November 2007 converted RM28,650,000 RCULS of IJMP into 57,300,000 ordinary shares of RM0.50 each, resulting in the Group holding an effective interest of 54.6% in IJMP.

The additional interest in IJMP upon the conversion of RCULS has been accounted for as transactions with minority interests (Note 29).

- (iv) On 22 January 2008, IJM Plantations Berhad ("IJMP"), a subsidiary of the Company acquired 100% equity interest in IJMP Investments (M) Limited ("IJMPI"), a company incorporated in the Republic of Mauritius, for a total cash consideration of USD 1 (approximately RM3).
- (v) On 25 January 2008, IJMPI acquired 100% equity interest in IJM Plantations (Mauritius) Limited ("IJMPM"), a company incorporated in the Republic of Mauritius, for a total cash consideration of RM1.
- (vi) On 10 March 2008, IJMP acquired additional 55% equity interest of 55,000 ordinary shares in an associate, Mowtas Multi-User Jetty Sdn Bhd from Benua Bitara Sdn Bhd for a total cash consideration of RM1.
- (vii) On 10 March 2008, IJMP acquired additional 40% equity interest of 480,000 ordinary shares in its subsidiary, Mowtas Bulkiers Sdn Bhd from Benua Bitara Sdn Bhd for a total cash consideration of RM480,000.

The above acquisitions (iv, v, vi and vii) 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 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 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.

47 DISPOSAL OF INTEREST IN A SUBSIDIARY

On 30 November 2007, the Company disposed 10,000,000 ordinary shares of RM1 each in Torsco Sdn Bhd ("TSB"), representing 100% equity interest in TSB for a total cash consideration of RM74,624,582.

Details of the disposal is as follows:

	At date of disposal RM'000
Property, plant and equipment (Note 25)	40,162
Leasehold land	12,229
Associates	47
Other investments	20
Inventories	567
Trade and other receivables, prepayments	32,054
Amounts due from customers on contracts	2,008
Amounts owing by related companies	2,012
Cash and bank balances	4,012
Payables	(20,239)
Term loan	(18,431)
Current tax liabilities	(1,536)
Deferred tax liabilities (Note 21)	(1,888)
Net assets	51,017
Attributable goodwill	156
	51,173
Net disposal proceeds	(73,937)
Gain on disposal to the Group	(22,764)
The net cash flows on disposal was determined as follows:	
Total proceeds from disposal - cash consideration	74,625
Expenses directly attributable to the disposal, paid in cash	(1,486)
Net disposal proceeds	73,139
Cash and cash equivalents of subsidiary disposed of	(4,012)
Cash inflow of the Group on disposal	69,127
Cash inflow of the Company on disposal	73,139

48 CHANGES IN ACCOUNTING POLICIES

The following describes the impact of the new standard, effective for the Group's and the Company's financial years beginning on or after 1 April 2007.

(a) FRS 117 "Leases"

The adoption of FRS 117 has resulted in a change in the classification of leasehold land in the balance sheet of the Group.

The adoption of FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land separately from property, plant and equipment. The upfront payments for leasehold land represent prepaid lease payments and are amortised on a straight line basis over the lease term.

The effect of adoption of FRS 117 on the financial statements of the Group is disclosed in Note 48 (b) below.

48 CHANGES IN ACCOUNTING POLICIES (cont'd)

(b) Restatement of comparatives

The following comparative amounts have been restated upon the adoption of FRS 117:

The Group	As previously reported RM'000	Change in accounting policy FRS 117 RM'000	As restated RM'000
Income statement for the financial year ended 31 March 2007:			
Other operating expenses:			
- Depreciation	2,878	(2,878)	–
- Amortisation	–	2,878	2,878
Balance Sheet as at 31 March 2007:			
NON-CURRENT ASSETS			
Property, plant and equipment	916,031	(217,684)	698,347
Leasehold land	–	210,853	210,853
Deposits for leasehold land	–	6,831	6,831

(c) Impact on current year financial statements

The Group	Before impact of change in accounting policy RM'000	Change in accounting policy FRS 117 RM'000	After impact of change in accounting policy RM'000
Income statement for the financial year ended 31 March 2008:			
Other operating expenses:			
- Depreciation	4,628	(4,628)	–
- Amortisation	–	4,628	4,628
Balance sheet as at 31 March 2008:			
NON-CURRENT ASSETS			
Property, plant and equipment			(317,093)
Leasehold land			309,668
Deposits for leasehold land			7,425

49 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Group's and the Company's cash flow statements comprise the following:

	Note	The Group		The Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Deposits with licensed banks	40	339,683	174,073	87,908	28,186
Cash and bank balances	40	326,854	226,860	7,429	40,691
Bank overdrafts	43				
- Secured		(54,804)	(47,507)	–	–
- Unsecured		(13,128)	(79,526)	–	(73,419)
		(67,932)	(127,033)	–	(73,419)
		598,605	273,900	95,337	(4,542)
Less:					
Restricted deposits with licensed banks	40	(35,888)	(22,107)	–	–
		562,717	251,793	95,337	(4,542)

50 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) Interest Rate Swaps

From floating rate to fixed rate

Industrial Concrete Products Berhad, a subsidiary of the Company, 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 6.13% (2007: 6.30%) per annum (Note 18). After the interest rate swaps, the Group's weighted average effective interest rate during the financial year is 5.05% (2007: 5.72%) per annum.

50 FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES (cont'd)

(a) Off balance sheet financial instruments (cont'd)

(i) Interest Rate Swaps (cont'd)

From floating rate to fixed rate (cont'd)

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
22.03.06 - 22.02.10	12-month LIBOR + 1.25%	6.45%	2,582	8,259	(245)
31.05.06 - 29.07.12	6-month LIBOR + 0.7%	5.00%	40,000	127,940	(1,542)
02.06.05 - 29.07.12	6-month LIBOR + 0.7%	4.95%	20,000	63,970	(742)
29.07.05 - 29.07.12	6-month LIBOR + 0.7%	5.00%	40,000	127,940	(990)

From fixed rate to floating rate

IJM Plantations Berhad, 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 7.4% (2007: 6.90%) per annum (Note 18). After the interest rate swaps, the Group's weighted average effective interest rate during the financial year is 6.9% (2007: 6.50%) 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 - 15.12.08	6.65%	6-month KLIBOR + 1.90%	35,000	—

50 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.

