



**IJM CORPORATION BERHAD**  
(104131-A)

annual report '09

# RISING ABOVE CHALLENGES



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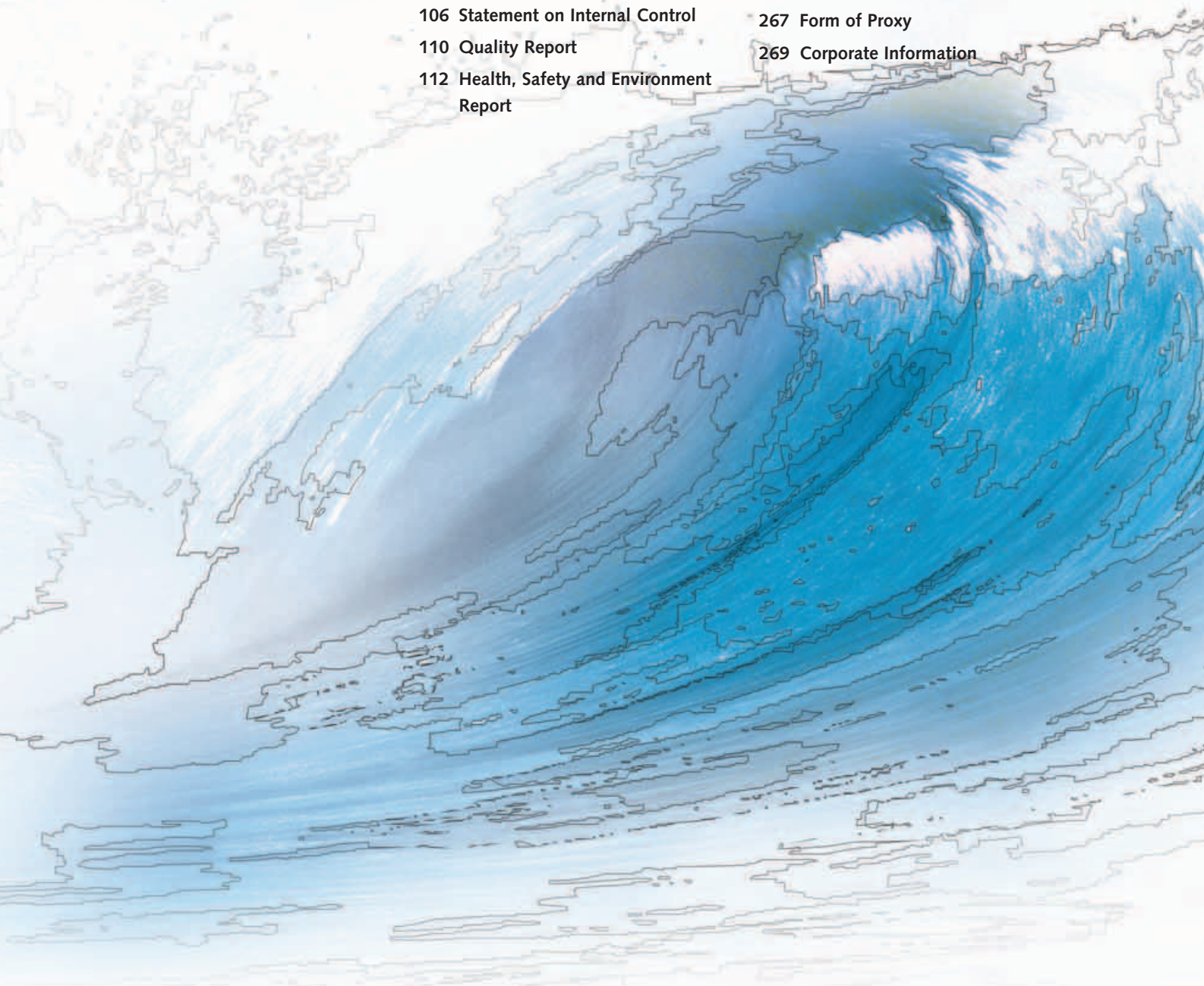
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Faced with the challenges presented by the global economic environment, the IJM Group remains focused on building a sustainable future for all stakeholders, enabling us to meet such challenges with steadfast vision and resilience.

Our drive to excel, fuelled by our investments in strategic assets and resources, underpinning the quality of our operations, continues to generate value enhancing opportunities for the Group.

Leveraging on pro-active strategies and the continuous implementation of best practices, enables the Group to steer with a clear focus, ensuring we continue to ride the waves and rise above any challenges towards bigger goals.





Malay Block, Alam Warisan Hotel, Putrajaya



# Framework & Commitments



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IJM Charter

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# 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.

# Our Mission

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

# Our 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.





Putrajaya Convention Centre

## CORPORATE PROFILE

IJM IS ONE OF MALAYSIA'S LEADING CONSTRUCTION GROUPS AND IS LISTED ON THE MAIN BOARD OF BURSA MALAYSIA. ITS BUSINESS ACTIVITIES ENCOMPASS CONSTRUCTION, PROPERTY DEVELOPMENT, MANUFACTURING AND QUARRYING, INFRASTRUCTURE CONCESSIONS AND PLANTATIONS.

HEADQUARTERED IN SELANGOR, MALAYSIA, IJM'S REGIONAL ASPIRATIONS HAVE SEEN IT ESTABLISH A GROWING PRESENCE IN NEIGHBOURING DEVELOPING MARKETS WITH OPERATIONS PRESENTLY SPANNING 11 COUNTRIES, WITH PRIMARY FOCUS IN MALAYSIA, INDIA, UNITED ARAB EMIRATES, CHINA AND INDONESIA.

IJM'S PHENOMENAL GROWTH OVER THE PAST TWO AND A HALF DECADES IS THE RESULT OF ITS UNWAVERING FOCUS ON ITS CORE COMPETENCIES, DIVERSIFICATION INTO STRATEGICALLY RELATED BUSINESSES AND SELECTIVE EXPANSION INTO NEW MARKETS.

A product of a merger between three medium-sized local construction companies - IGB Construction Sdn Bhd, Jurutama Sdn Bhd and Mudajaya Sdn Bhd, IJM was born in 1983 with an overarching purpose of competing more effectively against bigger foreign rivals. The Company rapidly established itself as a professionally managed construction group and soon gained market acceptance. Over the years, the Company progressively built on its competitive prowess, financial capacity and repute to strengthen its footing as a serious local contractor.

In April 2007, IJM acquired the Road Builder Group ("RBH"), its nearest competitor, to augment its position as the country's second biggest builder. In addition to bolstering its construction order book, property land bank and infrastructure portfolio, the enlarged Group enabled IJM to realise considerable synergistic benefits from the merger, greater local prominence as well as attain a more sizeable balance sheet to bid for larger jobs and facilitate its expansion into overseas markets.



Piles at the Haiwan Petrochemical Port, Dongguan, China



Oil palm tree

IJM'S EXCELLENT TRACK RECORD IS WELL RECOGNISED AND HAS BEEN ACCREDITED WITH NUMEROUS AWARDS. RECENT ACCOLADES 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





Nautilus Bay, Penang



IJM's undertaking as a property developer began as a natural progression from its vast experience and expertise in construction. The Group's property arm has since grown considerably. Listed on the Main Board of Bursa Malaysia, IJM Land Berhad is presently one of the largest property developers in Malaysia with sprawling townships, commercial buildings and high-rise condominiums under development in key growth areas throughout the country. The Group has also made significant inroads as a reputable developer into India in recent years. Besides this, it has also undertaken ventures overseas in the past such as in USA, Singapore and Australia.

Initially supporting its manufacturing and quarrying operations with in-house orders, the Group's Industry Division quickly grew its operations into scalable core activities focused on demand outside the Group. IJM continued to expand on its operations in the Division through strategic acquisitions such as the takeover of Industrial Concrete Products Berhad in 2004 and successful market diversifications into China, India and Pakistan.

Leveraging on its construction expertise, the Group also targeted infrastructure investments to create long-term recurrent income streams. Initial advancements into concession assets in Malaysia however proved elusive, thus an international focus was adopted. IJM's involvement in overseas infrastructure privatisation (Build-Operate-Transfer) schemes met with tremendous success. Amongst the Group's investments in major overseas infrastructure projects are the Western Access Tollway in Argentina, five tolled highways in India and the Binh An water treatment concession in Vietnam. In Malaysia, IJM operates two urban highway and port concessions from the RBH merger and has one toll road currently being constructed. The Group had previously invested in and profitably sold several infrastructure assets in China.

The Group also showed considerable 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 paid off handsomely. Now listed on the Main Board of Bursa Malaysia, IJM Plantations Berhad has contributed significantly to the Group's earnings over the years and also helped bolster the Group during the economic downturn in the Asian financial crisis in 1997. It is currently expanding its plantation land bank into Indonesia and is at the initial stages of its oil palm fresh fruit bunches purchasing and milling business in India.



Kuantan Port, Pahang

HIGH STANDARDS OF PROFESSIONALISM, PERFORMANCE, GOOD GOVERNANCE AND CORPORATE RESPONSIBILITY INITIATIVES HAVE ALWAYS BEEN THE HALLMARK OF IJM'S CULTURE AND DUE RECOGNITION IN THE FORM OF THE FOLLOWING AWARDS IS TESTAMENT TO THAT:

- 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, 2007 and 2008
- 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
- Gold Medal Award for Occupational Safety & Health National Excellence in 2007
- The Malaysian Construction Industry Excellence (Environmental Best Practices Special Mention Award) in 2008

**When IJM went public in 1986, it had a market capitalisation of RM66 million and total assets of RM172 million. As at 31 March 2009, the Group's market capitalisation and total assets stood at around RM4 billion and RM12 billion respectively.**

# GROUP STRUCTURE



IJM CORPORATION BERHAD

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

✕ 39% 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 jointly controlled entity of IJM Vijayawada (Mauritius) Limited

& Direct subsidiary of IJMII (Mauritius) Limited, subsidiary of IJM Investments (M) Limited

Ⓢ Associate of IJM International Limited

^ 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 IJMP Investments (M) Limited, which is wholly-owned by IJM Plantations Berhad

o Direct jointly controlled entity of IJM Trichy (Mauritius) Limited



## CONSTRUCTION

### ➤ IJM Construction Sdn Bhd

- Road Builder (M) Sdn Bhd
- Commerce House Sdn Bhd
- IJM Building Systems Sdn Bhd
- IJM Construction International Limited Liability Company
- IJM Investments J. A. Limited
- IJM Gulf Limited
  - IJM Gulf Pakistan (Pvt) Limited
  - IM Technologies Pakistan (Private) Limited
  - Karachi Expressway J. A. Limited
- Insitu Envirotech Pte Ltd
  - Insitu Envirotech (S.E.Asia) Pte Ltd
- Insitu Envirotech (M) Sdn Bhd
- Jurutama Sdn Bhd
- Prebore Piling & Engineering Sdn Bhd
- CSC Ground Engineering Sdn Bhd
- Hexacon Construction Pte Limited
- Integrated Water Services (M) Sdn Bhd
- IT&T Builders Sdn Bhd
- THB-IJM Joint Venture Sdn Bhd

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

### ➤ IJM Construction (Middle East) Limited Liability Company

#### ➤ Nilai Cipta Sdn Bhd

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

- IJM (India) Infrastructure Limited &  
• IJM (India) Geotechniques Private Limited



## PROPERTY

### ➤ IJM Land Berhad

- IJM Properties Sdn Bhd
- Aqua Aspect Sdn Bhd
- Chen Yu Land Sdn Bhd
- Cypress Potential 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
- 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 Properties Sdn Bhd
  - Seremban Two Property Management Sdn Bhd
  - Shah Alam 2 Sdn Bhd
  - Titian Tegas Sdn Bhd
  - Tarikan Abadi Sdn Bhd
  - Unggul Senja Sdn Bhd
- Delta Awana Sdn Bhd
- Emko Properties Sdn Bhd
  - Emko Management Services Sdn Bhd
- ERMS Berhad
  - Holiday Villa Management Sdn Bhd
- RB Development Sdn Bhd

#### • MASSCORP-Vietnam Sdn Bhd

- 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

IJM Lingamaneni Township Private Limited Ⓜ  
Swarnandhra-IJMII Integrated Township Development Company Private Limited Ⓜ

- OSW Properties Pty Limited Ⓢ





## INDUSTRY

### Industrial Concrete Products Berhad

- Durabon Sdn Bhd
- Expedient Resources Sdn Bhd
  - Tadmansori Rubber Industries Sdn Bhd
- ICP Investments (L) Limited
  - ICPB (Mauritius) Limited
    - IJM Concrete Products Private Limited
    - IJM Steel 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 Private Limited
  - IJM Concrete Pakistan
- IJM Concrete Products Pakistan (Private) Limited
- 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

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

## PLANTATION

### IJM Plantations Berhad x

- Akrab Perkasa Sdn Bhd
- Ampas Maju Sdn Bhd
- Berakan Maju Sdn Bhd
- Desa Talisai Palm Oil Mill Sdn Bhd
- Desa Talisai Sdn Bhd
- Excellent Challenger (M) Sdn Bhd
- Gapas Mewah Sdn Bhd
- Golden Grip Sdn Bhd
- Gunaria Sdn Bhd
  - PT Sinergi Agro Industri
- IJM Agri Services Sdn Bhd
- IJM Edible Oils Sdn Bhd
- IJMP Investments (M) Limited
  - IJM Plantations (Mauritius) Limited
- Kulim Mewah Sdn Bhd
- Laserline Sdn Bhd
- Minat Teguh Sdn Bhd
  - PT Primabahagia Permai
- Rakanan Jaya Sdn Bhd
- Rantajasa Sdn Bhd
- Ratus Sempurna Sdn Bhd
- Sabang Mills Sdn Bhd
- Sijas Plantations Sdn Bhd
- Sri Kilau Sdn Bhd
- Loongsyn Sdn Bhd
- Godrej IJM Palm Oil Limited %  
(formerly known as Godrej Gokarna Oil Palm Limited)

## INFRASTRUCTURE & OTHERS

### Road Builder (M) Holdings Bhd

- Besraya (M) Sdn Bhd
- New Pantai Expressway Sdn Bhd
- Kuantan Port Consortium Sdn Bhd
  - KP Port Services Sdn Bhd
  - Sukma Samudra Sdn Bhd ^

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

### IJM Investments (M) Limited

- 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
- IJM Vijayawada (Mauritius) Limited
- Gautami Power Private Limited #
- Swarna Tollway Pte Ltd \*

### IJM International Limited

### IJM Investments (L) Ltd

### RB Highway Services Sdn Bhd

### Kuching Riverine Resort Management Sdn Bhd

- CIDB Inventures Sdn Bhd
- Emas Utilities Corporation Sdn Bhd
- Grupo Concesionario del Oeste S. A.

- Lebuhraya Kajang-Seremban Sdn Bhd
- Trichy Tollway Private Limited o
- Vijayawada Tollway Private Limited !







## APRIL '08

### 17-20 IJM India Team Visits IJM HQ @ Wisma IJM

In recognition of their contributions, IJM hosted 15 IJM India staff on a four day visit to Malaysia, where they met-up with the senior management and colleagues at head office and from various Divisions.

They were also presented the Quality Award for the Prestige Shantiniketan project in Bangalore, during the visit.



## MAY '08



### 1 First Humana School @ Plantation Estate, Sabah

IJM Plantations Berhad's first Humana School in Desa Talisai South Estate commenced operations with three experienced teachers trained by Borneo Child Aid. The school provides basic education to the Indonesian workers' children at the estates.

# CORPORATE DIARY 08-09

### 19 IJM Annual Dinner 2008 @ Grand Pyramid Convention Centre, Sunway

YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen bin Tengku Ismail was guest-of-honour at IJM's Annual Dinner. Over 2000 staff were treated to a great party with sumptuous food, lively music and a special performance by the popular comedian, Phua Chu Kang. Teams from all the Divisions also participated in a talent competition, which saw the Plantation Division declared the winner.



### 24-25 Early Detection & Prevention Saves Lives @ Wisma IJM

A health screening programme was carried out by the National Kidney Foundation to promote healthy living and was attended by 142 staff. Consultants carried

out health tests covering blood pressure, urine analysis and random blood glucose as well as gave a talk on kidney disease.

### 24-29 UBS Pan Asian Emerging Companies Investor Days @ New York and London

IJM participated in a non-deal roadshow in New York and London, where they presented to numerous fund managers.

### 9-11 MYCareer & Education Fair 2008 @ Mid Valley Exhibition Centre

IJM participated in the career and education fair which attracted over 50,000 job seekers and visitors, 100 employers and 50 educational institutes. The fair was officiated by YB Datuk Ir. Haji Idris bin Haji Haron, Deputy Minister of Higher Education.



## MAY '08

### 12 UBS Non-deal Roadshow @ Sydney

IJM met with institutional investors in various one-on-one meetings.

### 15-16 IJM Toastmasters Club Speechcraft @ Wisma IJM

A two-day session was organised to enhance the public speaking skills of staff. 24 participants went away with improved techniques to deliver speeches confidently and effectively.



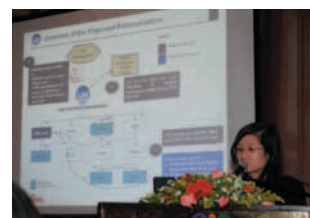
## JUNE '08

### 3-4 Financial Talks @ Wisma IJM

Financial talks were organised for the staff. The talks entitled 'Financial Health', were presented by certified AIA Financial Planner, Mr. Edmund Tai and 'SOCISO: Its Schemes and Benefits', by Mr. Christappa Samuel, Assistant Director of PERKESO.

### 16 EGM @ Holiday Villa Hotel & Suites Subang

Shareholders approved all resolutions in relation to the proposed rationalisation of the property division, proposed capital repayment, proposed tax exempt dividend in-specie and proposed offer to eligible employees.



## CORPORATE DIARY 08-09

### 27 MITI Industry Excellence Awards 2007 @ Kuala Lumpur

IJM was conferred the MITI Industry Excellence Awards 2007 for Export Excellence (Services) by YB Tan Sri Muhyiddin Yassin at the 17th Industry Excellence Awards held at Mandarin Oriental Hotel, Kuala Lumpur.



### 27 Donation Drive for Chew Cai Ying

A donation drive was initiated to collect funds for a staff whose eight year old daughter, Chew Cai Ying was suffering from Fanconi Anaemia, a blood disease that requires a Haematopoietic Stem Cell Transplantation which cost

approximately RM160,000. IJM staff and Kelab Sukan IJM ("KSIJM") raised RM187,283 for Cai Ying.

### 30 New Appointments in Top Management

IJM announced changes in top management with the oncoming appointments of Mr. Teh Kean Ming as Deputy CEO & Deputy MD of IJM Corporation Berhad, Dato' Soam Heng Choon as Managing Director of IJM Land Berhad and Mr. Joseph Tek as an Executive Director of IJM Plantations Berhad.



### 21-22 IJM Games @ Sandakan, Sabah

IJM Plantations Berhad organised the biennial inter-division games comprising indoor and outdoor games and telematches for about 350 staff as part of the Group's efforts to promote healthy lifestyles. The Plantation Division emerged as overall champions. Participants were also treated to tours covering the city, plantation estates as well as the Sepilok Orang Utan rehabilitation centre.

### 23 5th Batching Plant Commissioned @ Johor

The Industry Division's Strong Mixed Concrete Sdn Bhd commissioned its fifth Malaysian batching plant located in Malaysian Rock Products Sdn Bhd's Ulu Choh Quarry in Johor.





## JULY '08

### 9 Occupational Safety & Health National Excellence Award 2007

IJM Construction Sdn Bhd won the gold medal award for the Occupational Safety & Health National Excellence Award 2007 at the Putra World Trade Centre, Kuala Lumpur. The award was presented by then the Deputy Prime Minister, YB Datuk Seri Mohd Najib bin Tun Haji Abdul Razak.



## AUGUST '08



### 6 FFB Grading Audits and Briefings @ Sabah

Oil palm fresh fruit bunches ("FFB") grading audits and briefings were conducted by the R&D department of IJM Plantations Berhad at all its palm oil mills.

### 16 IJM's Silver Jubilee

Today marked the Group's 25th anniversary since its inception as Solidstate Sdn Bhd in 1983 and subsequent merger of three established local construction companies: IGB Construction Sdn Bhd, Jurutama Sdn Bhd and Mudajaya Construction Sdn Bhd to form IJM.



### 17-18 Senior Management Dialogue @ Genting Highlands, Pahang

IJM Group's Board of Directors, senior management and project managers gathered at the Genting International Convention Centre for the annual Senior Management Dialogue cum Silver Jubilee celebration.



### 25 StarBiz-ICR Forum @ Menara Star, Petaling Jaya

Our CEO & MD, Dato' Krishnan Tan joined a group of panelists in the StarBiz-Institute of Corporate Responsibility ("ICR") Malaysia forum on 'Getting Corporate Responsibility on the CEO's Agenda' where he stressed the importance of a CEO's role in embedding CR into a company's strategies and daily operations.

### 8 Opening of New Piles Factory @ Senai, Johor

The Board of Industrial Concrete Products Berhad ("ICP") officially opened its ninth pretensioned spun concrete piles factory in Senai, Johor.



## AUGUST '08

### 11 IJM Scholarship Get-Together and Award 2008 @ Holiday Villa Hotel & Suites Subang

29 IJM scholars met up with their mentors in the mentoring programme (3rd year) whereby IJM scholars are guided from their tertiary education until the time they join the Group. This was followed by the 14th IJM Scholarship Award 2008 Presentation Ceremony officiated by the Minister of Human Resources, YB Datuk Dr S. Subramaniam. 20 deserving students received their scholarships this year.



### 22 Opening of Kajang Seremban Highway ("LEKAS") @ Kajang Selatan Toll Plaza

Package 1 of the highway to Pajam/Nilai was officially opened by the Minister of Works, YB Dato' Ir. Mohd Zin Mohamed. Also present were Y.A.M. Tunku Laksamana Negeri Sembilan Tunku Naquiyuddin Ibni Tunku Ja'afar and the Director General of Malaysian Highway Authority, YB Dato' Ir. Hj Mohamad Razali bin Othman.

## CORPORATE DIARY 08-09

### 13-14 Team Building Workshop @ Ulu Langat, Selangor

29 staff from various Divisions went through a two-day residential team building workshop in the foothills of Ulu Langat. The course covered subject matters such as leadership styles, communication, teamwork, problem solving and strategic planning.



### 19 The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2008 (9th Edition)

IJM participated in the annual run which raised RM1.75 million for charity. IJM was declared the overall champions in the Cheerleading competition.



### 24 NASAM Food & Fun Fair @ Petaling Jaya

IJM participated for the first time in the National Stroke Association of Malaysia ("NASAM")'s Food & Fun Fair by manning an *ais-kacang* stall. Corporate sponsors helped raise over RM180,000 at the event.

### 26 IJM AGM @ Holiday Villa Hotel & Suites Subang

IJM held its 24th Annual General Meeting ("AGM") at the Holiday Villa Hotel & Suites Subang and the shareholders approved resolutions to receive the audited financial statements FY 2008, reappointed directors and auditors, amongst others.





## SEPTEMBER '08

### 5 Notice of Voluntary General Offer on ICP

IJM served a Notice of Voluntary General Offer to its 63.44% subsidiary, ICP, to acquire the remaining ordinary shares in ICP which were not already owned by IJM. The rationale of the offer was to make ICP wholly-owned in view of synergistic benefits and positive future prospects.



### 11 IJM Land Launch @ Holiday Villa Hotel & Suites Subang

IJM Land Berhad unveiled its new corporate identity and logo. The event which was officiated by YB Datuk Seri

Ong Ka Chuan, Minister of Housing and Local Government marked the completion of IJM's properties rationalisation exercise and its emergence as a major player in the Malaysian property market.

## OCTOBER '08

### 14 Blood Donation Drive @ Wisma IJM

KSIJM organised a blood donation campaign in Wisma IJM in collaboration with University Malaya Medical Centre.



### 18 Besraya & LEKAS Joint Highway Safety Campaign

In conjunction with Hari Raya, the Toll Division launched a road safety campaign which was officiated by YDH Dato' Hj. Hamza bin Taib, Bukit Aman Chief Traffic Police and witnessed by YB Dato' Ir. Hj Mohamad Razali bin Othman, Director General of Malaysian Highway Authority.

### 19 Majlis Berbuka Puasa @ Wisma IJM

In the spirit of festivity and unity, more than 100 staff attended the Majlis Berbuka Puasa organised by KSIJM.

### 16 & 30 Health Talk @ Wisma IJM



A series of health talks presented by qualified physicians was organised covering 'Cardiovascular Disease, Cancer & Natural Health' and 'Go Green to Beat Chronic Diseases, Live Longer & Better' to create awareness on diseases and promote healthy living.

### 21-22 Touch 'n Go Card Sales @ Wisma IJM

In support of the Toll Division, a total of 659 pieces of specially designed 'Touch 'n Go' cards featuring the Group's three highways (Besraya, NPE and LEKAS) were sold to staff.



## CORPORATE DIARY (cont'd)

### NOVEMBER '08

#### 1 2nd Ready-Mixed Plant Commissioned @ Pakistan

IJM Concrete Products Pakistan Pvt Ltd commissioned its second ready-mixed plant in Karachi, Pakistan.

#### 3 Deepa Raya @ Wisma IJM

Over 400 staff, 17 Academic Excellence Award recipients and their parents attended the Deepavali and Hari Raya celebrations. They enjoyed a sumptuous spread of Malay and Indian cuisines while being entertained with traditional Malay and Indian dances including an interesting 'Peacock' dance.



### DECEMBER '08

#### 10 Delisting of ICP

ICP was delisted from the Official List of Bursa Securities following IJM's partial acquisition of 34.65% in ICP.

#### 18 Christmas Celebration @ Wisma IJM

Tis' the season to be jolly. IJMers gathered to celebrate the Christmas season.



## CORPORATE DIARY 08-09

#### 4 EGM @ Holiday Villa Hotel & Suites Subang

Shareholders gave their approval for the conditional voluntary offer to acquire all the remaining shares in ICP and the proposed variation to the offer price under the proposed IJM Land Berhad warrants offer to eligible employees.



#### 9 Colours of Life Fiesta @ Seremban 2

A charity walk was held in conjunction with IJM Land's 'Colours of Life' fiesta and proceeds from this event amounting to RM10,000 was donated to Majlis Kanser Nasional.

#### 31 Opening of Pajam-Mantin Section @ LEKAS Highway

Package 2A from Pajam to Mantin was officially opened to the public by Puan Zahratul 'Ula binti Mohd Ibrahim, Director of Central Region, Malaysian Highway Authority who also presented hampers to some lucky motorists.



#### 19 National Annual Corporate Report Awards ("NACRA") 2008

For the fifth consecutive year, IJM retained the NACRA Industry Excellence Award in the Construction and Infrastructure category at the NACRA 2008 Presentation Awards held at Shangri-La Hotel, Kuala Lumpur.





## JANUARY '09

### 9 First Planting @ Kalimantan, Indonesia

IJM Plantations Berhad led by its CEO and MD, Mr. Velayuthan Tan had its first planting in East Kalimantan, Indonesia.



### 15 ICP Becomes a Fully Owned IJM Subsidiary

IJM completed its acquisition of the remaining ordinary shares in ICP thereby making ICP a fully owned subsidiary.

### 17 Partners Against Poverty @ Penang

IJM pledged its support towards the Partners Against Poverty (PAP) Programme in Penang.

### 19-20 Credit Suisse Non-deal Roadshow @ Singapore

IJM participated in one-on-one and small group meetings with investors over two days.

### 13 Malaysian Construction Industry Excellence Awards ("MCIEA") 2008

IJM's CEO and MD, Dato' Krishnan Tan was presented with the 'Prominent Player Award' by YB Dato' Ir. Mohd Zin Mohamed, Minister of Works at the MCIEA 2008 Ceremony hosted by Construction Industry Development Board Malaysia ("CIDB") at the CIDB Convention Centre in Kuala Lumpur. IJM also received a Special Mention for its Environmental Best Practices.



### 13 Crime Prevention Talk @ Wisma IJM

The Malaysian Crime Prevention Foundation delivered a talk to staff on various safety, security and crime prevention measures in every day life. In addition, a self-defense session was demonstrated by the Yoshinkan Aikido Malaysia Association.



### 22 Road Safety Campaign @ Beranang Rest & Service Area, Selangor

In line with the 'back seat buckle-up' campaign and to promote safe driving during the Chinese New Year ("CNY") festive period, the Toll Division organised a road safety campaign at Beranang Rest & Service Area, officiated by Chief Police of Selangor, YDH DCP Dato' Khalid bin Abu Bakar.



## FEBRUARY '09

### 5 IJM donates RM100,000 to Gaza Victims @ CIDB Convention Centre

IJM donated RM100,000 towards the Palestinian Humanitarian at an event organised by Kementerian Kerja Raya Malaysia.



### 13 & 24 Two Toll Plazas Abolished @ New Pantai Expressway and Besraya Highway

Minister of Works, YB Dato' Ir. Mohd Zin Mohamed announced the abolishment of toll collection at the Kuala Lumpur-bound toll plaza at PJS 2 on the New Pantai Expressway, which benefited the nearby Taman Medan and Kampung Dato' Harun residents. 11 days later, Besraya's Salak Jaya toll plaza was abolished benefiting about 50,000 residents of Sungai Besi, Kampung Malaysia, Kuchai Lama and Taman Salak Selatan.

## CORPORATE DIARY 08-09

### 6 Scholar-Mentor Get Together & CNY Celebration @ Wisma IJM

Another IJM Scholar-Mentor gathering was organised for IJM scholars to voice their concerns regarding their studies, discuss the scholarship programme and career path within IJM. This was followed by a sumptuous CNY dinner and lion dance show with IJM staff at Wisma IJM.



### 11 Futsal & Badminton Games @ Petaling Jaya

KSIJM kicked off the 2009 sports activities with weekly futsal games and a Closed Badminton Championship, which drew large participation and support from IJM staff.



### 27 KSIJM Idol 2009 @ Holiday Villa Hotel & Suites Subang

13 staff participated in the KSIJM Idol karaoke competition where contestants displayed their vocal talents and entertained audiences. Nurhudayah binti Abdul Aziz who mesmerised the crowd with Kris Dayanti's 'Menghitung Hari' and Celine Dion's 'My Heart Will Go On', was crowned KSIJM Idol.



### 28 Gotong-Royong @ Wisma IJM

IJM staff worked together to beautify the Wisma IJM compound as part of the Group's efforts to make the world a greener place. Enthusiastic volunteers equipped with gardening tools carried out various planting activities and also painted beautiful pots.





## MARCH '09

### 7 Transport Minister Visits Kuantan Port @ Pahang

The Transport Minister, YB Datuk Seri Ong Tee Keat paid a visit to Kuantan Port, met the senior officials and visited the port operations area.



### 14-15 Raptor Watch & Lighthouse Race @ Tanjung Tuan, Melaka

IJM sponsored the Lighthouse Race held in conjunction with the 10th Annual Malaysian Nature Society's Raptor Watch to celebrate the return of migratory birds/raptors on their journey back to their breeding grounds in the northern hemisphere and create public awareness on conservation of raptors and their habitats.



### 13 Bursa Malaysia Management Visits IJM @ Wisma IJM

The senior management of Bursa Malaysia led by its CEO, Dato' Yusli bin Mohamed Yusoff, paid a courtesy visit to IJM and had a dialogue session with senior management to gain a better understanding of the business and operations of the Group.



### 26-27 Credit Suisse Asian Investment Conference @ Hong Kong

IJM presented to numerous fund managers over a packed 2-day schedule in one-on-one and small group meetings at the Island Shangri-La Hotel.

### 28 Earth Hour

IJM supported the Earth Hour global 'lights out' initiative by switching off all exterior and non-essential lights between 8.30pm to 9.30pm in all its Malaysian and overseas offices, and also lobbied staff to do the same at home, to show support for action on climate change.