		The Group		The Company	
	Note	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
Financial Assets					
At 31 March 2008					
(i) Long term investments	32				
- Quoted corporate bonds		55,267	55,962	–	–
- Quoted shares		2,418	2,418	–	–
- Unquoted shares		28,314	Note (aa)	2,050	Note (aa)
		<u>85,999</u>		<u>2,050</u>	
(ii) Short term investments	39				
- Quoted shares		4,320	3,493	4,320	3,493
- Quoted warrants		47	874	47	874
- Quoted unit trusts		64,088	64,088	20,197	20,197
		<u>68,455</u>		<u>24,564</u>	
(iii) Long term receivables	33				
- Receivables for construction of the Kementerian Kerja Raya Office Block		10,902	10,129	–	–
At 31 March 2007					
(i) Long term investments	32				
- Quoted corporate bonds		55,486	56,415	–	–
- Quoted shares		1,968	1,968	–	–
- Unquoted shares		43,268	Note (aa)	2,050	Note (aa)
		<u>100,722</u>		<u>2,050</u>	
(ii) Short term investments	39				
- Quoted shares		71,181	121,317	3,850	3,303
- Quoted warrants		47	612	47	612
		<u>71,228</u>		<u>3,897</u>	
(iii) Long term receivables	33				
- Receivables for construction of the Kementerian Kerja Raya Office Block		18,583	21,143	–	–

(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.

50 FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES (cont'd)

(b) On balance sheet financial instruments (cont'd)

		The Group		The Company	
	Note	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
Financial Liabilities					
At 31 March 2008					
(i) Bonds	16	844,130	838,668	–	–
(ii) Medium term notes	17	274,384	274,543	150,000	153,555
(iii) Term loans	18	990,633	1,013,914	–	–
(iv) Government support loans	19	273,365	316,297	–	–
(v) Advances from the State Government	22(b)	28,000	20,579	–	–
(vi) Land premium payable to State Government	22(c)	19,600	15,253	–	–
<hr/>					
At 31 March 2007					
(i) Bonds	16	98,767	112,758	–	–
(ii) Medium term notes	17	150,000	152,563	150,000	152,563
(iii) Term loans	18	654,085	644,698	–	–
(iv) Trade payable	22(a)	31,666	28,271	–	–
(v) Other payable	22(b)	21,000	16,191	–	–

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.

(bb) It is not practicable to estimate the fair value of the shareholder's loan because of the lack of information on repayment terms.

51 SIGNIFICANT RELATED PARTY DISCLOSURES

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 31 July 2007 for Recurrent Related Party Transactions with the following related parties:

- (i) Zelan Berhad ("ZB") and its subsidiaries ("ZB Group")
- (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")
- (vii) RB Land Holdings Berhad and its subsidiary ("RBL Group")
- (viii) Kumpulan Europlus Berhad ("KEB Group") and Talam Group

51 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

The Group

- (a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties.

	2008 RM'000	2007 RM'000
(aa) <u>Associates</u>		
(i) Sales/progress billings in respect of construction contract: - Swarna Tollway Pte Ltd	3,902	3,428
(ii) Interest charged to: - Worldwide Ventures Sdn Bhd	–	5,128
(iii) Advances to: - Emas Utilities Corporation Sdn Bhd	–	7,430
- Hexacon Construction Pte Ltd	260	7,910
- Kumpulan Europlus Bhd	3,000	–
(iv) Advances from: - OSW Properties Pty Ltd	7,408	21,498
- Emas Utilities Corporation Sdn Bhd	135	–
(v) Purchase of fertilisers and chemicals: - Loongsyn Sdn Bhd	16,067	11,560
(ab) <u>Jointly controlled entities</u>		
(i) Progress billings in respect of construction contract by: - IJM Construction-Perkasa Sutera Joint Venture	49,795	18,679
- Lebuhraya Kajang Seremban Sdn Bhd	388,764	–
(ii) Project management fees charged by: - IJM Management Services-Giat Bernas Joint Venture	1,596	1,575
(iii) Interests charged to: - Sierra Selayang Sdn Bhd	1,316	1,504
- IJM Properties-JA Manan Joint Venture	2,252	2,135
- Radiant Pillar Sdn Bhd	5,877	–
- Valencia Terrace Sdn Bhd	3,387	354
- Good Debut Sdn Bhd	2,269	781
- Cekap Tropikal Sdn Bhd	2,176	–
- Sierra Ukay Sdn Bhd	1,242	312
(iv) Advances to: - IJM Biofuel Sdn Bhd	–	3,084
- IJM Properties-JA Manan Joint Venture	2,758	23,914
- Radiant Pillar Sdn Bhd	15,712	52,843
- IJM-Gayatri Joint Venture	1,192	1,986
- Sierra Ukay Sdn Bhd	10,016	6,908
- Sierra Selayang Sdn Bhd	7	5,005
- Elegan Pesona Sdn Bhd	17,563	9,568
- Good Debut Sdn Bhd	6,717	25,644
- Valencia Terrace Sdn Bhd	13,392	39,402
- Cekap Tropikal Sdn Bhd	23,637	16,415
- Larut Leisure Enterprise (HK) Ltd	46,654	–

51 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

The Group (cont'd)

- (a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties. (cont'd)

(ac) IJM Retirement Scheme

- (i) Contribution to the Scheme

2008 RM'000	2007 RM'000
–	2,056

- (b) Significant outstanding balances arising from non-trade transactions during the financial year:

<u>Related party</u>	<u>Type of transaction</u>	2008 RM'000	2007 RM'000
Receivables:			
- Sierra Ukay Sdn Bhd	Advances	10,016	6,908
- Sierra Selayang Sdn Bhd	Advances	7	5,005
- Radiant Pillar Sdn Bhd	Advances	15,712	52,843
- Good Debut Sdn Bhd	Advances	6,717	25,644
- Valencia Terrace Sdn Bhd	Advances	13,392	39,402
- Cekap Tropikal Sdn Bhd	Advances	23,637	16,415
- Worldwide Ventures Sdn Bhd	Advances	–	4,418
- IJM-Gayatri Joint Venture	Advances	1,192	1,986
- Kumpulan Europlus Bhd	Advances	3,000	–
- Larut Leisure Enterprise (HK) Ltd	Advances	46,654	–

The Company

- (a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties.

(aa) Subsidiaries

- (i) Interest charged to:
- IJM Construction Sdn Bhd
 - IJM Properties Sdn Bhd
 - Jelutong Development Sdn Bhd
 - Suria Bistari Sdn Bhd
 - Worldwide Ventures Sdn Bhd*
 - IJM Construction (Middle East) LLC
- (ii) Interest charged by:
- Jurutama Sdn Bhd
 - Nilai Cipta Sdn Bhd
- (iii) Management fees charged to:
- IJM Construction (Middle East) LLC

2008 RM'000	2007 RM'000
16,794	19,885
50,259	26,996
13,095	6,658
2,452	2,783
5,111	5,128
1,193	915
(8,473)	(6,575)
(2,643)	(2,768)
1,337	3,541

* An associate of the Group up to 31 October 2007. Effective from 1 November 2007, it has become a subsidiary of the Group.

51 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

The Company (cont'd)

- (a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties. (cont'd)

(aa) Subsidiaries (cont'd)

(iv) Advances to:

- IJM Construction Sdn Bhd
- IJM Properties Sdn Bhd
- IJM International Limited
- Suria Bistari Development Sdn Bhd
- Jelutong Development Sdn Bhd
- Torsco Sdn Bhd*
- IJM Construction (Middle East) LLC
- Jurutama Sdn Bhd

(v) Repayment of advances from:

- Jurutama Sdn Bhd
- IJM Overseas Ventures Sdn Bhd
- IJM Australia Pty Limited
- IJM Investment (M) Limited
- IJM International Limited
- IJM Construction Sdn Bhd
- IJMII (Mauritius) Limited
- Suria Bistari Development Sdn Bhd

2008 RM'000	2007 RM'000
	134,821
181,809	245,231
	96,092
	69,914
91,316	52,372
	14,042
	8,393
128,418	–
	42,439
173,636	12,327
14,555	25,567
22,027	32,192
48,952	–
237,982	–
54,533	–
70,587	–

* During the financial year, the Company has disposed its entire equity interest in Torsco Sdn Bhd.

(bb) Associates

- (i) Sales/progress billings in respect of construction contract
- Swarna Tollway Pte Ltd

(ii) Advances to:

- Emas Utilities Corporation Sdn Bhd
- Worldwide Ventures Sdn Bhd
- Hexacon Construction Pte Ltd
- Kumpulan Europlus Bhd

(iii) Net repayment of advances from:

- Emas Utilities Corporation Sdn Bhd
- CIDB Inventures Sdn Bhd

2008 RM'000	2007 RM'000
	3,428
	7,430
	2,018
260	7,910
3,000	–
135	–
2,760	95

51 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

The Company (cont'd)

b) Significant outstanding balances arising from the non-trade transactions during the financial year:

<u>Related party</u>	<u>Type of transaction</u>	2008 RM'000	2007 RM'000
Receivables			
- IJM Construction Sdn Bhd	Advances	–	134,821
- IJM Properties Sdn Bhd	Advances	181,809	245,231
- IJM International Limited	Advances	–	96,092
- Suria Bistari Development Sdn Bhd	Advances	–	69,914
- Jelutong Development Sdn Bhd	Advances	91,316	52,372
- Worldwide Ventures Sdn Bhd	Advances	–	2,018
- Torsco Sdn Bhd*	Advances	–	14,042
- IJM Construction (Middle East) LLC	Advances	–	8,393
Payables			
- Jurutama Sdn Bhd	Advances	–	42,439
- IJM Overseas Ventures Sdn Bhd	Advances	173,636	12,327

* During the financial year the company has disposed its entire equity interest in Torsco Sdn Bhd.

c) Key management compensation during the financial year:

Note	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Wages, salaries and bonus	8,806	6,052	3,482	3,272
Defined contribution retirement plan	1,405	909	636	573
Defined benefit retirement plan	–	90	–	48
Other employee benefits	863	187	346	134
	11,074	7,238	4,464	4,027

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 of RM 1 each							
Grant Date	Expiry Date	Exercise Price RM/option	Balance at				Balance at 31.3.2008 '000
			1.4.2007 '000	Granted '000	Exercised '000	Terminated '000	
8 January 2004	10 November 2008	3.99/3.96*/ 3.93**/3.91***	–	–	–	–	–
7 April 2004	10 November 2008	4.47/4.44*/ 4.41**/4.39***	240	–	–	–	240
30 April 2004	10 November 2008	4.39/4.36*/ 4.33**/4.31***	780	–	470	–	310
30 August 2005	10 November 2008	4.40/4.37**/ 4.35***	70	–	35	–	35
26 October 2005	10 November 2008	4.23/4.20**/ 4.18***	240	–	240	–	–
			1,330	–	745	–	585

The exercise price of the ESOS had been adjusted on 30 April 2005 (*), 1 August 2006 (**) and 1 August 2007 (***) respectively pursuant to Bye-Law 14 of the ESOS Bye-Laws (See Note 14(c)).

51 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 allotted warrants under the Warrants 2005/2010 (See Note 14(d)) as follows:

Expiry Date	Exercise Price RM/Warrant	Number of Warrants			Balance at 31.3.2008 '000
		Balance at 1.4.2007 '000	Acquired '000	Disposed '000	
22 August 2010	4.80	1,383	4	392	995

52 COMMITMENTS

(a) Capital commitments

	The Group	
	2008 RM'000	2007 RM'000
Approved and contracted for	717,235	752,894
Approved but not contracted for	133,510	429,954
	850,745	1,182,848
Analysed as follows:		
Purchases of property, plant and equipment	220,532	109,619
Purchases of development land	109,554	117,914
Investment in associates	–	33,145
Participation in a concession	239,000	290,000
Concession assets	112,107	594,612
Share of capital commitments of jointly controlled entities	153,886	37,558
Investment property	15,666	–
	850,745	1,182,848

(b) Non-cancellable operating lease commitments

The non-cancellable operating lease commitments is in relation to operating lease payable by Kuantan Port Consortium Sdn Bhd, a subsidiary of the Company, to the Kuantan Port Authority pursuant to a Privatisation Agreement.