Commercial tower, PJ8 Development in Petaling Jaya, Selangor



# Organisation & Stewardship



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Group  
Organisation  
Chart

**24**

Board of Directors  
& Secretary

**26**

Profile of  
Directors

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Profile of Senior  
Management

## GROUP ORGANISATION CHART

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



Soo Heng Chin



Cyrus Eruch Daruwalla



James Ponniah Joseph



Jeremie Ting Keng Fui

Group  
Support  
Services



Ng Yoke Kian



Pang Mok Shyan



S. Ramesh a/l  
V. Subramaniam



# BOARD OF DIRECTORS

**Group CEO & Managing Director**  
 Dato' Krishnan Tan

**Group Deputy CEO & Deputy Managing Director**  
 Teh Kean Ming

## DIVISIONS

<b>Construction</b> Dato' Goh Chye Koon Tan Gim Foo	<b>Property</b> Dato' Soam Heng Choon	<b>Industry</b> Khor Kiem Teoh
<b>Plantation</b> Velayuthan Tan	<b>Infrastructure</b>	
<b>International Ventures</b>	<b>Tolls</b> Neoh Soon Hiong	<b>Ports</b> Wong Soon Fah
	<b>Argentina</b> Adam Eleod	<b>India</b> Teh Kean Ming
	<b>Australia</b> Tan Joo Kee	<b>Middle East</b> Pook Fong Fee
	<b>Pakistan</b> Pook Fong Fee	<b>Vietnam</b> Tan Peng Kok

## GROUP SUPPORT SERVICES

<b>Accounts &amp; Finance</b> Cyrus Eruch Daruwalla (CFO) Lee Chun Fai (Deputy CFO)	<b>Legal</b> James Ponniah Joseph	<b>Corporate Services &amp; Administration</b> Jeremie Ting Keng Fui
<b>Business Development &amp; New Ventures</b> Mohd Kamal bin Harun	<b>Quality, Health, Safety &amp; Environment</b> Soo Heng Chin	<b>Corporate Services</b> Ng Yoke Kian
<b>Human Resources</b> Pang Mok Shyan	<b>Quality System</b> S. Ramesh a/l V. Subramaniam	<b>Administration</b> Lynda Wong
<b>Investor Relations</b> Shane Guha Thakurta	<b>Health, Safety &amp; Environment</b> Ahmad Nazmi bin Mohamed Ali	<b>Information Systems</b> Wong Hong Fay
<b>Corporate Communications</b> Sheela Kasivisvanathan		



Lee Chun Fai



Mohd Kamal bin Harun



Ahmad Nazmi bin Mohamed Ali



Lyndon Alfred Felix



Wong Hong Fay



Lynda Wong



Shane Guha Thakurta



Sheela Kasivisvanathan



Teh Kean Ming



Pook Fong Fee

## International Ventures



Tan Peng Kok



Adam Eleod




Tan Joo Kee

## BOARD OF DIRECTORS & SECRETARY

*left to right:*

Y. Bhg. Dato' (Dr) Megat Abdul Rahman Bin Megat Ahmad, Y. Bhg. Datuk Lee Teck Yuen, Tan Gim Foo, Y. Bhg. Datuk Oh Chong Peng, Y. Bhg. Datuk Hj Hasni Bin Harun, Y. Bhg. Tan Sri Abdul Halim Bin Ali, Teh Kean Ming, Y. Bhg. Dato' Goh Chye Koon, Y. Bhg. Dato' David Frederick Wilson, 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





Y. Bhg. Dato' Tan Boon Seng  
© Krishnan

*left to right*

**Y. BHG. TAN SRI DATO' IR. (DR)  
WAN ABDUL RAHMAN BIN WAN YAACOB**  
Independent Non-Executive Chairman

**Y. BHG. DATO' TAN BOON SENG @ KRISHNAN**  
Chief Executive Officer & Managing Director





## PROFILE OF DIRECTORS

### 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, FCIQB, 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 Lingkar Trans Kota Holdings Berhad (Chairman), Lysaght Galvanized Steel Berhad (Chairman), Bank of America Malaysia Berhad, Malaysian Industrial Development Finance Berhad, NCB Holdings Berhad, MMC Corporation Berhad, Northport (Malaysia) Berhad (Chairman), Yayasan Proton and Yayasan Telekom.

### Y. BHG. DATO' TAN BOON SENG @ KRISHNAN

SMS, DSPN

*B.Econs(Hons), CPA(M), 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. He was the recipient of The Prominent Player Award 2008 by the Construction Industry Development Board Malaysia (CIDB).

His directorships in other public companies include IJM Plantations Berhad, Industrial Concrete Products Berhad, IJM Land 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.

## PROFILE OF DIRECTORS (cont'd)



**TEH KEAN MING**

PKT

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

DEPUTY CHIEF EXECUTIVE OFFICER & DEPUTY  
MANAGING DIRECTOR

- Executive Committee
- Securities and Options Committee



**Y. BHG. DATO' GOH CHYE KOON**

KMN, DSPN, JMN

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

NON-EXECUTIVE 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 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 was also the head of the Property Division of IJM from 2001 to 2008 and the Managing Director of IJM Properties Sdn Bhd from 1 January 2005 to 10 June 2009.

His directorships in other public companies include Metech Group Berhad, IJM Land Berhad, IJM Plantations Berhad, Industrial Concrete Products Berhad, ERMS Berhad and Road Builder (M) Holdings Bhd.

**Y. Bhg. Dato' Goh**, born in June 1949, is a Non-Executive Director since 30 June 2009.

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 the position of Deputy Group Managing Director on 1 January 1997. He was redesignated Deputy Chief Executive Officer & Deputy Managing Director in 2004, and upon his retirement, he remained as Executive Director for a year till 29 June 2009 to oversee the overseas' construction activities.

He is presently a member of the Construction Consultative Panel of the Malaysia Productivity Corporation (formerly known as National Productivity Corporation) ("MPC") and also a member of the Technical Resource Group on Human Resource of the MPC. He was the Chairman of the Building Industry Presidents' Council (June 2007 to June 2008) and President of the Master Builders Association Malaysia for session 2004/2006, and has served as its Deputy President, Vice President and Deputy Secretary General. He was also a member of the Construction Industry Development Board, Malaysia (2004-2006) and Presidential Consultative Council of the Board of Engineers, Malaysia (2002-2004).

He is also a Director of Kumpulan Europlus Berhad.



**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.



**SOO HENG CHIN**

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

SENIOR GENERAL MANAGER & EXECUTIVE DIRECTOR

- Executive 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, Pelaburan Johor Berhad and Damansara Realty Berhad.



**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

## PROFILE OF DIRECTORS (cont'd)



### **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. DATUK OH CHONG PENG**

PJN, JSM

*FCA*

INDEPENDENT NON-EXECUTIVE DIRECTOR

- Nomination & Remuneration Committee
- 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 (Chairman), Minority Shareholders Watchdog Group (Chairman), ESSO Malaysia Berhad and LCL Corporation Berhad.

**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, Dialog Group Berhad and Malayan Flour Mills 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. He also serves on the Listing Committee of Bursa Malaysia Berhad.



**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, IJM Land Berhad, Malaysian South-South Corporation Berhad (Executive Director) and Asean Business Forum. 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. DATUK LEE TECK YUEN**

**PJN**

*BSc.(Hons.) Civil Eng. & Bus. Adm.*

**NON-EXECUTIVE DIRECTOR**

• Nomination & Remuneration Committee

**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' DAVID FREDERICK WILSON**

**DIMP**

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

**NON-EXECUTIVE DIRECTOR**

## PROFILE OF DIRECTORS (cont'd)



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

**DSDK**

*Bachelor of Commerce, FCA (AUST)*

NON-EXECUTIVE DIRECTOR



**Y. BHG. DATUK HJ HASNI BIN HARUN**

**PJN, AMN, PJC**

*B. Acc. (Hons), CA, MBA*

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.

**Y. Bhg. Datuk Hj Hasni**, born in June 1957, was appointed Director on 21 April 2008 and is a representative of Zelan Berhad. He first joined the Board on 9 May 2007 as an Alternate Director.

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 had 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, MMC Engineering Group Berhad and Aliran Ihsan Resources Berhad.



**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-TGF, overseeing the construction projects in the Central Region.

He graduated with a Bachelor of Engineering (1<sup>st</sup> 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.



**TAN GIM FOO**

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

ALTERNATE DIRECTOR TO MR SOO HENG CHIN

**Note:**

1. There are no family relationships between the Directors and/or major shareholders of the Company.
2. All Directors are Malaysian except for Dato' David Frederick Wilson who is a British national.
3. Save for Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob, Dato' Tan Boon Seng @ Krishnan, Teh Kean Ming, Dato' Goh Chye Koon, Datuk Lee Teck Yuen, Datuk Hj Hasni bin Harun and Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad, who have deemed interest in certain related party transactions as disclosed in Note 51 to the financial statements, none of the Directors has any financial interest in any business arrangement involving the Group.
4. All Directors maintain a clean record with regard to convictions for offences.

# PROFILE OF SENIOR MANAGEMENT



**Khor Kiem Teoh**  
Chief Executive Officer &  
Managing Director  
(Industrial Concrete Products Berhad)



**Dato' Soam Heng Choon**  
Managing Director  
(IJM Land Berhad)

## **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 was appointed as Executive Director of ICP on 16 August 2006.

## **DATO' SOAM HENG CHOON**

**DIMP**

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

MANAGING DIRECTOR (IJM LAND BERHAD)

**Dato' Soam**, born in August 1959, is the Managing Director of IJM Land Berhad since 2 October 2006. He is currently also the Managing Director of RB Land Sdn Bhd and IJM Properties Sdn Bhd.

He graduated from the University of Strathclyde, United Kingdom with a Bachelor of Science 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.





top (left to right):  
**Velayuthan a/l Tan Kim Song**  
Chief Executive Officer &  
Managing Director  
(IJM Plantations Berhad)

**Neoh Soon Hiong**  
Managing Director  
(Toll Division)



**Tong Wai Yong**  
Executive Director, Road Builder (M)  
Sdn Bhd

### VELAYUTHAN A/L TAN KIM SONG

*M.MIN, D.DIV (India & USA)*

CHIEF EXECUTIVE OFFICER & 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 is a Council Member of the Malaysian Estate Owners' Association for term 2009/2010. He was also a Council Member of Malaysian Palm Oil Association and alternate Board Member on the Malaysian Palm Oil Board. He is currently the President of the Sabah Rugby Union.

### 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. He is also the Operations Director of IJM Construction Sdn Bhd.

He graduated with a 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.

## PROFILE OF SENIOR MANAGEMENT (cont'd)



**Wong Soon Fah**  
Managing Director  
(Port Division)



**Jeremie Ting Keng Fui**  
Company Secretary

### 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 15 August 2006.

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) and Chief Operating Officer (2004-2006) 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

**Mr. Jeremie Ting**, born in September 1957, joined IJM in 1982 and was appointed Company Secretary on 1 July 1994. He is also the Company Secretary of IJM Plantations Berhad and IJM Land Berhad, and he heads the Corporate Services, Administration and Information Systems Departments.

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 was the President of the Malaysian Institute of Chartered Secretaries & Administrators (MAICSA) for 2004, and has served as Council Member from 1994 to 2004 and again since 2007. He is also the Deputy Chairman of the Education Committee, and a member of the Audit Committee since 2008. He was adjudged the winner of the ROC-MAICSA Company Secretary Award for 2000 under the Listed Company Category.



**Loy Boon Chen**  
IJM Representative in  
Kumpulan Europlus Berhad and  
Talam Corporation Berhad



**Cyrus Eruch Daruwalla**  
Chief Financial Officer

### LOY BOON CHEN

*MBA, CPA(M)*

IJM REPRESENTATIVE IN KUMPULAN EUROPLUS BERHAD AND TALAM CORPORATION BERHAD

**Mr. Loy**, born in October 1951, is an Executive Director of Kumpulan Europlus Berhad ("KEB") and Talam Corporation Berhad ("TCB"). He is the representative of the Company in KEB and TCB.

He is also an Independent Non-Executive Director of Guangdong Provincial Expressway Development Co. Limited, a company listed on the Shenzhen Stock Exchange, 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 an international accounting firm 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 Finance Director of IJM from 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 since its inception in 2002 until 2006. He was a member of the Accounting Standards Sub-Committee of the Federation of Public Listed Companies Berhad (1998-2006).

### CYRUS ERUCH DARUWALLA

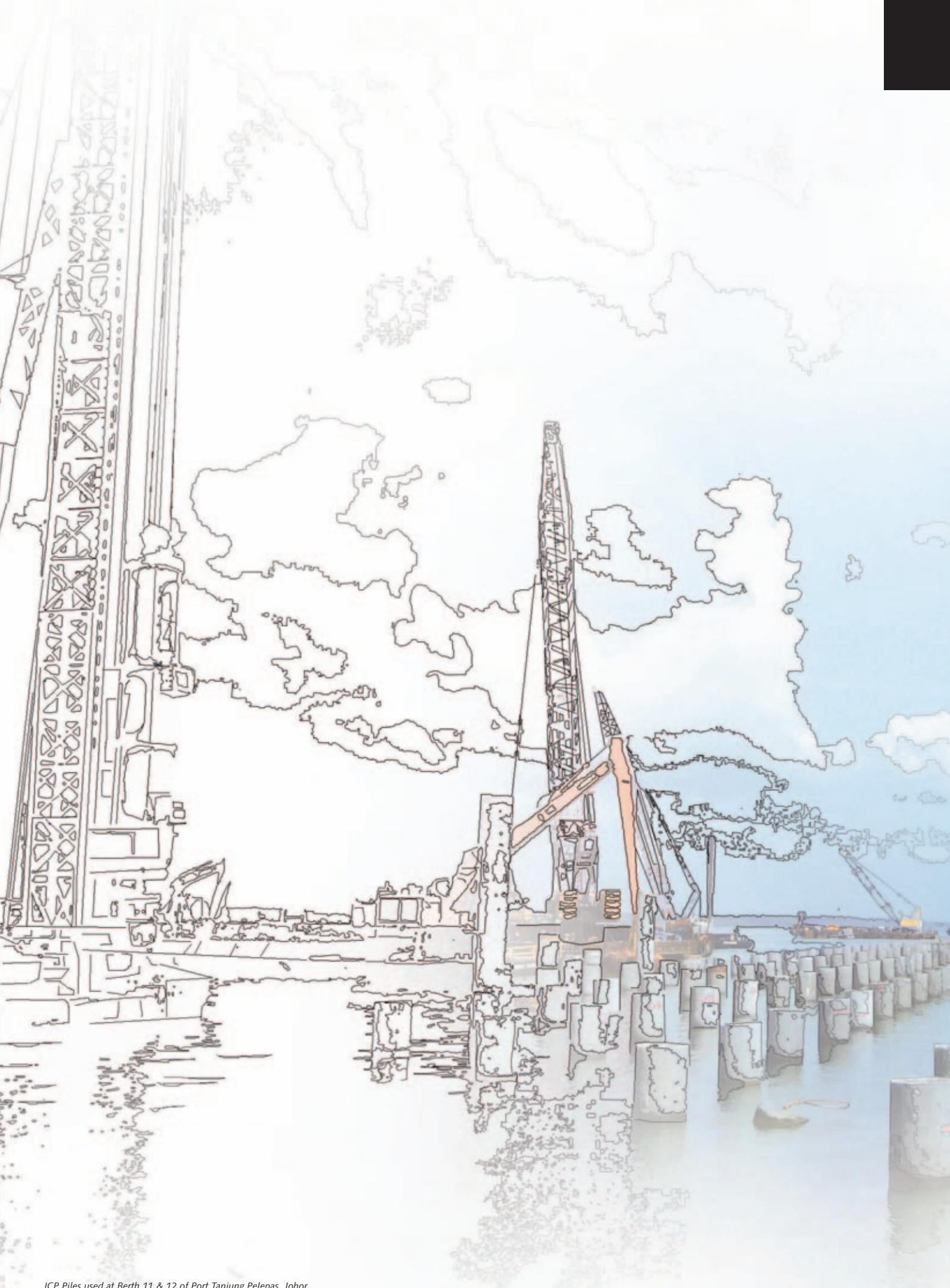
*ACCA, B. Commerce*

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 a Director of Road Builder (M) Holdings Bhd and also is an Executive Director for several of the Group's overseas entities.

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.