	The Group
	2008 RM'000
Future minimum lease payments:	
- payable within 1 year	3,114,540
- payable between 1 and 2 years	3,192,404
- payable between 2 and 3 years	3,425,994
- payable between 3 and 4 years	3,425,994
- payable between 4 and 5 years	3,511,644
- payable after 5 years	68,080,770
	84,751,346

53 CONTINGENT LIABILITIES (UNSECURED)

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Bank borrowings of subsidiaries guaranteed by the Company	–	–	479,303	483,595
Bank borrowings of associates guaranteed by the Company/Group	8,070	8,000	8,070	8,000
Share certificates of investment in an associate pledged for term loan facility granted to an associate	44,391	46,296	–	–
Performance guarantees in respect of the contract performance of concession agreements	–	–	13,211	13,048
Contingent equity support for investment in subsidiaries	–	–	126,521	125,424
Stamp duty matters under appeal	2,647	2,624	–	–
	55,108	56,920	627,105	630,067

54 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 and 31 May 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 and (1) month to 30 June 2007 respectively 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.

On 15 August 2007, the Company had completed the acquisition of the 25% equity interest in KEB for a total cash consideration of RM33,144,608. The Company have a call option to acquire a further 5% equity interest at an agreed formula within a year after the completion of the acquisition of the 25% equity interest.

- (b) The Company had on 26 June 2007 announced that IJM Overseas Ventures Sdn Bhd, a wholly-owned subsidiary, has disposed 65,055,917 of its shares in Guangdong Provincial Expressway Development Co Ltd for a total consideration of HK433,802,126 (equivalent to RM189 million), realising a net profit to the Group of RM118 million.
- (c) IJMII (Mauritius) Limited had on 1 February 2008 entered into an agreement to dispose 7,042,082 ordinary shares and 2,192,260 cumulative class "A" preference shares, representing 49% of the total issued and paid-up capital of Pacific Alliance-Stradec Group Infrastructure Company ("PASGIC") to TransAsia Infrastructure Holding LLC for a total cash consideration of USD32.8 million (equivalent to RM106 million), realising a net profit to the Group of RM65 million.

IJMII (Mauritius) Limited is a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company.

- (d) The Company had on 21 November 2007 announced that the special resolution in relation to the proposed set-off of the impairment to the cost of investment of the Company in Road Builder (M) Holdings Bhd of up to RM922 million against the share premium account of the Company, pursuant to Sections 64 and 60(2) of the Companies Act, 1965, was approved at the Extraordinary General Meeting held on 21 November 2007.

On 12 March 2008, the Company had received the order from the High Court of Malaya, Shah Alam, sanctioning the reduction of the Company's share premium account pursuant to Sections 64 & 60(2) of the Act. Upon receiving the order from the High Court of Malaya, the Company has lodged the Order with the Companies Commission of Malaysia and the proposed set-off has been completed on 19 March 2008.

54 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

- (e) On 25 July 2007, the Company announced the proposed rationalisation of the Group's Property Division into RB Land Holdings Berhad ("RB Land") involving, among others, the proposed disposal of 100% equity interest in IJM Properties Sdn Bhd, a wholly-owned subsidiary of the Company, to RB Land, a 70% indirect subsidiary of the Company via Road Builder (M) Holdings Bhd. The proposal has been approved by the Securities Commission on 10 January 2008 and is pending approval of shareholders.
- (f) On 19 December 2007, the Company announced the proposed capital repayment entailing a cash payment of RM0.50 for every one (1) existing IJM Share held to the entitled shareholders whose names appear on the Record of Depositors of IJM at the close of business, on an entitlement date to be determined later by the Board of IJM. This proposal is pending approvals from the Securities Commission and shareholders.

55 SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

On 14 May 2008, IJM Properties Sdn Bhd, a subsidiary of the Company, has entered into a Sale and Purchase Agreement with Mayban Trustees Berhad ("the REIT Trustee"), the trustee for Quill Capita Trust, a real estate investment trust, to dispose to REIT Trustee all that piece of land held under Geran 77969, Lot 778, Seksyen 4, Bandar Jelutong, Daerah Timor Laut, Negeri Pulau Pinang, measuring approximately 2.619 hectares bearing a postal address at 1, Lebuhr Tengku Kudin 1, 11700 Penang together with a property under lease for a total cash consideration of RM132,000,000.

The Proposed Disposal is expected to be completed by the last quarter of 2008.

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2008

SUBSIDIARIES

Name	Country of incorporation	Effective equity interest		Principal activities
		2008 %	2007 %	
Held by the Company				
GR Commerce Sdn Bhd	Malaysia	100	100	Trading of building materials and insurance agent services
Industrial Concrete Products Berhad *	Malaysia	64	65	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

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2008 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest		Principal activities
		2008 %	2007 %	
Held by the Company (cont'd)				
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 *	Malaysia	–	100	Engineering, fabrication and construction
IJM Construction (Middle East) Limited Liability Company *	Dubai, United Arab Emirates	100	100	Construction
Road Builder (M) Holdings Bhd	Malaysia	100	–	Investment holding
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	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	100	Investment holding
Insitu Envirotech (M) Sdn Bhd	Malaysia	100	100	Design, installation and rehabilitation of pipes, conduits and vertical shafts
IJM Construction International Limited Liability Company *	United Arab Emirates	100	–	Civil and building construction
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	Property development

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2008 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest		Principal activities
		2008 %	2007 %	
Held by IJM Properties Sdn Bhd (cont'd)				
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 (M) Sdn Bhd	Malaysia	100	100	Property development
IJMP-MK Joint Venture	Malaysia	70	70	Property development
Worldwide Ventures Sdn Bhd @@@	Malaysia	86	–	Property development and investment holding
Glamour Development Sdn Bhd *	Malaysia	100	–	Dormant
Kami Builders Sdn Bhd @@	Malaysia	100	–	Civil construction and property development
Held by Styrobilt Sdn Bhd				
IJM Plantations Berhad * (of which 16% is held directly by the Company)	Malaysia	54	49	Cultivation of oil palm and investment holding
Held by IJM Plantations Berhad				
Berakan Maju Sdn. Bhd. *	Malaysia	54	49	Cultivation of oil palm
Desa Talisai Sdn. Bhd. *	Malaysia	54	49	Cultivation of oil palm
Dynasive Enterprise Sdn. Bhd. *	Malaysia	54	49	Investment holding
Excellent Challenger (M) Sdn. Bhd. *	Malaysia	54	49	Cultivation of oil palm
Gunaria Sdn. Bhd. *	Malaysia	54	49	Investment holding
IJM Agri Services Sdn. Bhd. *	Malaysia	54	49	Provision of agricultural management services to plantations
IJM Edible Oils Sdn. Bhd. *	Malaysia	54	49	Palm kernel milling
Minat Teguh Sdn. Bhd. *	Malaysia	54	49	Investment holding
Mowtas Bulkiers Sdn. Bhd. *	Malaysia	54	29	Multi-user bulking terminal
Rakanan Jaya Sdn. Bhd. *	Malaysia	54	49	Cultivation of oil palm
Ratus Sempurna Sdn. Bhd. *	Malaysia	54	49	Property holding
Sabang Mills Sdn. Bhd. *	Malaysia	54	49	Palm oil milling
Sijas Plantations Sdn. Bhd. *	Malaysia	54	49	Cultivation of oil palm

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2008 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest		Principal activities
		2008 %	2007 %	
Held by IJM Plantations Berhad (cont'd)				
Ampas Maju Sdn. Bhd. *	Malaysia	54	49	Cultivation of oil palm
Gapas Mewah Sdn. Bhd. *	Malaysia	54	49	Cultivation of oil palm
Golden Grip Sdn. Bhd. *	Malaysia	54	49	Cultivation of oil palm
Kulim Mewah Sdn. Bhd. *	Malaysia	54	49	Cultivation of oil palm
Laserline Sdn. Bhd. *	Malaysia	54	49	Cultivation of oil palm
Macmillian Group Sdn. Bhd. *	Malaysia	54	49	Dormant
Rantajasa Sdn. Bhd. *	Malaysia	54	49	Cultivation of oil palm
Sri Kilau Sdn. Bhd. *	Malaysia	54	49	Cultivation of oil palm
Isu Mutiara Sdn. Bhd. *	Malaysia	54	49	Investment holding
Akrab Perkasa Sdn. Bhd. *	Malaysia	54	49	Palm oil milling
Desa Talisai Palm Oil Mill Sdn. Bhd. *	Malaysia	54	49	Palm oil milling
IJMP Investments (L) Limited	Malaysia	54	49	Dormant
IJMP Investments (M) Limited *	Republic of Mauritius	54	–	Investment holding
Mowtas Multi-User Jetty Sdn Bhd * @@@	Malaysia	54	–	Logistics, port and jetty operations, warehousing and shipping
Held by Desa Talisai Sdn. Bhd				
Cahaya Adil Sdn. Bhd. *	Malaysia	54	49	Investment holding
Firdana Corporation Sdn. Bhd. *	Malaysia	54	49	Investment holding
Gerbang Selasih Sdn. Bhd. *	Malaysia	54	49	Investment holding
Sihat Maju Sdn. Bhd. *	Malaysia	54	49	Investment holding
Held by IJMP Investments (M) Limited				
IJM Plantations (Mauritius) Limited *	Republic of Mauritius	54	–	Trading of oil palm products
Held by Industrial Concrete Products Berhad				
Arca Permata (M) Sdn Bhd *	Malaysia	64	65	Dormant
Concrete Mould Engineering Sdn Bhd *	Malaysia	64	65	Dormant
Durabon Sdn Bhd *	Malaysia	64	65	Processing of steel bars
Glamour Development Sdn Bhd *	Malaysia	–	65	Dormant
Expedient Resources Sdn Bhd *	Malaysia	64	65	Manufacturing of rubber products
ICP Investments (L) Limited *	Malaysia	64	65	Special purpose vehicle for financing

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2008 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest		Principal activities
		2008 %	2007 %	
Held by Industrial Concrete Products Berhad (cont'd)				
ICP Jiangmen Co. Ltd. *	People's Republic of China	50	51	Production and sale of concrete products
ICP Marketing Sdn Bhd *	Malaysia	64	65	Trading of pretensioned spun concrete piles, building materials and plant and machinery and investment holding
Malaysian Rock Products Sdn Bhd *	Malaysia	64	65	Quarrying, sale of rock products and investment holding
Ubon Steel Sdn Bhd *	Malaysia	64	65	Trading of steel bars
Held by Expedient Resources Sdn Bhd				
Tadmansori Rubber Industries Sdn Bhd *	Malaysia	64	65	Trading of rubber products
Held by ICP Investments (L) Limited				
ICPB (Mauritius) Limited *	Mauritius	64	65	Investment holding
Held by ICPB (Mauritius) Limited				
IJM Steel Products Private Limited *	India	64	–	Production and supply of steel welded meshes, welded wire products and other metal products
IJM Concrete Products Private Limited *	India	64	65	Supply of ready mixed concrete
Held by Malaysian Rock Products Sdn Bhd				
Aggregate Marketing Sdn Bhd *	Malaysia	64	65	Sale of rock products
Azam Ekuiti Sdn Bhd *	Malaysia	64	65	Leaseholder of quarry land
Bohayan Industries Sdn Bhd *	Malaysia	44	45	Dormant
Damansara Rock Products Sdn Bhd *	Malaysia	64	65	Dormant
Global Rock Marketing Sdn Bhd *	Malaysia	64	65	Sale of rock products
Kuang Rock Products Sdn Bhd *	Malaysia	64	65	Quarrying and sale of rock products
Oriental Empire Sdn Bhd *	Malaysia	64	65	Leaseholder of quarry land
Scaffold Master Sdn Bhd *	Malaysia	64	65	Sale and rental of steel scaffolding
Strong Mixed Concrete Sdn Bhd *	Malaysia	64	65	Production and supply of ready-mixed concrete
Warga Sepakat Sdn Bhd *	Malaysia	64	65	Dormant
IJM Concrete Private Limited *	Dubai	38	–	Investment holding

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2008 (cont'd)

SUBSIDIARIES (cont'd)

		Effective equity interest		Principal activities
Name	Country of incorporation	2008 %	2007 %	
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	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
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 Torsco Sdn Bhd				
Sang Kee Enterprise Sdn Bhd *	Malaysia	—	100	Property investment
Sang Kee Feedmills Sdn Bhd *	Malaysia	—	100	Property investment
Torsco Overseas Sdn Bhd *	Malaysia	—	100	Provision of engineering, fabrication and construction works