ICP Piles used at Berth 11 & 12 of Port Tanjung Pelepas, Johor



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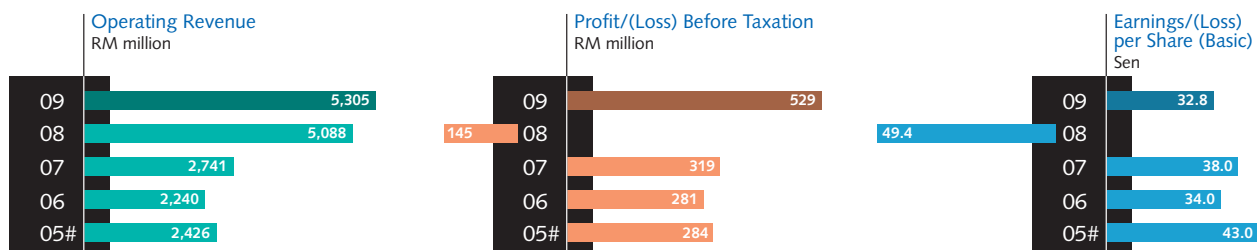
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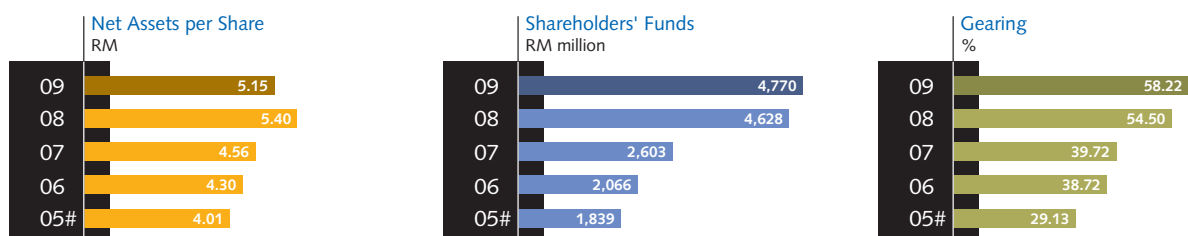
# GROUP FINANCIAL HIGHLIGHTS



		2009	2008	2007	2006	2005#
<b>OPERATING REVENUE (N1)</b>						
	RM'000					
Construction		2,355,258	2,353,153	1,126,246	816,142	1,172,157
Property development		985,953	991,027	499,594	517,224	478,842
Industry		1,069,052	871,995	715,600	538,970	513,595
Plantation		541,564	527,703	302,816	270,877	157,030
Infrastructure		349,625	305,019	63,188	60,876	60,493
Investment & Others		3,854	39,148	33,144	36,309	43,922
		5,305,306	5,088,045	2,740,588	2,240,398	2,426,039
<b>PROFIT/(LOSS) BEFORE TAXATION</b>						
	RM'000					
Construction		40,333	165,558	120,425	103,102	110,784
Property development		125,476	107,043	77,177	95,619	88,001
Industry		170,987	118,858	73,740	49,406	57,491
Plantation		160,453	191,151	57,106	52,122	32,065
Infrastructure		26,492	88,603	(22,946)	(14,214)	(2,668)
Investment & Others		4,929	(816,061)	13,427	(4,536)	(1,864)
		528,670	(144,848)	318,929	281,499	283,809
<b>NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS</b>						
	RM'000	290,212	(420,467)	194,336	160,433	185,486
<b>ISSUED SHARE CAPITAL</b>						
	RM'000	941,952	859,314	570,327	479,931	458,654
<b>SHAREHOLDERS' FUNDS</b>						
	RM'000	4,770,150	4,628,250	2,602,922	2,066,052	1,838,579
<b>TOTAL ASSETS</b>						
	RM'000	11,910,088	11,148,413	6,038,809	4,609,596	3,449,455
<b>EARNINGS/(LOSS) PER SHARE (Basic)</b>						
	Sen	32.84	(49.44)	38.00	34.00	43.00
<b>GROSS DIVIDEND PER SHARE</b>						
	Sen	34.99	—	15.00	15.00	15.00
<b>NET ASSETS PER SHARE</b>						
	RM	5.15	5.40	4.56	4.30	4.01
<b>RETURN ON TOTAL ASSETS</b>						
	%	2.44	(3.77)	3.22	3.48	5.38
<b>RETURN ON EQUITY</b>						
	%	6.08	(9.08)	7.47	7.77	10.09
<b>GEARING (Net Debt/Equity)</b>						
	%	58.22	54.50	39.72	38.72	29.13
<b>SHARE PRICE</b>						
High	RM	6.60	9.35	9.50	5.55	5.15
Low	RM	2.35	4.90	5.15	4.10	4.36
Closing	RM	4.18	6.10	8.65	5.10	4.80
<b>WARRANT 2005/2010 &amp; 2000/2004* PRICE</b>						
High	RM	2.02	4.46	4.60	0.84	2.16*
Low	RM	0.26	1.08	0.69	0.25	1.60*
Closing	RM	0.37	1.82	3.86	0.69	N/A*

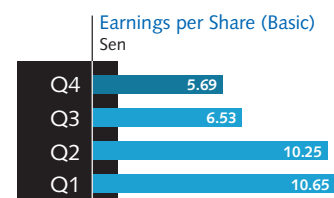
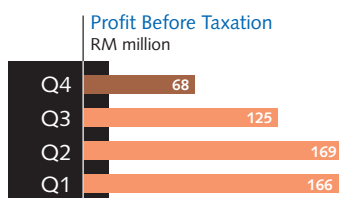
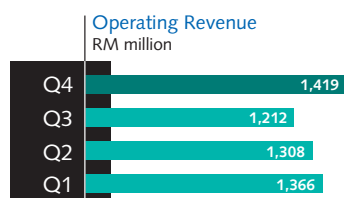
N1 Including share of associate and joint venture's revenue

# Represents 15 months ended 31 March 2005



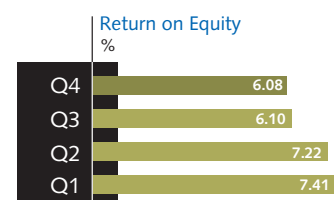
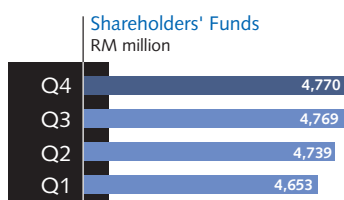
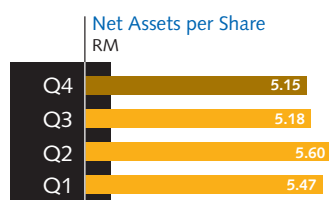


## GROUP QUARTERLY PERFORMANCE



		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<b>OPERATING REVENUE (N1)</b>					
	RM'000				
Construction		572,376	516,134	532,956	733,792
Property development		273,476	241,030	227,543	243,904
Industry		261,712	295,657	262,194	249,489
Plantation		174,640	167,322	108,353	91,249
Infrastructure		82,135	86,993	80,202	100,295
Investment & Others		2,025	1,147	705	(23)
		1,366,364	1,308,283	1,211,953	1,418,706
<b>PROFIT BEFORE TAXATION</b>					
	RM'000				
Construction		24,044	3,991	5,410	6,888
Property development		33,125	46,595	20,507	25,249
Industry		41,420	55,681	40,764	33,122
Plantation		57,917	49,034	46,033	7,469
Infrastructure		7,883	9,348	6,013	3,248
Investment & Others		1,909	3,934	6,646	(7,560)
		166,298	168,583	125,373	68,416
<b>NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS</b>					
	RM'000	91,327	87,917	57,625	53,343
<b>ISSUED SHARE CAPITAL</b>					
	RM'000	859,438	860,054	936,963	941,952
<b>SHAREHOLDERS' FUNDS</b>					
	RM'000	4,653,143	4,738,870	4,768,910	4,770,150
<b>TOTAL ASSETS</b>					
	RM'000	11,394,408	11,787,783	11,499,776	11,910,088
<b>EARNINGS PER SHARE (Basic)</b>					
	Sen	10.65	10.25	6.53	5.69
<b>GROSS DIVIDEND PER SHARE</b>					
	Sen	4.99	25.00	–	5.00
<b>NET ASSETS PER SHARE</b>					
	RM	5.47	5.60	5.18	5.15
<b>RETURN ON TOTAL ASSETS (Annualised)</b>					
	%	3.13	2.97	2.55	2.44
<b>RETURN ON EQUITY (Annualised)</b>					
	%	7.41	7.22	6.10	6.08
<b>SHARE PRICE</b>					
High	RM	6.60	5.60	4.90	4.32
Low	RM	5.10	4.28	2.35	2.80
Closing	RM	5.50	4.70	2.80	4.18
<b>WARRANT 2005/2010 PRICE</b>					
High	RM	2.02	1.39	1.00	0.42
Low	RM	1.20	0.88	0.28	0.26
Closing	RM	1.22	1.00	0.30	0.37

N1 Including share of turnover of associates and joint ventures

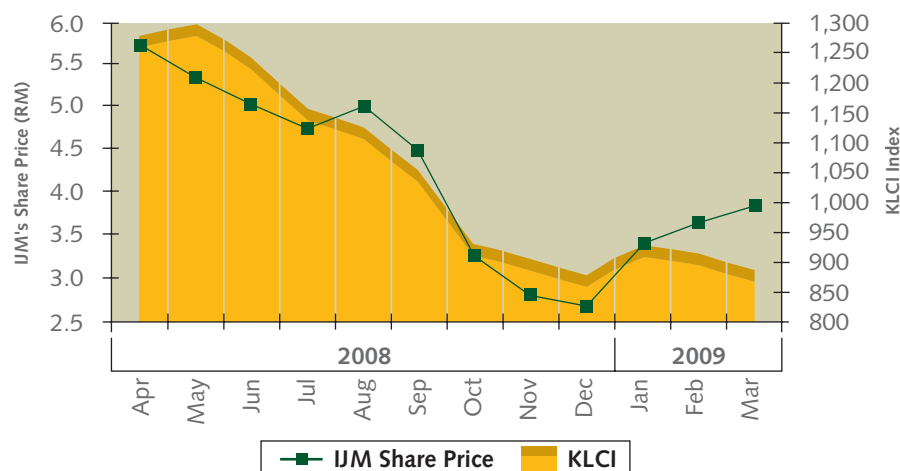


# STATEMENT OF VALUE ADDED & DISTRIBUTION

	2009 RM'000	2008 RM'000
<b>Value added :</b>		
Revenue	4,601,294	4,637,172
Purchases of goods & services	(3,496,479)	(3,323,483)
Value added by the Group	1,104,815	1,313,689
Share of profits of associates	19,046	14,638
Share of profits of jointly controlled entities	3,158	3,857
<b>Total value added</b>	<b>1,127,019</b>	<b>1,332,184</b>
<b>Distribution :</b>		
To employees		
- Salaries & other staff costs	256,956	240,210
To Governments		
- Taxation	126,703	155,314
To providers of capital		
- Dividends	203,522	31,542
- Finance costs	189,090	157,459
- Minority interest	111,755	120,305
Retained for future reinvestment & growth		
- Depreciation and amortisation	152,303	138,503
- Goodwill impairment	–	940,860
- Retained profits/(accumulated losses)	86,690	(452,009)
<b>Total distributed</b>	<b>1,127,019</b>	<b>1,332,184</b>
Value added is a measure of wealth created. The above statement shows the Group's value added for 2009 and 2008 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.		
<b>Reconciliation</b>		
Profit/(loss) for the year	290,212	(420,467)
Add : Depreciation and amortisation	152,303	138,503
Goodwill impairment	–	940,860
Finance costs	189,090	157,459
Staff costs	256,956	240,210
Taxation	126,703	155,314
Minority interest	111,755	120,305
<b>Total value added</b>	<b>1,127,019</b>	<b>1,332,184</b>

## INFORMATION FOR INVESTORS

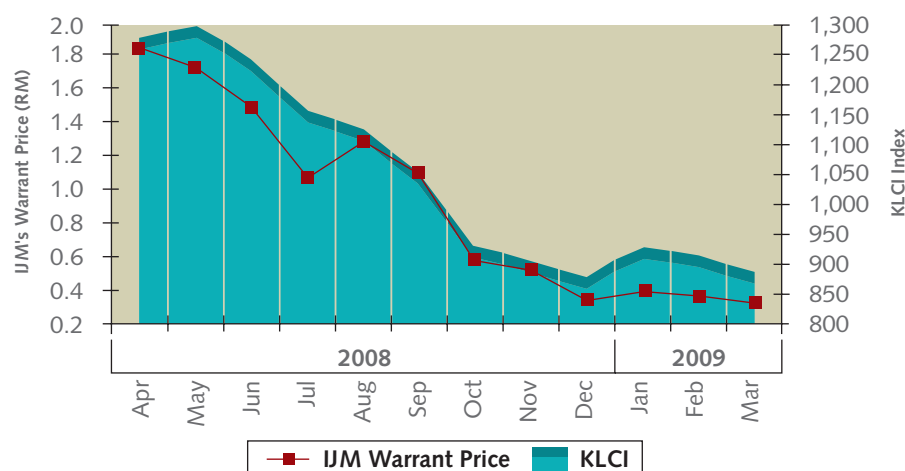
### A. IJM Share Price vs the KLCI



IJM's share price (stock code: 3336) performance closely tracked the decline of the KLCI between April to December 2008. During this period, the share price lost more than half of its value as it was not spared the indiscriminate sell-down that took place across global stock markets in 2008, categorised as being one of the blackest periods in the history of global financial markets. Following fiscal pump priming measures announced by the Malaysian Government which were expected to rejuvenate prospects for the construction sector, a strong rebound in the share price ensued in the quarter ended March 2009. In addition, unprecedented stimulus and financial assistance packages unveiled by the US and other Governments around the world during end-2008/beginning-2009 provided major impetus towards boosting investor confidence and stemming further declines in the stock market after the turn of the year.

As depicted in the chart above, IJM's monthly volume weighted average share price traded from a high of RM5.75 in April 2008 to a low of RM2.68 in December 2008 before convincingly recovering to RM3.86 in March 2009. IJM's share price was RM4.18 on 31 March 2009, 31.5% lower than RM6.10 a year ago.

### B. IJM Warrant 2005/2010 Price vs the KLCI



IJM's warrant price (stock code: 3336wb) generally echoed the performance of its mother share during the year. At the end of the financial year, IJM's warrant price closed at RM0.365, recording a decrease of 79.9% from RM1.82 a year ago, and a return of 630% over its issue price of RM0.05 in July 2005.



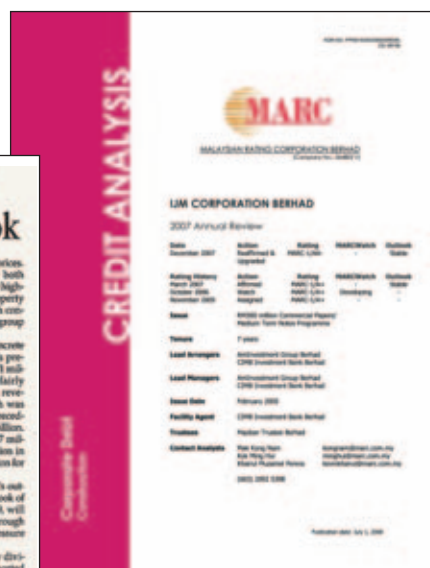
# INFORMATION FOR INVESTORS (cont'd)

## C. IJM Medium Term Notes 2005/2010

As a further endorsement to IJM's strong financial position, MARC has assessed and rated IJM's corporate debt as "AA-" with a short term rating of "MARC-1" in its latest annual rating report in March 2008.

MARC has recently affirmed its MARC-1/AA- ratings on IJM in their latest press release dated 18<sup>th</sup> June 2009. The annual rating report will be published in due course.

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



## FINANCIAL CALENDAR

Financial Year End		31 March 2009
Announcement of Results	1st Quarter	26 August 2008
	2nd Quarter	25 November 2008
	3rd Quarter	24 February 2009
	4th Quarter	26 May 2009
Notice of Annual General Meeting		31 July 2009
Annual General Meeting		25 August 2009

## INVESTOR SERVICE

The Group maintains a dynamic website (<http://www.ijm.com>) which provides detailed information on the Group's operations and latest developments.