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2008 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest		Principal activities
		2008 %	2007 %	
Held by Insitu Envirotech Pte Ltd				
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	60	Civil and building construction
Karachi Expressway J.A. Limited *	Dubai, United Arab Emirates	100	–	Investment holding and construction
Held by Road Builder (M) Holdings Bhd				
RB Land Holdings Berhad *	Malaysia	70	–	Investment holding
Road Builder (M) Sdn Bhd	Malaysia	100	–	Building and civil construction
Besraya (M) Sdn Bhd	Malaysia	100	–	Toll road operation
RB Construction Sdn Bhd	Malaysia	100	–	Building and civil construction
Essmarine Terminal Sdn Bhd	Malaysia	100	–	Investment holding
Emcee Corporation Sdn Bhd	Malaysia	100	–	Ceased operation
RB Manufacturing Sdn Bhd	Malaysia	100	–	Ceased operation
Kuching Riverine Resort Management Sdn Bhd	Malaysia	100	–	Property management
Arena Wiramas Sdn Bhd	Malaysia	100	–	Investment holding
RB Port Sdn Bhd	Malaysia	100	–	Investment holding
RB Plantations Sdn Bhd	Malaysia	100	–	Property investment
Lebuhraya S'lesa Sdn Bhd	Malaysia	100	–	Dormant
RB Resorts Sdn Bhd	Malaysia	100	–	Investment holding
HMS Resource Sdn Bhd	Malaysia	100	–	Investment holding
New Pantai Expressway Sdn Bhd	Malaysia	100	–	Design, construction, management, operation and maintenance of New Pantai Highway
NPE Property Development Sdn Bhd	Malaysia	100	–	Property development
Kuantan Port Consortium Sdn Bhd	Malaysia	100	–	Port management
RB Highway Services Sdn Bhd	Malaysia	100	–	Provision of toll operation and maintenance services
Makmur Venture Sdn Bhd	Malaysia	100	–	Investment holding
Gagah Garuda Sdn Bhd	Malaysia	100	–	Investment holding

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2008 (cont'd)

SUBSIDIARIES (cont'd)

		Effective equity interest		Principal activities
Name	Country of incorporation	2008 %	2007 %	
Held by Road Builder (M) Sdn Bhd				
Commerce House Sdn Bhd (formerly known as RB Trading Sdn Bhd)	Malaysia	100	–	Trading in construction materials
RB Development Sdn Bhd	Malaysia	100	–	Property development
Bukit Bendera Resort Sdn Bhd	Malaysia	100	–	Hotel operation and club management
Road Builder (Mauritius) Limited *	Republic of Mauritius	100	–	Investment holding
Imbangan Pintar Sdn Bhd	Malaysia	100	–	Investment holding
Coastal Specialist Sdn Bhd	Malaysia	100	–	Dormant
Kuari Sungai Batu Sdn Bhd	Malaysia	100	–	Ceased operation
Bukit Bendera Enterprise Berhad	Malaysia	100	–	Ceased operation
Held by Arena Wiramas Sdn Bhd				
Sensasi Wawasan Jaya Sdn Bhd	Malaysia	100	–	Property investment
Pilihan Alam Jaya Sdn Bhd	Malaysia	100	–	Property investment
Held by RB Resorts Sdn Bhd				
Prima Rampai Sdn Bhd	Malaysia	100	–	Ceased operation
Held by Road Builder (Mauritius) Limited				
Road Builder (India) Private Limited *	India	100	–	Dormant
RBM Construction (India) Private Limited *	India	100	–	Dormant
Held by Imbangan Pintar Sdn Bhd				
Saluran Teguh Sdn Bhd	Malaysia	60	–	Dormant
Held by RB Port Sdn Bhd				
Sukma Samudra Sdn Bhd	Malaysia	100	–	Port management
Held by Kuantan Port Consortium Sdn Bhd				
KP Port Services Sdn Bhd	Malaysia	100	–	Port supporting services
KPN Services Sdn Bhd	Malaysia	100	–	Providing nitrogen purging and pigging services

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2008 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest		Principal activities
		2008 %	2007 %	
Held by RB Land Holdings Berhad				
ERMS Berhad *	Malaysia	70	–	Hotel and recreation club
RB Land Sdn Bhd	Malaysia	49	–	Property development and construction activities
Econstates Management Services Sdn Bhd *	Malaysia	70	–	Dormant
Delta Awana Sdn Bhd *	Malaysia	70	–	Property investment
Emko Properties Sdn Bhd *	Malaysia	70	–	Property development
Held by ERMS Berhad				
Holiday Villa Management Sdn Bhd *	Malaysia	70	–	Dormant
Held by Emko Properties Sdn Bhd				
Emko Management Services Sdn Bhd *	Malaysia	70	–	Property management operation
Tulip Avenue Sdn Bhd *	Malaysia	70	–	Dormant
Held by RB Land Sdn Bhd				
Shah Alam 2 Sdn Bhd	Malaysia	55	–	Property development
Seremban Two Property Management Sdn Bhd	Malaysia	49	–	Property management
Seremban Two Landscape Sdn Bhd	Malaysia	39	–	Landscaping services
Seremban Two Driving Range Sdn Bhd	Malaysia	37	–	Ceased operation
Seremban Two Holdings Sdn Bhd	Malaysia	49	–	Property development
Seremban Two Properties Sdn Bhd	Malaysia	49	–	Property development
RB Property Management Sdn Bhd	Malaysia	49	–	Property development
Ikatan Flora Sdn Bhd	Malaysia	49	–	Property development
Casa Warna Sdn Bhd	Malaysia	49	–	Property management
Serenity Ace Sdn Bhd	Malaysia	49	–	Property development
Aras Varia Sdn Bhd	Malaysia	49	–	Property development
Dian Warna Sdn Bhd	Malaysia	49	–	Property development
Titian Tegas Sdn Bhd	Malaysia	49	–	Property development
Murni Lapisan Sdn Bhd	Malaysia	49	–	Dormant
Tarikan Abadi Sdn Bhd	Malaysia	49	–	Property development
Unggul Senja Sdn Bhd	Malaysia	49	–	Property development

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2008 (cont'd)

ASSOCIATES

Name	Country of incorporation	Effective equity interest		Principal activities
		2008 %	2007 %	
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 Acceso 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
Kumpulan Europlus Berhad *	Malaysia	25	–	Investment holding
Metech 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
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

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2008 (cont'd)

ASSOCIATES (cont'd)

Name	Country of incorporation	Effective equity interest		Principal activities
		2008 %	2007 %	
Held by IJM Construction Sdn Bhd (cont'd)				
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 Berhad				
Loongsyn Sdn. Bhd. *	Malaysia	27	25	Trading in agricultural fertilisers and chemicals
Mowtas Multi-User Jetty Sdn. Bhd. *	Malaysia	–	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	Dormant
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	Project management, investment holding and supply of toll equipments.
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

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2008 (cont'd)

ASSOCIATES (cont'd)

		Effective equity interest		Principal activities
Name	Country of incorporation	2008 %	2007 %	
Held by IJM Properties Sdn Bhd (cont'd)				
Wilmington Sdn Bhd	Malaysia	50	50	In members' voluntary liquidation
Worldwide Ventures Sdn Bhd	Malaysia	–	50	Property development and investment holding
Held by Malaysian Rock Products Sdn Bhd				
DML-MRP Resources (M) Sdn Bhd *	Malaysia	32	32	Dormant
Held by Road Builder (M) Holdings Bhd				
Konsortium Pelabuhan Kemaman Sdn Bhd *	Malaysia	39	–	Provision of cargo handling, marine, port and other ancillary and additional services
Held by Road Builder (M) Sdn Bhd				
Budi Benar Sdn Bhd *	Malaysia	25	–	Dormant
Held by KP Port Services Sdn Bhd				
KP Depot Services Sdn Bhd *	Malaysia	30	–	Container depot services

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 was previously held by Industrial Concrete Products Berhad, which was 65% held by the Company.

@@ This subsidiary was previously held by IJM Construction Sdn Bhd, which was 100% held by the Company

@@@ This subsidiary was previously held as an associate.

^ Company not required to issue audited statutory financial statements

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 143 to 261 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 27 May 2008.



CYRUS ERUCH DARUWALLA

Before me:





PricewaterhouseCoopers
(AF 1146)
Chartered Accountants
Level 10, 1 Sentral, Jalan Travers
Kuala Lumpur Sentral
P O Box 10192
50706 Kuala Lumpur, Malaysia
Telephone +60 (3) 2173 1188
Facsimile +60 (3) 2173 1288
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 143 to 261. 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 2008 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 56 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
(No. AF: 1146)
Chartered Accountants

Kuala Lumpur
27 May 2008

LOH LAY CHOON
(No. 2497/03/10 (J))
Partner

TOP 10 LIST OF PROPERTIES

AS AT 31 MARCH 2008

No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (years)	Net Book Value (RM'000)
1	District of Labuk / Sugut, Sabah						–	309,047
	a) Berakan Maju Estate (788 titles)	Agriculture land	3,817	Leasehold (expiring 2030 to 2098)	Oil Palm Cultivation	A: 1999		
	b) Sabang Estate (867 titles)		5,871			A: 1999		
	c) Rakanan Jaya South Estate (148 titles)		968			A: 1999		
	d) Excellent Challenger Estate I & II (595 titles)		5,218			A: 1997		
2	Daerah Seremban Negeri Sembilan PT 22597 - 22885, 22898-22933, 22977-22987, 23029-23032, 23054-23069, 23227- 23308, 32115-32118, 32127-32965.	Residential, Commercial, Agriculture land	518.44	Freehold	Vacant; for future development	R: 09.04.2007	–	185,332
3	Daerah Timur Laut Penang Parcel A1, Seksyen 8 Jelutong	Residential, Mixed development, Commercial	43.00	Freehold	Reclamation in progress	N/A	–	140,936
4	District of Kuala Selangor Selangor PT5528-5578, 5631-5632, 5898-5905, 5906, 5907, 5908, 5909, 5910, 5911- 6193, 6194-6327, 6328-6331, 6332-6467, 6468-6471, 6472-6539, 6540-6551, 6552-6811, 6812-6815. Mukim Jeram.	Residential	278.95	Leasehold (expiring 2103 and 2096)	Vacant; for future development	R: 2007	–	130,333
5	Daerah Petaling Selangor Lot 14783 and 14784 Mukim Damansara	Hotel and recreational club	3.33	Leasehold (expiring 2086 and 2089)	Hotel and recreational club	R: 26.03.2007	18-20	117,224

No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (years)	Net Book Value (RM'000)
6	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, 16990, 17169 and 17077 LOT NO. 25547-25560, 25778-25781, 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	–	106,398
7	District of Beluran, Sabah CL 085330141 (Desa Talisai North Estate Desa Talisai South Estate)	Agriculture land	4,032	Leasehold (expiring 2082)	Oil Palm Cultivation	R: 11.12.1997	–	104,917
8	Mukim of Kenaboi Daerah Jelebu Negeri Sembilan PT1039-1041, 1043-1059	Agriculture land	403.05	Leasehold (expiring 2091)	Vacant	R: 2007	–	103,293
9	Kuantan, Pahang Lot 1863 Mukim Sungai Karang	Industrial land	599.63	Leasehold (expiring 2027)	Port Facilities	A: 1998	0-10	83,495
10	District of Beluran, Sabah 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	3,851	Leasehold (expiring 2032 to 2099)	Oil Palm Cultivation	A: 2001	–	83,482

NOTICE IS HEREBY GIVEN that the 24th Annual General Meeting (AGM) of IJM CORPORATION BERHAD (104131-A) will be held at Victorian Ballroom, Level 1, Holiday Villa Hotel & Suites, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 26 August 2008, at 3.30 p.m. to transact the following matters:-

1. To receive the audited financial statements for the year ended 31 March 2008 together with the reports of the Directors and Auditors thereon.
2. To elect retiring Directors as follows:-
 - a) Datuk Yahya Bin Ya'acob
 - b) Datuk Oh Chong Peng
 - c) Soo Heng Chin
 - d) Teh Kean Ming
 - e) Hasni Bin Harun
3. To appoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration.
4. As special business to consider and pass the following ordinary resolution:-
 "That the Directors' fees of RM469,999 for the year ended 31 March 2008 be approved to be divided amongst the Directors in such manner as they may determine."

Resolution 1

Resolution 2

Resolution 3

Resolution 4

Resolution 5

Resolution 6

Resolution 7

By Order of the Board



Jeremie Ting Keng Fui
MAICSA 0777605
Company Secretary

Petaling Jaya
30 July 2008

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 particulars of all Directors including those seeking re-election are contained in the Annual Report.

3. DIRECTORS' FEES

The Resolution 7, if approved, will authorise the payment of Directors' fees pursuant to Article 97 of the Articles of Association.