For shareholder and company related matters, please contact:

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

For financial performance or company development matters, please contact:

Mr. Shane Guha Thakurta  
Investor Relations Manager  
Tel : +603 79858041 Fax : +603 79529388  
E-mail : shanethakurta@ijm.com

# ANALYSES OF SHAREHOLDINGS & WARRANTHOLDINGS

## I. ANALYSIS OF SHAREHOLDINGS as at 30 June 2009

Authorised Share Capital	: RM3,000,000,000
Issued & paid-up Capital	: RM941,997,233*
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 3,387,500 treasury shares

### DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	Number of Shares	Percentage of Issued Capital
Less than 100	240	7,727	0.00%
100 - 1,000	2,599	2,051,519	0.22%
1,001 - 10,000	4,249	13,968,442	1.49%
10,001 - 100,000	809	27,140,475	2.89%
100,001 to less than 5% of issued shares <sup>(1)</sup>	445	544,962,260	58.06%
5% and above of issued shares	4	350,479,310	37.34%
	8,346	938,609,733	100.00%

<sup>(1)</sup> excluding 3,387,500 shares bought-back by the Company and retained as treasury shares as at 30 June 2009

### REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Number of Shares		Percentage of Issued Capital
	Direct	Deemed Interests	
1. Employees Provident Fund Board	198,290,210	—	21.126%
2. Zelan Berhad	82,334,362	—	8.772%
3. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	58,781,744	—	6.263%

### THIRTY LARGEST SHAREHOLDERS

	Number of Shares	Percentage of Issued Capital
1. EMPLOYEES PROVIDENT FUND BOARD	157,016,890	16.73%
2. ZELAN BERHAD	82,334,362	8.77%
3. AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD SKIM AMANAH SAHAM BUMIPUTERA PERMODALAN NASIONAL BERHAD	58,581,744	6.24%
4. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)	52,546,314	5.60%
5. AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD AMANAH SAHAM WAWASAN 2020 PERMODALAN NASIONAL BERHAD	27,792,900	2.96%
6. KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	23,153,700	2.47%
7. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR J.P. MORGAN BANK LUXEMBOURG S.A	22,869,550	2.44%
8. CITIGROUP NOMINEES (TEMPATAN) SDN BHD CMS TRUST MANAGEMENT BERHAD FOR EMPLOYEES PROVIDENT FUND	15,349,400	1.64%
9. MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	13,621,100	1.45%

# ANALYSES OF SHAREHOLDINGS & WARRANT HOLDINGS

(cont'd)

## THIRTY LARGEST SHAREHOLDERS (cont'd)

	Number of Shares	Percentage of Issued Capital
10. VALUECAP SDN BHD	11,265,100	1.20%
11. AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD AMANAH SAHAM MALAYSIA PERMODALAN NASIONAL BERHAD	11,054,800	1.18%
12. PERMODALAN NASIONAL BERHAD	10,319,700	1.10%
13. AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD AMANAH SAHAM DIDIK PERMODALAN NASIONAL BERHAD	9,872,600	1.05%
14. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.A.E.)	9,859,847	1.05%
15. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (NORGES BANK.)	9,693,400	1.03%
16. CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS FUND	9,633,600	1.03%
17. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (BVI.)	8,700,000	0.93%
18. CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AMERICAN INTERNATIONAL ASSURANCE BERHAD	8,333,550	0.89%
19. CITIGROUP NOMINEES (ASING) SDN BHD CHASE MANHATTAN TRUSTEES LIMITED FOR PACIFIC TRUST (CBLDN)	8,302,700	0.88%
20. SBB NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	7,593,400	0.81%
21. HSBC NOMINEES (TEMPATAN) SDN BHD NOMURA ASSET MGMT MALAYSIA FOR EMPLOYEES PROVIDENT FUND	7,000,000	0.75%
22. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.K.)	6,739,233	0.72%
23. HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	6,514,850	0.69%
24. GENERAL TECHNOLOGY SDN BHD	6,425,039	0.68%
25. CARTABAN NOMINEES (ASING) SDN BHD GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION PTE LTD FOR GOVERNMENT OF SINGAPORE (C)	6,286,095	0.67%
26. AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD PUBLIC ISLAMIC DIVIDEND FUND	6,151,360	0.66%
27. MINISTER OF FINANCE AKAUN JAMINAN PINJAMAN KERAJAAN PERSEKUTUAN	6,095,250	0.65%
28. PERTUBUHAN KESELAMATAN SOSIAL	5,512,220	0.59%
29. AMSEC NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR CIMB ISLAMIC DALI EQUITY GROWTH FUND (UT-CIMB-DALI)	4,949,000	0.53%
30. CARTABAN NOMINEES (ASING) SDN BHD STATE STREET FOR ISHARES, INC.	4,795,600	0.51%
	<b>618,363,304</b>	<b>65.90%</b>



## II. ANALYSIS OF WARRANTHOLDINGS as at 30 June 2009

Warrants 2005/2010 : RM21,802,341 outstanding

### DISTRIBUTION OF WARRANTHOLDINGS

#### Range of Warrantholdings

	Number of Warrantholders	Number of Warrants	Percentage of Outstanding Warrants
Less than 100	11	505	0.00%
100 - 1,000	689	393,521	1.80%
1,001 - 10,000	547	2,272,915	10.43%
10,001 - 100,000	206	6,670,700	30.60%
100,001 - to less than 5% of issued warrants	34	9,485,700	43.51%
5% and above of issued warrants	2	2,979,000	13.66%
	1,489	21,802,341	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	6.88%
2. WONG KOK HOI	1,479,000	6.78%
3. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HBFS-I CLT ACCT)	1,090,000	5.00%
4. GENERAL TECHNOLOGY SDN BHD	945,800	4.34%
5. RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BRYAN NICHOLAS LEE MUN HEI (MLK)	700,000	3.21%
6. RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SOW HUEY SHAN (MLK)	607,000	2.78%
7. LOW HONG IMM	551,400	2.53%
8. TAN BOON SENG @ KRISHNAN	479,100	2.20%
9. SAI YEE @ SIA SAY YEE	469,000	2.15%
10. VAST UPTREND COMPANY SDN BHD	455,000	2.09%
11. CHOO YOKE KUEN	304,000	1.39%
12. LEE SEAN LOON	303,000	1.39%
13. LOY BOON CHEN	230,700	1.06%
14. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	227,000	1.04%
15. GLENDALE CORPORATION SDN BHD	221,900	1.02%
16. TING KENG FUI	215,000	0.99%
17. AMANAHRAYA TRUSTEES BERHAD CIMB-PRINCIPAL EQUITY AGGRESSIVE FUND 1	203,400	0.93%
18. TM ASIA LIFE MALAYSIA BHD. AS BENEFICIAL OWNER (PF)	177,000	0.81%
19. SUAH YUN FENG	160,000	0.73%
20. A.A. ANTHONY NOMINEES (ASING) SDN BHD APS ASSET MANAGEMENT PTE LTD FOR KESLER HOLDINGS LTD	153,000	0.70%

# ANALYSES OF SHAREHOLDINGS & WARRANT HOLDINGS (cont'd)

## THIRTY LARGEST WARRANTHOLDERS (cont'd)

	Number of Warrants	Percentage of Outstanding Warrants
21. GOH CHYE KEAT	145,200	0.67%
22. A.A. ANTHONY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHOOI HO	144,400	0.66%
23. SOO HENG CHIN	142,000	0.65%
24. HDM NOMINEES (TEMPATAN) SDN BHD UOB KAY HIAN PTE LTD FOR CHEN JOON LEE (MARGIN)	140,000	0.64%
25. LOK WEN HUEI	140,000	0.64%
26. WANG HOOI MEI	137,100	0.63%
27. TAN LENG HOCK	135,000	0.62%
28. CITIGROUP NOMINEES (ASING) SDN BHD UBS AG HONG KONG FOR MRS SUWANNA SRIPUNPORN LEE	128,800	0.59%
29. GAN LAY HAR	120,000	0.55%
30. HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW HONG IMM	120,000	0.55%
	<b>11,823,800</b>	<b>54.22%</b>

## III. DIRECTORS' SHAREHOLDINGS & WARRANTHOLDINGS

### A. DIRECTORS' SHAREHOLDINGS & WARRANTHOLDINGS IN IJM CORPORATION BERHAD

as at 30 June 2009

Name of Directors	Number of Shares		Percentage of Issued Capital	Number of Warrants		Percentage of Outstanding Warrants
	Direct	Deemed		Direct	Deemed	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	50,000	—	0.005%	—	—	—
Dato' Tan Boon Seng @ Krishnan	1,411,800	782,240 <sup>1</sup>	0.234%	501,900	—	2.302%
Teh Kean Ming	60,000	62,000 <sup>1</sup>	0.013%	97,000	5,000 <sup>1</sup>	0.468%
Soo Heng Chin	50,000	—	0.005%	188,900	—	0.866%
Dato' Goh Chye Koon	199,352	—	0.021%	73,000	—	0.335%
Datuk Yahya bin Ya'acob	50,000	—	0.005%	—	—	—
Tan Sri Abdul Halim Bin Ali	—	—	—	—	—	—
Datuk Oh Chong Peng	—	—	—	—	—	—
Datuk Lee Teck Yuen	—	—	—	1,500,000 <sup>2</sup>	700,000 <sup>1</sup>	10.091%
Dato' David Frederick Wilson	—	—	—	—	—	—
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	—	—	—	—	—	—
Datuk Hj. Hasni Bin Harun	—	—	—	—	—	—
Tan Gim Foo	—	—	—	—	—	—

Note:-

\*<sup>1</sup> Through a family member

\*<sup>2</sup> Through a nominee company

## B. DIRECTORS' SHAREHOLDINGS IN IJM PLANTATIONS BERHAD

as at 30 June 2009

Name of Directors	Number of Shares		Percentage of Issued Capital
	Direct	Deemed	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	35,000	–	0.005%
Dato' Tan Boon Seng @ Krishnan	505,879	327,879 <sup>1</sup>	0.130%
Teh Kean Ming	30,000	–	0.005%
Soo Heng Chin	30,000	–	0.005%
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	–	–	–
Datuk Hj. Hasni Bin Harun	–	–	–
Tan Gim Foo	–	–	–

Note:-

\*<sup>1</sup> Through a family member

## C. DIRECTORS' SHAREHOLDINGS & WARRANTHOLDINGS IN IJM LAND BERHAD

as at 30 June 2009

Name of Directors	Number of Shares		Percentage of Issued Capital	Number of Warrants		Percentage of Outstanding Warrants
	Direct	Deemed		Direct	Deemed	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	50,000	–	0.005%	5,000	–	0.002%
Dato' Tan Boon Seng @ Krishnan	–	20,000 <sup>1</sup>	0.002%	1,248,610	13,000 <sup>1</sup>	0.555%
Teh Kean Ming	–	–	–	527,000	5,200 <sup>1</sup>	0.234%
Soo Heng Chin	–	–	–	1,031,440	–	0.454%
Dato' Goh Chye Koon	–	–	–	684,871	–	0.301%
Datuk Yahya bin Ya'acob	–	–	–	5,000	–	0.002%
Tan Sri Abdul Halim Bin Ali	10,000	–	0.001%	–	–	–
Datuk Oh Chong Peng	–	–	–	–	–	–
Datuk Lee Teck Yuen	11,064,693 <sup>2</sup>	–	1.003%	–	–	–
Dato' David Frederick Wilson	–	–	–	–	–	–
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	–	–	–	–	–	–
Datuk Hj. Hasni Bin Harun	–	–	–	–	–	–
Tan Gim Foo	–	–	–	453,000	–	0.199%

Note:-

\*<sup>1</sup> Through a family member

\*<sup>2</sup> 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.



# ANALYSES OF SHAREHOLDINGS & WARRANT HOLDINGS (cont'd)

## IV. SHARE BUY-BACK SUMMARY

for Financial Year Ended 31 March 2009

	No. of Shares Purchased & Retained as Treasury Shares	Total Consideration RM	Purchase Price Per Share (RM)		
			Highest	Lowest	Average
<b>2009</b>					
Balance at the beginning of financial year	346,700	1,773,792	5.30	4.90	5.12
Purchases during the financial year					
April 2008	–	–	–	–	–
May 2008	100,000	544,490	5.45	5.40	5.44
June 2008	1,143,500	6,155,937	5.50	5.15	5.38
July 2008	700,000	3,442,220	5.25	4.68	4.92
August 2008	–	–	–	–	–
September 2008	629,500	2,859,578	5.10	4.28	4.54
October 2008	457,800	1,485,329	4.60	3.00	3.24
November 2008	–	–	–	–	–
December 2008	–	–	–	–	–
January 2009	–	–	–	–	–
February 2009	–	–	–	–	–
March 2009	10,000	36,062	3.58	3.58	3.61
Total purchases during the financial year	3,040,800	14,523,616	5.50	3.00	4.78
Balance at end of financial year	<b>3,387,500</b>	<b>16,297,408</b>	<b>5.50</b>	<b>3.00</b>	<b>4.81</b>

None of the treasury shares were resold or cancelled during the financial year.

# EMPLOYEES & PRODUCTIVITY

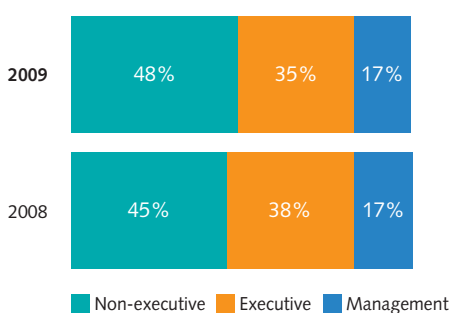
	2009	2008
<b>(a) Employees as at 31 March:-</b>		
Employees by Classification		
- Management	738	722
- Executive	1,569	1,647
- Non-executive	2,116	1,945
	4,423	4,314
Employees by Ethnic Composition		
- Bumiputra	1,976	1,708
- Chinese	1,055	1,090
- Indian	370	337
- Others (including overseas)	1,022	1,179
	4,423	4,314
<b>(b) Productivity:- (N1)</b>		
Revenue - per employee (in RM'000)	1,040	1,075
- per RM employment cost (in RM)	17.91	19.30
PBT - per employee (in RM'000) (N2)	120	185
- per RM employment cost (in RM) (N2)	2.06	3.31
Value added - per employee (in RM'000)	255	309
- per RM employment cost (in RM)	4.39	5.55

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

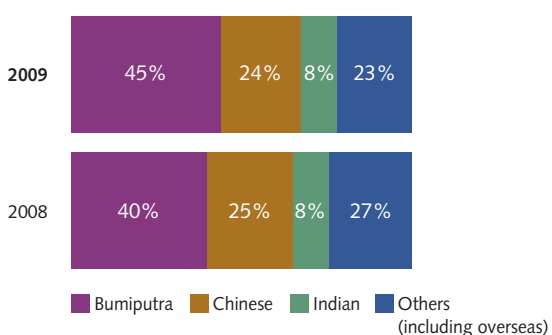
(N2) Excluding the impairment of goodwill

## EMPLOYEES

### BY CLASSIFICATION

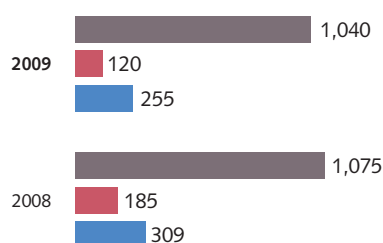


### BY ETHNIC COMPOSITION

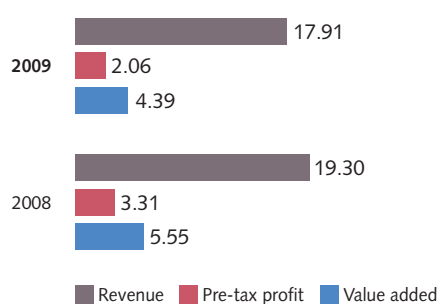


## PRODUCTIVITY

### PER EMPLOYEE (RM'000)



### PER RM EMPLOYMENT COST (RM)









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ON BEHALF OF THE BOARD  
OF DIRECTORS OF IJM  
CORPORATION BERHAD, I AM  
PLEASED TO REPORT THAT  
THE GROUP CONTINUED TO  
DELIVER A SOUND FINANCIAL  
PERFORMANCE FOR THE YEAR  
ENDED 31 MARCH 2009  
DESPITE A TURBULENT GLOBAL  
ECONOMIC CLIMATE.

# Chairman's



Borneo Block, Alam Warisan Hotel, Putrajaya

## BUSINESS ENVIRONMENT

The global economy grew at 3.4% in 2008. The figure, however, belies the extent of the worst global decline seen since the 1930s, although this may only become more evident in 2009. During the year, global business, trade and finance activities were subjected to tremendous strain under the potency and confluence of several factors - intense inflationary pressures ensuing from 2007, collapses of key financial institutions, governance shocks, structural deleveraging in the US, cash call exercises around the world and inventory corrections in net exporter countries - leading to widespread wealth destruction, rising delinquencies and deteriorating business and consumer confidence. To contain the acute contraction in economic

activity and the negative feedback loop between the financial system and the real economy, authorities in several countries responded with large fiscal stimulus packages, aggressive monetary easing and quantitative injections of liquidity on an unprecedented scale.