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 24th Annual General Meeting (AGM) of IJM CORPORATION BERHAD (104131-A) to be held on Tuesday, 26 August 2008, at 3.30 p.m. and, at any adjournment thereof, in the manner indicated below:

No.	Resolutions	For	Against
1.	To reappoint Datuk Yahya Bin Ya'acob as Director		
2.	To reappoint Datuk Oh Chong Peng as Director		
3.	To reappoint Soo Heng Chin as Director		
4.	To reappoint Teh Kean Ming as Director		
5.	To reappoint Hasni Bin Harun as Director		
6.	To reappoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration		
7.	To approve the payment of Directors' fees of RM469,999		

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
CDS Account No.:

Signed (and sealed) this _____ day of _____ 2008

Mobile Phone No.:	
--------------------------	--

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>.

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Stamp

The Company Secretary
IJM CORPORATION BERHAD (104131-A)
2nd Floor, Wisma IJM
Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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CORPORATE INFORMATION

...the momentum continues



IJM CORPORATION BERHAD

(104131-A)

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Contact : Encik Zulkarnain Abu Kassim

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Contact : Mr Liew Hau Seng

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Fax : 6082-461581
E-mail : ijmkch@ijm.com
Website : <http://www.ijm.com>
Contact : Mr Kok Fook Yu

DIVISIONAL OFFICES

CONSTRUCTION

MALAYSIA

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2nd Floor, Wisma IJM, Jalan Yong Shook Lin
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Selangor Darul Ehsan, Malaysia
Tel : 603-79858288
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E-mail : ijm@ijm.com
Website : <http://www.ijm.com>
Contact : Mr Tan Gim Foo

INDIA

IJM (INDIA) INFRASTRUCTURE LIMITED
H.No. 1-90/A, Plot No. 20 & 21
RBI Colony, Near Durgam Cheruvu
Madhapur, Hyderabad - 500 081 India
Tel : 91 40 23114661/62/63/64
Fax : 91 40 23114669
E-mail : ijmii@ijm.com
Website : <http://www.ijm.com>
Contact : Mr Ng Chin Meng

MIDDLE EAST

KINGDOM OF BAHRAIN

IJM CONSTRUCTION SDN BHD
MIDDLE EAST REGIONAL OFFICE
Villa No. 835, Road No. 31
Block No. 608, Wadyan
P O Box 28141, West Riffa
Kingdom of Bahrain
Tel : 973 17730343
Fax : 973 17732187/17737881
E-mail : ijmme@ijm.com
Contact : Mr Pook Fong Fee

UNITED ARAB EMIRATES

IJM CONSTRUCTION (MIDDLE EAST) LLC (560467)
Office 203, Level 2, Arcade Building
Al Garhoud, P.O. Box 36634
Dubai, United Arab Emirates
Tel : 971 4 2827007
Fax : 971 4 2830411
E-mail : ijmcme@ijm.com
Contact : Encik Mohd Ghazali Ali

PAKISTAN

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China Ground, Kashmir Road
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Karachi - 74800
Pakistan
Tel : 9221 4920026-27, 31-32, 37
Fax : 9221 4920030
E-mail : ijmpakistan@ijm.com
Contact : Mr Pook Fong Fee

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HEXACON CONSTRUCTION PTE LTD (198204843K)
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Public Mansion
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Tel : 65-62519388
Fax : 65-62531638
E-mail : hexacon@singnet.com.sg
Website : <http://www.hexacon.com.sg>
Contact : Mr Pang Hoe Sang

INDUSTRY

MALAYSIA

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Selangor Darul Ehsan, Malaysia
Tel : 603-79558888
Fax : 603-79581111
E-mail : icp@ijm.com
Website : <http://www.ijm.com>
Contact : Mr Harry Khor

MALAYSIAN ROCK PRODUCTS SDN BHD

(4780-T)
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P.O. Box 191, 46720 Petaling Jaya
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Tel : 603-79571580
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INDIA

IJM CONCRETE PRODUCTS PRIVATE LIMITED
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Hyderabad - 500 072, Andhra Pradesh, India
Tel : 91 84 58280131/32/34
Fax : 91 84 58280133
E-mail : ijmcpil@ijm.com
Contact : Mr Wong Siew Meng

IJM STEEL PRODUCTS PRIVATE LIMITED

Plot No. 620, Isnapur Village
Pattancheruvu Mandal, Medak District
Pashamylaram - 502 307, Andhra Pradesh, India
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IJM PLANTATIONS BERHAD

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Fax : 603-89418388
E-mail : besraya@ijm.com
Website : <http://www.ijm.com>
Contact : Mr Neoh Soon Hiong

LEBUHRAYA KAJANG-SEREMBAN SDN BHD

(700707-U)
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Website : <http://www.ijm.com>
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KUANTAN PORT CONSORTIUM SDN BHD

(374383-H)
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P.O. Box 199, 25720 Kuantan
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PROPERTY

MALAYSIA

IJM Land Berhad (187405-T)
(fka RB Land Holdings Berhad)
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Contact : Dato' Soam Heng Choon

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Website : <http://www.ijm.com>
Contact : Dato' Soam Heng Choon

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PRINCIPAL BANKERS

- AmlInvestment Bank Berhad
- CIMB Bank Berhad
- HSBC Bank Malaysia Berhad
- Malayan Banking Berhad
- RHB Bank Berhad
- Standard Chartered Bank Malaysia Berhad
- The Royal Bank of Scotland Berhad
- United Overseas Bank (Malaysia) Berhad

AUDITORS

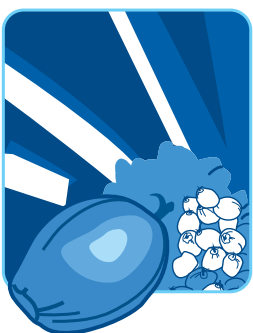
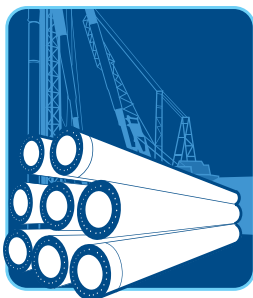
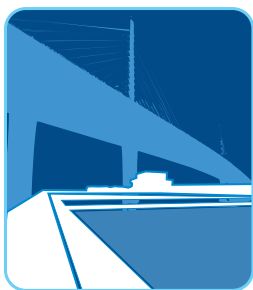
PricewaterhouseCoopers
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Malaysia
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SHARE REGISTRARS

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STOCK EXCHANGE LISTING

Main Board of
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since 29 September 1986
BMSB Code : 3336
Reuters Code : IJMS.KL
Bloomberg Code : IJM MK



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