In 2008, the Malaysian economy grew by 4.6% on account of strong export performance and robust domestic consumption. In the second half of the year, however, rapidly deteriorating global economic conditions and a pronounced correction in commodity prices resulted in a moderation of economic growth in Malaysia. The domestic construction sector growth remained positive for the second consecutive year, registering a growth of 2.1% mainly on the back of the Ninth Malaysia Plan spending.

# Statement



## CHAIRMAN'S STATEMENT (cont'd)



*Piles used at the Saigon International Container Terminal in Vung Tau, Vietnam*

The Group's major overseas markets, namely India and the United Arab Emirates (UAE), were also adversely affected by the global economic turmoil in the later half of 2008. India, which registered GDP growth of around 7% in 2008, experienced robust economic activity in the first half of the year but in the second half, saw a sharp deceleration in investment demand, which had been an important growth driver in recent years, due to constraints in accessing external capital and the adverse effects of the global crisis on domestic confidence. The UAE enjoyed buoyant economic activity until mid-2008 when it was still supported by high oil prices and heavy public sector spending.

### OPERATING RESULTS

Group revenue decreased by 0.8% to RM4,601.29 million as compared with RM4,637.17 million the previous year. Despite soaring input costs in the first half of the year and a marked deterioration in the global financial and economic landscape in the second half, Group operating profit before tax decreased marginally by RM41.36 million to RM528.67 million as compared to RM570.03 million in FY 2008, excluding one-off capital gains amounting to RM225.98 million and impairment of merger goodwill of RM940.86 million in the previous year. Including the aforesaid one-off items, the Group had incurred a loss before tax of RM144.85 million in FY 2008.

The Construction Division recorded relatively flat revenue growth as the progress of billings was affected by intermittent supply disruptions following persistent increases in building material prices. Nonetheless, the Group's well-diversified order book made it less dependent on constraint peculiarities of any one individual project. As a result of the drastic rise in overall building material prices, and working capital costs especially in India, pre-tax profit of the Division was adversely impacted, leading to a decline in the Division's pre-tax margins for the year. The decline in pre-tax margins was exacerbated by write-downs of previously recognised accumulated profits to reflect revised estimated profits to completion.

The Group's Property Division registered flat growth in revenue for FY 2009 as sales remained challenging for most of the year. Rising building materials costs in the first half of 2008 mounted pressure on mass housing affordability whereas the worsening of the global financial crisis severely dampened consumer confidence. Notwithstanding a one-off gain on disposal of the Tesco land and buildings in Penang, the Division's pre-tax profits were lower from a year ago due to escalated materials costs.

Managing to stay unperturbed amidst the global crisis, the Group's Industry Division recorded its best financial results ever, on the back of better product prices, strong demand from large scale construction projects and expanding overseas contribution. The Division is expected to continue to post encouraging results from its sizeable order book, healthy plant utilisation and sound cost management practices.



Sierra Vista studio and semi-detached residential units in Penang

The Group's Plantation Division continued to perform well with steady production growth and relatively strong CPO price, resulting in higher revenues being achieved for the year. The Division's pre-tax profits for the year, however, declined primarily due to significantly higher costs of fertilisers and diesel.

Turnover of the Group's Infrastructure Division improved due to higher collections from both Malaysian as well as overseas toll operations. Notwithstanding a gain of RM65 million on the disposal of the 2nd Vivekananda Bridge in the last financial year, pre-tax results of the division continued to remain steady.

Our CEO's Review of Operations, covered on pages 60 to 91, provides a more in-depth assessment of the Group's divisional performance for FY 2009.

## BUSINESS OUTLOOK AND OPERATIONAL STRATEGIES FOR FY 2010

The Group expects its prospects for the next year to still remain challenging. At present, the outlook for the global economy is still unclear with considerable uncertainties still lingering and a sustainable global recovery hinging upon a major shift in the mix of global savings and aggregate demand, and a recapitalisation of US and EU banking systems. Growth in Asia is expected to recover sooner, though recovery may be tepid as the fallout from the global wealth destruction is still expected to filter through in the near to medium term. The Malaysian economy has strengthened considerably since the Asian financial crisis a decade ago with

the country's financial sector well capitalised and robust with strong liquidity. In response to the global downturn, Malaysian authorities are employing expansionary fiscal stimulus packages and comprehensive monetary easing measures aimed at supporting domestic demand.

The Group's operations possess a significant enough size, core competencies and track record to yield cross-divisional strategic and operational synergies. The Group's Construction order book replenishment prospects are expected to benefit from government pump-priming efforts whereas its Property Division is seeing a revival of sales towards the end of the financial year as a result of innovative marketing promotional activities and a benign interest rate environment in Malaysia. The Industry Division should see continued growth on the back of the Ninth Malaysia Plan and stimulus packages. The Plantation Division is expected to continue to do well from healthy CPO prices whilst the Infrastructure Division is expected to remain profitable as its concessions mature. The Group, nonetheless, remains vigilant in its outlook for FY 2010 in the wake of a still unfolding global recession.

For the long term, the Group will continue to focus its resources on engaging the regional markets, growing its recurrent income base and reviewing its assets portfolio for opportunities, while pursuing its domestic growth agenda.

## DIVIDENDS & PROPOSED BONUS ISSUE

A special interim dividend of 25 sen per share less tax of 25% was declared by the Company on 16 October 2008 and paid on 25 November 2008. For the financial year ended 31 March 2009, the Company declared a second interim dividend of 5 sen per share less tax of 25% payable on 21 August 2009 to shareholders on the register on 31 July 2009.

In the second quarter of the financial year, a tax exempt dividend in-specie of 4.99 sen was also declared and subsequently distributed on 15 September 2008 to all entitled IJM shareholders in conjunction with the listing and quotation of IJM Land Warrants.

On 26 May 2009, the Company proposed a bonus issue of 2 shares for 5 existing IJM shares owned on an entitlement date to be determined later, and subject to the approval of shareholders.

# CHAIRMAN'S STATEMENT (cont'd)

## CORPORATE PROPOSALS

FY 2009 saw the completion of the following corporate exercises:

- (i) Following the merger between IJM and the Road Builder Group in the previous financial year, the rationalisation of the Group's Malaysian Property Division - now known as IJM Land Berhad - was completed on 5 September 2008. IJM Land Berhad is today one of the largest listed property developers in the country.
- (ii) IJM also completed the privatisation of Industrial Concrete Products Berhad, which was delisted from Bursa Malaysia on 10 December 2008.
- (iii) On 19 December 2007, the Company announced a proposed capital repayment of RM0.50 for every one existing IJM Share. This proposal was subsequently withdrawn on 16 October 2008 as the requisite consent of the lenders was not obtained. In view of that, the Company declared a special interim dividend of 25 sen per share less tax of 25% as mentioned above.

One other corporate proposal which was pending as at 31 March 2009 was as follows:

- (i) On 22 May 2008, the Company announced that the proposal in respect of offer for sale of 60,000,000 IJM Land Warrants to eligible employees of the IJM Group had been approved by the Securities Commission vide its letter dated 21 May 2008. This proposal was approved by the shareholders on 16 June 2008. Subsequently on 25 September 2008, the Company announced its proposal to vary the offer price of the said warrants and this was approved by the shareholders on 4 November 2008. On 22 April 2009, the Company announced that the offer price has been fixed at RM0.302 and the prospectus was subsequently issued to eligible employees on 7 May 2009, with acceptance and payment to be made by 15 May 2009. This offer has since closed with subscriptions received for acceptances and excess applications of 57,204,050 and 15,614,317 IJM Land Warrants respectively against the 60,000,000 warrants offered.

## CORPORATE GOVERNANCE

IJM's commitment to the principles of good corporate governance stems from its belief that responsible business conduct is quintessential to sustainably enhancing stakeholder 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.



*New Pantai Expressway*

Our Corporate Governance Statement can be found on pages 92 to 101.

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by relevant regulatory bodies in 2008/09.

## 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 26 August 2008.

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 RESPONSIBILITY

IJM's emphasis on Corporate Responsibility (CR) reflects its conviction that economic success must be accompanied by a sustainable positive impact on society. This philosophy is guided by the Group's CR Framework and policy statements, and is embraced throughout its operations via a wide range of environmental-friendly and operational best management practices to achieve long term sustainable benefits for all stakeholders.





*Workers' Housing in Meliau Estate*

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 good agronomic environmental practices and continues to be involved in the Roundtable on Sustainable Palm Oil (RSPO) to promote sustainable production and use of palm oil.

The Group places considerable emphasis in ensuring the highest standards of governance, ethical business conduct and values are practised within its organisation. As part of its philanthropic efforts, the Group carried out numerous community programmes pertaining to social welfare, education and sports development and will continue to identify areas where its support can make a real difference. The Group is also committed to providing for 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 extensive Corporate Responsibility activities is provided on pages 122 to 137.

## ACKNOWLEDGEMENT

Dato' (Dr.) Megat Abdul Rahman bin Megat Ahmad is due to retire this year and will not be seeking reappointment come 25 August 2009. Dato' (Dr.) Megat has been a member of the IJM Board of Directors since 31 October 2005. On behalf of the Board, I wish to express our sincere appreciation and gratitude to Dato' (Dr.) Megat for his invaluable contribution and services to the Group and we wish him all the best on his retirement.

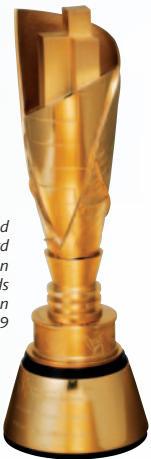
The Board and I would like to thank the Directors, management and all employees of the Group for their dedication, resourcefulness, commitment and contribution to the Group over what has been an extremely challenging year. We would also like to take this opportunity to thank our shareholders, associates, clients, bankers, subcontractors and suppliers for their support to the Group. The Group values and looks forward to this continued relationship as we progress towards new undertakings.

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



## OVERVIEW

THIS YEAR'S THEME 'RISING ABOVE CHALLENGES' APTLY REFLECTS ON THE UNPRECEDENTED CHALLENGES IN THE GLOBAL ECONOMIC ENVIRONMENT THAT THE GROUP HAD TO SURMOUNT IN THE FINANCIAL YEAR. IN THE FIRST HALF, ESCALATING OIL AND BUILDING MATERIAL PRICES AND THE CONSEQUENT DEMAND ON WORKING CAPITAL BUFFETED THE GROUP'S CORE CONSTRUCTION AND PROPERTY BUSINESSES AT A TIME WHEN THE GROUP'S ORDER BOOK WAS AT A RECORD HIGH. MARGINS SUFFERED SIGNIFICANTLY. MEANWHILE, RISING FUEL AND FERTILISER PRICES WERE TAKING A TOLL ON THE PLANTATION DIVISION'S OPERATING COST ALTHOUGH THE RISING CPO PRICES LARGELY NEGATED THESE INCREASES.



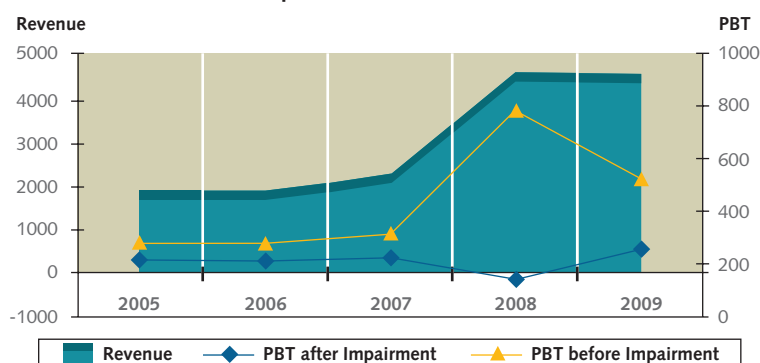
*Dato' Krishnan Tan received the Prominent Player Award at the Malaysian Construction Industry Excellence Awards 2008 ceremony held in January 2009*

# CEO's Review of Operations

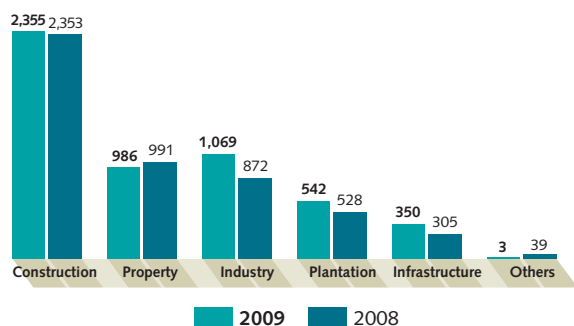
The second half of the year entailed a dramatically different picture and a series of new problems. The global financial crisis precipitated by the problems in the world's major banks and the collapse of Lehman Brothers introduced new challenges of a different kind. The seizure of credit and the cost thereof in certain markets resulted in the diminution of demand compounded with the slower pace of collections and rising debt costs. Furthermore, high levels of inventory accumulated during an immediately preceding high cost period posed more problems. As a result, the impact on already declining profit margins was exacerbated.

Despite these difficult conditions, the Group has done reasonably well and has also managed to set new milestones. The construction order book remained strong. Our Industry division produced record turnover and profits. The Infrastructure division continued to see steady revenue growth and will see new concessions commencing operations soon.

Group Performance (RM'million)

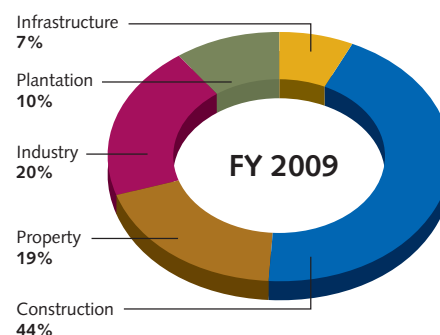


Group Revenue by Division\* (RM'million)



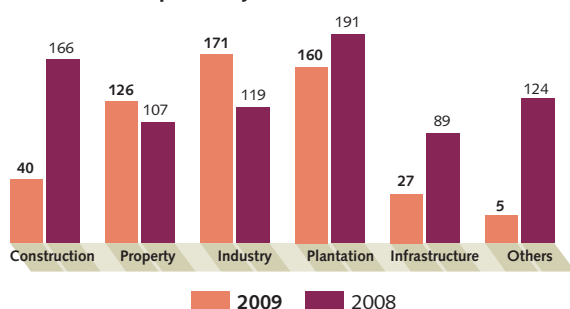
\*includes share of associate and joint venture's revenue

Group Revenue by Division\* (Proportion %)



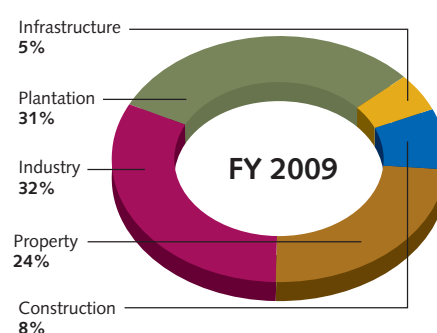
During the financial year ended 31 March 2009 ("FY 2009"), the Group recorded a turnover (excluding share of associate and joint venture's revenue) of RM4,601.29 million which was just 0.8% lower than the preceding year. However with the inclusion of the share of associate and joint venture's revenue, the Group's turnover was higher by 4.3% to RM5,305.31 million as compared to the prior year. The Construction, Industry, Plantation and Infrastructure Divisions attained higher turnover during the period, mainly driven by strong demand for the Group's building materials, higher crude palm oil ("CPO") prices during the first half of the year 2008, steady revenue streams from its toll and port concessions and billings from the Construction Division. The upsides from these divisions were, however, moderated by the Property Division which recorded a slightly lower turnover from last year.

Group PBT by Division\*\* (RM'million)



\*\*excludes non-recurring impairment of goodwill

Group PBT by Division\*\* (Proportion %)





## CEO'S REVIEW OF OPERATIONS (cont'd)

The Group recorded a profit before tax ("PBT") of RM528.67 million for the financial year under review as compared to prior year's loss before tax of RM144.85 million. Previous year's results included a one-off impairment of merger goodwill amounting to RM940.86 million resulting from the Group's acquisition of the Road Builder Group. With the exclusion of the impairment write-off and one-off capital gains of RM225.98 million, the operating results would have been a profit of RM570.03 million. In that regard, the Group's PBT for FY 2009 of RM528.67 million was 7% or RM41 million lower than that of the previous year. Given the exceptionally difficult business environment, it has been a reasonably good outcome.

The Construction and Plantation Divisions recorded lower pre-tax profits during the financial year. The Construction Division was greatly impacted by escalating input and financing costs which necessitated reversals of profits accrued in earlier years whereas the Plantation Division was affected by the sharp decline in CPO prices in the second half of 2008 and generally higher fertiliser costs. The Property Division registered an improved performance due to higher construction progress recognition on property projects as well as a gain on disposal of the Tesco hypermarket in Penang whilst the Industry Division posted its highest-ever PBT of RM171 million from increased plant utilisation. The Infrastructure Division too showed a comparative year on year increase of 12.2% in pre-tax profits, after excluding the one-off gain on the disposal of an investment in the previous year.

### Diversified Business and Markets of the Group

	Construction	Property	Industry	Infrastructure	Plantation
Malaysia	•	•	•	•	•
India	•	•	•	•	•
Middle East	•				
Singapore	•				
Pakistan	•		•		
China		•	•		
Australia		•			
Vietnam		•		•	
Argentina				•	
Indonesia					•

From an earnings perspective, there is no doubt that the Group's diversified earnings base and markets had mitigated the risk of reliance on the construction industry and business in Malaysia alone, especially during the global financial turmoil and the period of economic uncertainties thereafter. Further details of the divisional performances are contained in their respective sections in the following pages.

Following the Road Builder Group acquisition, the Group completed its rationalisation exercise in September 2008, thereby consolidating the Property Division under a single umbrella, now known as IJM Land Berhad, and denoting the dawn of one of the largest listed property developers in the country. Following that, the Group commenced the integration and streamlining of the existing business operations as well as the re-branding and market positioning processes to create public awareness of this new enlarged entity.

In September 2008, IJM embarked on another corporate exercise to acquire the remaining ordinary shares which it did not own in its listed subsidiary, Industrial Concrete Products Berhad ("ICP") representing about 36.9% equity interest. The rationale of the exercise was to make ICP wholly-owned in view of the synergistic benefits and positive future prospects for the Group. The exercise was a success, resulting in ICP becoming a wholly owned subsidiary of IJM in January 2009.



Maritime Centre, Putrajaya



Bayu Segar semi-detached and bungalow enclave in Cheras, Selangor



Quarry in Kuang, Selangor



Replanting in Desa Talisai Estate

True to its 'IJM - Mark of Excellence' tagline, the Group continued to garner awards during the financial year; these awards included the MITI Industry Excellence Award for Export Excellence (Services) and the gold medal under the Occupational Safety & Health National Excellence Award. For the fifth consecutive year, IJM retained the NACRA Industry Excellence Award in the Construction and Infrastructure category. In recognition of IJM's efforts toward sustainability of the environment, IJM was presented with the Environmental Best Practices - Special Mention Award during the Malaysian Construction Industry Excellence Awards ("MCIEA"). At the same time, I am honoured and thankful to be awarded the Prominent Player Award at the MCIEA ceremony. Altogether, these awards are a testament of the dedication and commitment of the IJM people towards "Excellence in Performance".

It is said that the true test of a company and its people is in the face of adversity. I'm pleased to report that, in the current economic climate, the people of the Group have responded proactively by reviewing and improving our operations and processes to become more efficient and effective as well as carrying out various cost reduction measures. I want to take this opportunity to thank all staff who have made personal sacrifices in these uncertain times by accepting deferment of promotions and annual increments, and the senior staff members who voluntarily took pay cuts. This is a clear manifestation of the 'shared destiny' philosophy advocated and practiced in the Group.

On the back of strong fundamentals, strategic foresight and IJM's inimitable trademarks of hard work, professionalism and good governance, I'm hopeful and confident that the Group and its people will continue to work diligently to ensure steady performance and sustainable profitability across all business divisions, even in these challenging economic times.



Berthing of Vessel and Vessel in Operation at Kuantan Port



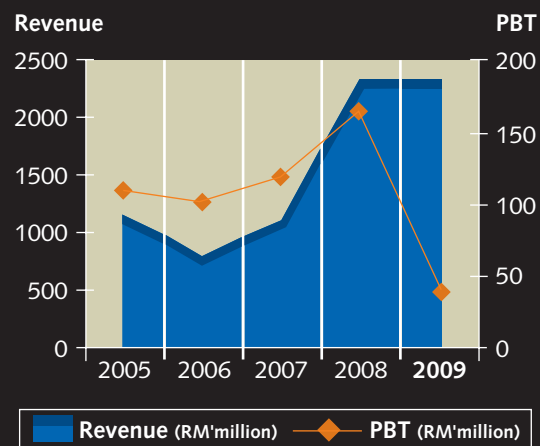
THE CONSTRUCTION DIVISION ENDURED AN EXTREMELY TRYING PERIOD DUE TO UNPRECEDENTED ESCALATIONS IN BUILDING MATERIAL PRICES DURING THE FIRST HALF OF THE YEAR. CONSTRUCTION PROGRESS WAS HINDERED BY CONSTRAINTS ARISING FROM PRICING DIFFICULTIES IN A VOLATILE MARKET RESULTING IN REVERSALS OF PREVIOUSLY ACCRUED PROFITS AND A DECLINE IN PROFIT MARGINS.

# Construction



*Clock Tower at Sentral Plaza, Alam Warisan Hotel, Putrajaya*



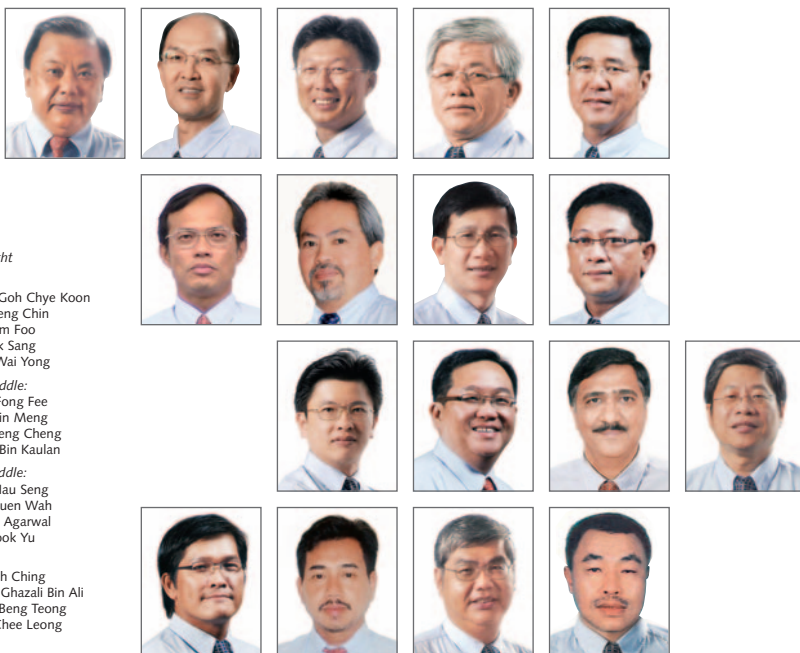


### FY 2010 OUTLOOK

Outlook for order book enhancement appears promising as governments accelerate fiscal stimulus spending to spur economic growth whilst input cost management will be accentuated following volatile price fluctuations the previous year. Continued focus on both these objectives is imperative for better performance.

## CEO'S REVIEW OF OPERATIONS (cont'd)

### 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

lower middle:

- Liew Hau Seng
- Yong Juen Wah
- Pankaj Agarwal
- Kok Fook Yu

bottom:

- Lee Foh Ching
- Mohd Ghazali Bin Ali
- Quah Beng Teong
- Wan Chee Leong



KLCC The Binjai Residency, Kuala Lumpur

The Domestic Construction Sector recorded a positive growth for the second successive year in 2008 by registering a growth rate of 2.1% (2007: 4.6%). The growth was supported by activities across the three sub-sectors in civil engineering, residential and non-residential. The Federal Government's development expenditure increased by 23.5% in the first half year of 2008, mainly to finance the construction of new projects and upgrading of existing infrastructure facilities.

FY 2009 was a difficult year for the Division due to the unprecedented increase in global prices of building materials at a time when the Division's order book was at a record high. In addition, the intensification of the global financial turmoil and ensuing credit crunch further dampened the performance of the Division.

During the financial year ended 31 March 2009, the Construction Division recorded a turnover of RM2,355.26 million which represented a marginal increase of only 0.1% from the previous period (FY 2008: RM2,353.15 million) resulting from a slowdown in billings due to constraints faced in building materials supplies following protracted increases in material prices. Its pre-tax profit decreased substantially by 76% to RM40.33 million (FY 2008: RM165.56 million) largely due to soaring construction material costs and higher borrowing costs incurred by its overseas projects, particularly in India. The results were also impacted by the write down of profits recorded in previous years due to reduction in ultimate profits to completion.

In FY 2009, the Division successfully completed several projects including the PJ8 Development in Petaling Jaya, KLCC Luxury Condominium in Kuala Lumpur, Alam Warisan Package 2 & 3 and Maritime Centre Package 2 in Putrajaya, and The Spring condominium in Penang. In India, completed projects included the elevated viaduct and three elevated stations on Shahdara-Dilshad Garden Corridor of the Delhi MRTS (Phase II) in New Delhi. In the Middle East, the Shaikh Khalifa Bin Salman Highway - Phase V Zallaq Flyover in Bahrain was also completed.

The Division successfully replenished its order book to RM4,238.00 million in FY 2009 by securing additional contracts amounting to RM2,143.00 million. Among the major projects secured in Malaysia included the Hotel Grand Hyatt (RM544.90 million), Package 1 of the Electrified Double Track Project from Seremban to Gemas (RM343.09 million) and SS2 Commercial & Shopping Complex (RM157.55 million). In India, major projects secured included the Six Laning of Chilkaluripet-Vijayawada Section of National Highway-5 from KM355 to KM434.15 (RM550.00 million) and DMRC Amel C-2 for the Viaduct and Dhaula Kuan Station of the Airport Metro Express (RM144.93 million).





Malay Water Village, Alam Warisan Hotel, Putrajaya



Elevated Viaduct and Three Stations on Shahdara-Dilshad Garden Corridor of the Delhi MRTS (Phase II) in New Delhi, India



The Shaikh Khalifa Bin Salman Highway - Phase V Zallaq Flyover in Bahrain, Middle East



The Spring, Penang

Given the current subdued economic environment, the Construction Division expects to continue facing challenging times. Nevertheless, with the implementation of the Government's pump-priming efforts for instance in Malaysia, via an initial RM7 billion stimulus package and another RM60 billion "mini budget" during FY 2009, opportunities are now appearing for order book enhancement.

In response to the highly uncertain and difficult economic and financial environment, the Division recognises the need to strengthen its performance and sustain competencies by enhancing its operational efficiency and effectiveness. In its efforts for continuous improvement to deliver high quality products to our valued customers, the Division continues to improve on its environmental, safety and health practices, quality control procedures to ensure compliance with all applicable Government regulations and legislations.

As part of its risk management programme, the Division continues to regularly review its policies, procedures and processes to improve on controls towards achieving the Company's objectives. In addition, the Division has placed greater emphasis on effective cost and resource management by continuously improving on budgeting and reporting processes in all its projects.

#### Construction Support Services:



left to right

top:

- James Ponniah Joseph
- Mohd Kamal Bin Harun
- Ramar s/o Subramaniam
- Dammavalam Sreenivasa Rao

middle:

- Soh Wan Heng
- Cho Foong Khuan
- Pang Sek Loh
- Liew Chee Khong

bottom:

- Toh Teck Soon
- Lam Choy Loong
- Casslyn Chong Siew Chen



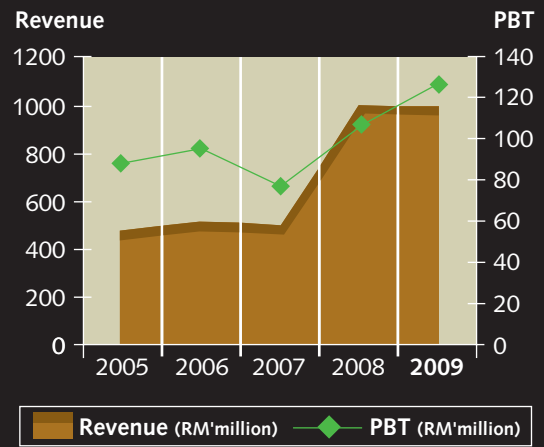
THE PROPERTY DIVISION PERFORMED WELL DESPITE ENCOUNTERING CONSIDERABLE HEADWINDS FROM COST INFLATIONARY PRESSURES AND DIMINISHING CONSUMER DEMAND DUE TO THE LACK OF CREDIT AND CONFIDENCE RESULTING FROM GLOBAL UNCERTAINTIES.

# Property



*Sierra Vista studio and semi-detached residential units in Penang*





### FY 2010 OUTLOOK

Outlook for the Division is positive given the present low interest rates, relatively stable cost environment and healthy level of committed sales in possession. Attractive marketing incentives, as part of the rebranding exercise, introduced at the start of FY 2010 have also been well received by consumers.

## CEO'S REVIEW OF OPERATIONS (cont'd)

### Property Management Team:



left to right

top:

- Dato' Soam Heng Choon
- Er Ah Huat
- Chai Kian Soon
- Hoo Kim See

middle:

- Edward Chong Sin Kiat
- Manjit Singh
- Bahrin Bin Baharudin
- Patrick Oye Kheng Hoon

bottom:

- Tham Huen Cheong
- Toh Chin Leong
- Lee Kok Hoo
- Chong Ching Foong



PJ8 comprising commercial offices and service suites in Petaling Jaya, Selangor

For the financial year ended 31 March 2009, the Property Division recorded a revenue of RM985.95 million (FY 2008: RM991.03 million) and a pre-tax profit of RM125.48 million (FY 2008: RM107.04 million). This represents a decrease of 1% in terms of revenue and an increase of 17% in terms of pre-tax profit as compared to the previous year.

Amidst a very challenging economic environment, the Group successfully completed the rationalisation and consolidation of its Malaysian real estate business under a rebranded vehicle, IJM Land Berhad. The year began with the construction and property development sectors facing intense pressure from rising building material prices amidst record high oil prices. Sharp increases in fuel prices also resulted in the domestic economy facing a cost push inflationary strain which led to a reduction in purchasing power especially in the mass housing segment. As a result, the Division faced margin erosion for its property projects still under construction and slower sales for new launches that were more expensive due to escalated costs.



Acacia residential units at the Seremban 2 township in Negeri Sembilan





Sunset view at Seremban 2

In the second half of the financial year, the economy experienced major reversals as the global financial crisis worsened. This, coupled with major corrections in commodity prices, led to the sharp slowdown in the Malaysian economy which severely dampened consumer confidence leading to a sharp decline in sales towards the later part of the financial year as purchasers adopted a 'wait and see' attitude on a potentially negative outlook.

The Division's FY 2009 revenue and profit contributions came primarily from The Spring condominium, Nautilus Bay seaside terraces and The Platino luxury condominium in Penang, PJ Eight service and office suites in Klang Valley, Ampersand @ Kia Peng luxury condominium in the vicinity of KLCC, Bayu Segar semi-detached and bungalow enclave in Cheras, Shah Alam 2 township in Selangor, Seremban 2 township in Negeri Sembilan and Taman Utama township in Sandakan, Sabah. The Division also recognised new construction billings from its commercial cum shopping centre project in SS2, Petaling Jaya and a major one-off gain from the disposal of the Tesco hypermarket building in Penang which amounted to RM38 million.

## CEO'S REVIEW OF OPERATIONS (cont'd)



*The Bayswater Condominium in Penang*

In response to the impact of the global economic crisis on the property sector, the Government introduced several measures under the Economic Stimulus Package to encourage property sales including tax relief on interest paid on housing loans up to RM10,000 per annum for three years, lengthening the housing loan repayment period for civil servants up to 30 years and exempting the approval required from the Foreign Investment Committee on the purchase of a commercial property valued at RM500,000 and above for own use.

With the risk of inflation receding rapidly, Bank Negara Malaysia eased its monetary policy by reducing the Overnight Policy Rate ("OPR") by 150 basis points to 2% as well as the Statutory Reserve Requirement by 300 basis points to 1%. With strong liquidity in the banking sector, various banks worked in partnership with major developers to offer attractive home loan packages to spur property sales.

The Group too took advantage of this low interest regime to promote its products. As a continuation of its branding exercise, as well as to spur demand for its property products, the Division launched a nationwide sales campaign known as 'My Space Plan' on 1 April 2009, with the concept of specially tailoring a financial package for each product to suit the potential purchaser. As part of the campaign, the Division carried out a soft launch of the Summer Place, a seafront condominium project in Penang. The response was overwhelming as potential buyers started queuing in front of the sales gallery the night before to obtain their choice units. The scheme continues to attract buyers to the Group's other developments and is positively contributing to better sales.





Master bedroom of the Bayu Sri Bintang bungalow show unit in Kepong, Selangor



Response was overwhelming during the soft launch of the Summer Place seafront condominium project in Penang as purchasers started queuing from the night before



Suriamas Suites in Johor

In the coming financial year, the Division will unveil the maiden phase of the prestigious 'The Light' waterfront development in Penang, known as 'Light Linear'. The Division will also launch a new residential development in Johor Bahru named Nusa Duta, located within the Iskandar Development Region and a new commercial development in Melaka comprising shop offices adjacent to the new Jusco shopping mall. In addition, the Division will continue to launch new phases within its existing developments in Klang Valley and Seremban such as Bukit Manda'rina, Serenia Gardens, Shah Alam 2, Seremban 2 and S2 Heights.

In India, despite the market slowdown and prevailing economic environment, the Division believes that the worst has passed. The real estate sector will take some time to recover due to the lack of consumer confidence. Notwithstanding that, credit to the sector has started flowing. Our property projects such as First City Township in Nagpur, Maharashtra, Raintree Park Dwarka Krishna Township in Vijayawada and Raintree Park Commercial in Hyderabad, Andhra Pradesh, are expected to generate a fair amount of activity in the current financial year.

The Division's geographically diversified land bank and extensive product mix in all segments of the market from the mass market right up to the niche and high-end segments will enhance its adaptability to market demand. In view of all factors mentioned above, coupled with the committed sales on hand, the outlook for the Division looks promising.



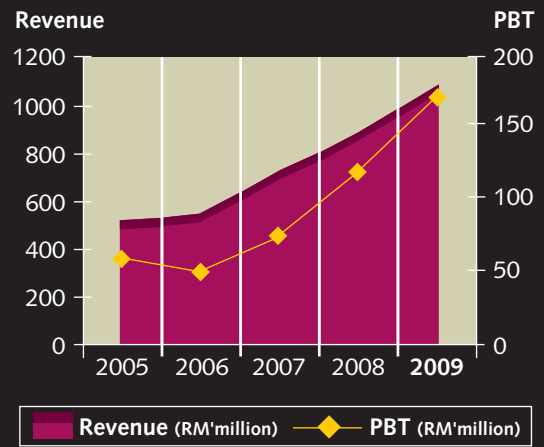
DESPITE THE GLOBAL DOWNTURN, THE INDUSTRY DIVISION PRODUCED ITS BEST EVER RESULTS ON ACCOUNT OF ITS SIZEABLE ORDER BOOK, INHERENT PRICE ADVANTAGE OVER COMPETING PRODUCTS, INCREASING ACCEPTABILITY IN OVERSEAS MARKETS AND SOUND COST MANAGEMENT PRACTICES.

# Industry



*Piles used at the Sinotrans Container Terminal in Foshan, China*



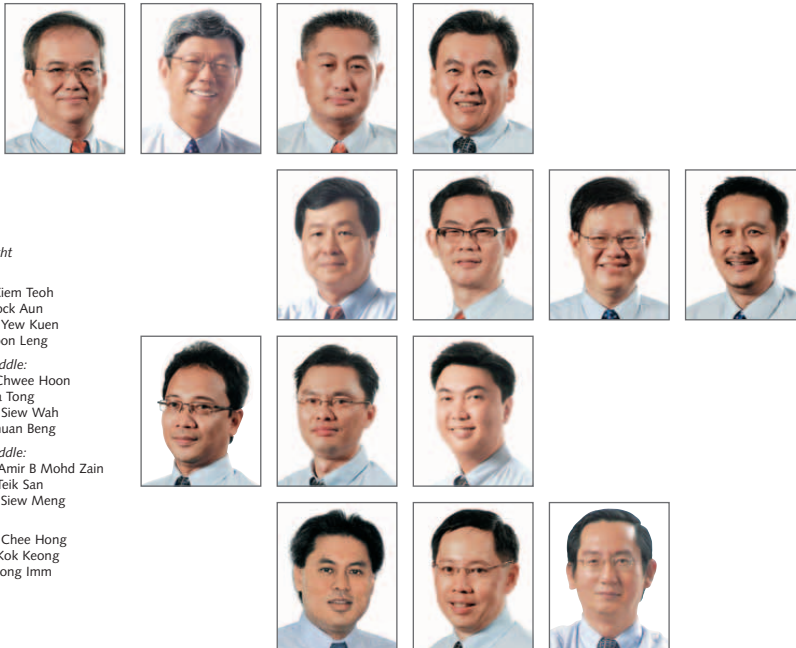


## FY 2010 OUTLOOK

The division is poised to benefit from increased demand for building materials as the construction sector recovers. The division is expected to fare reasonably well in the future given its continued focus on sound cost management practices and the sustenance of its growth agenda.

## CEO'S REVIEW OF OPERATIONS (cont'd)

### Industry Management Team:



*left to right*

*top:*

- Khor Kiem Teoh
- Lee Hock Aun
- Leong Yew Kuen
- Tan Boon Leng

*upper middle:*

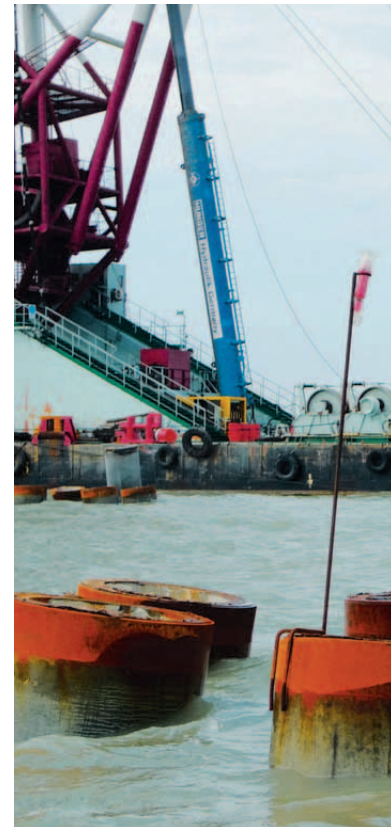
- Pang Chwee Hoon
- Ooi Ka Tong
- Leong Siew Wah
- Tan Khuan Beng

*lower middle:*

- Faizal Amir B Mohd Zain
- Choy Teik San
- Wong Siew Meng

*bottom:*

- Leong Chee Hong
- Chan Kok Keong
- Low Hong Imm



*ICP Piles used in the Second Penang Bridge Project*

For FY 2009, the Industry Division continued to scale new heights on the back of a strong order book despite the global financial and economic turmoil. The Division's turnover crossed the billion ringgit mark for the first time by recording RM1.069 billion. Pre-tax profit of RM170.99 million was 44% higher than prior year, due to better product pricing, strong demand from large scale construction projects and improved overseas contributions. The excellent results were contributed by the Pretensioned Spun Concrete ("PSC") Piles business of Industrial Concrete Products Berhad ("ICP"), PC bars business of Durabon Sdn Bhd and quarrying operations of Malaysian Rock Products Sdn Bhd.

The strong performance of the Division's core business, PSC piles continued into the current financial year. Delivery tonnage hit a record high of 1.49 million tonnes, an increase of 15% from previous year as demand for piles continued strongly. Operating profits increased by 89% from last year to RM109.62 million excluding dividends from subsidiaries and allowances for diminution in value of investments, on the back of higher revenues of RM663.5 million. Effective plant utilisation and sound procurement management amidst a volatile raw material cost environment helped improve profits.

Many Government and private sector initiated projects were secured during the financial year; they include hospitals, schools, high-rise condominiums, factories, bridges, hypermarkets, commercial complexes and ports. The major infrastructure projects secured were supplies to the Penang Second Bridge, North Butterworth Container Terminal, Tanjung Pelepas Port Expansion, Petroleum Hub in Tanjung Bin and the Bintulu Port in Sarawak.

The Division's capacity expansion programme to the south of Peninsular Malaysia was timely with the commissioning of its ninth factory in August 2008 with an annual capacity of 180,000 tonnes in Senai, Johor. With the enhanced geographical advantage combined with marketing efforts, its sales to Singapore market improved. Although export sales were maintained at 13% of its total delivery, the value however increased by 50% to RM89.71 million. During the year, the Division supplied to major projects including the Nestle Oil Factory, REC-Asparicus Solar Panel Factory and the Pasir Panjang Terminal, Phase 15-18.

ICP Jiangmen, the China plant made a remarkable turnaround during the financial year. Its PSC piles delivery and revenue increased by 160% and 190% respectively over last year. Improved market acceptance and early implementation of infrastructure projects were the major factors contributing to the growth of the plant and





ICP Piles used to support the Eye on Malaysia in Melaka

achievement of PBT of RM3.9 million. The major marine projects supplied by ICP Jiangmen included Port Baoman Container Terminal Phase 1 in Zhanjiang, Cosco's Shipyard Jetty in Dongguan and CCC4 Shipyard Jetty in Xinhui. Despite the global financial crisis, the outlook of the China operations remains positive as ICP Jiangmen expects to secure port development projects in the southern and eastern Guangdong regions under China's economic stimulus package.

Durabon Sdn Bhd ("DSB") which processes PC bars for PSC piles achieved new heights, recorded a revenue and PBT of RM147.64 million and RM14.72 million respectively, an improvement of 48% and 5% respectively over last year. To cater for the increased demand for PC bars and to upgrade its processing capabilities, DSB installed a new production line which produces PC bars ranging from 7.1mm to the largest size of 12.6mm which is required in mega projects such as the Penang Second Bridge project.

It was another challenging year for Expedient Resources Sdn Bhd ("ERSB") amidst the volatility in global foreign exchange and real estate markets. Overall, ERSB's revenue and PBT were down by 18% and 25% respectively to RM21.3 million and RM0.83 million respectively from previous year. Going forward, ERSB will continue to institute stringent cost control measures and explore new markets for geographical diversification.

## CEO'S REVIEW OF OPERATIONS (cont'd)



ICP Piles used at the Marina in Muara Sungai Melaka, Melaka



New Kapar 2 Factory in the Klang, Selangor



New quaywall at ICP's Lumut Factory, Perak

The Division's decision to increase production capacities in existing plants last year was handsomely rewarded when the quarry division under Malaysian Rock Products Sdn Bhd ("MRP") improved its pre-tax profit by 25% to RM31.06 million, on a turnover of RM111.51 million. Revenue grew by 12% due to the strategic locations of its quarries and continued strong market demand locally and from Singapore. However, all was not rosy for this sector. The cost of explosives, spare parts and electricity increased by more than 100%, 70% and 20% respectively while the sector faced stiffer competition for export sales especially from Indonesian quarries due to the decline in diesel prices in the second half of the year. MRP believes that the quarry sector will continue to generate a respectable performance in the next financial year.

Turnover for the domestic ready-mixed concrete sector under Strong Mixed Concrete Sdn Bhd ("SMC") improved by 4% to RM54.3 million. The higher turnover was due to increased selling prices after the Government removed diesel subsidies and scrapped the ceiling price of cement.

However, inflationary costs retarded the progress of activities in the construction sector, thereby affecting its business. The latest batching plant in Ulu Choh, Johor Bahru which was set up in June 2008, has turned around and is contributing positively. Overall, SMC performed well by registering a pre-tax profit of RM2.3 million (FY 2008: RM0.74 million) on improved margins.

The Division's ready-mixed concrete operations in India, IJM Concrete Products Pte Ltd ("IJMCPPL"), continued to build its reputation and branding as a reliable and quality supplier which helped its five plants - each in Bachupally, Whitefield, Yelahanka, Uppal and Chennai - to improve their market shares and increased overall turnover by 13% to RM105.22 million. Like many other countries, India also faced a credit crunch from the 3rd quarter of FY 2009. However, with continued discipline and focus on cost reduction, IJMCPL mitigated the impact of rising prices and achieved a pre-tax profit of RM5.06 million, up 27% from prior year. With this encouraging performance,





PC Bars at the Durabon's Factory



Kuang Rock Products' Quarry in Kuang, Selangor

IJMCPL embarked on expanding its operations to the west of Mumbai and is currently looking at further expansion opportunities in the south of India.

It was a tough year for the ready-mixed concrete operations in Pakistan. The global financial crisis coupled with political instability had affected the work progress of major projects in Islamabad. Sales volume declined, material prices spiraled to record highs and coupled with the weakening Pakistan Rupee, the plant's pre-tax profit dropped by 75% to RM1.02 million on a turnover of RM21.3 million. On the flip side, the Division successfully commissioned a second plant in Karachi in November 2008 which garnered a modest turnover of RM2.0 million. Moving forward, the plant is expected to be profitable due to better opportunities in the city.

The steel wire mesh business under IJM Steel Products Pte Ltd ("IJMSPPL") in India started operations in July 2008. Due to the economic crisis, IJMSPPL registered revenues of RM2.0 million and loss of RM3.09 million. Marketing efforts intensified during the last quarter in anticipatory response to signs of the recommencement of development projects, given the easing of credit and financing constraints faced. IJMSPPL presently supplies to the Vijayawada and Nagpur property projects and Kukatpally Commercial Complex project.

The scaffolding rental business under Scaffold Master Sdn Bhd registered a drop of 4% in turnover to RM10.17 million with fewer private projects. However, pre-tax profit fell by a higher 10% to RM4.03 million due to higher depreciation and the drop in rental rates in the last five months of the financial year.

Kemena Industries Sdn Bhd, a 55% subsidiary producing ready-mixed concrete and reinforced concrete products, recorded higher turnover by 51% to RM19.85 million. Its PBT increased significantly by 2.5 times to RM2.53 million from last year due to constant cost monitoring which enabled the company to have competitive pricing leading to increased market share.

At the level of associates, the economic crisis has severely affected performances. Its 20%-owned Metech Group Berhad which manufactures roller shutters and aluminium extrusions contributed a turnover of RM49.73 million and a PAT of only RM0.56 million due to the impairment provisions of its raw materials stock. Spirolite (M) Sdn Bhd, a 38% associate manufacturing pipes, tubes, tanks and containers, contributed a turnover of RM9.17 million and a PAT of RM0.25 million.

Overall, the Industry Division performed very well despite the very difficult environment in the construction industry. Besides the opportunities from projects of the stimulus packages introduced by the Government, the Division will rely on its strong outstanding order book to see it through the next financial year.

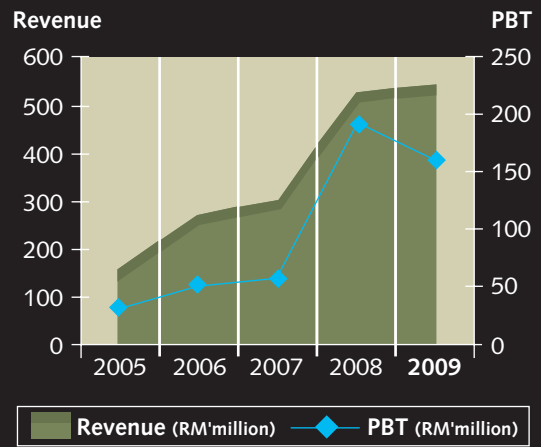
AMIDST VOLATILITY IN COMMODITY PRICES, ADVERSE WEATHER CONDITIONS AFFECTING OIL EXTRACTION RATES AND INCREASED PRODUCTION COSTS DUE TO UNPRECEDENTED HIGH FERTILISER AND DIESEL PRICES, THE DIVISION MANAGED TO ACHIEVE STEADY PRODUCTION GROWTH AND A COMMENDABLE PERFORMANCE.

# Plantation



*Plantation Landscape in Meliau Estate*





### FY 2010 OUTLOOK

The recent recovery in CPO prices augurs well for the plantation sector. The division will continue to focus on improving operational efficiency and maximising labour productivity to contain the adverse effects of increasing production costs in order to deliver a good performance in the forthcoming financial year.

## CEO'S REVIEW OF OPERATIONS (cont'd)

### Plantation Management Team:



left to right

top:

- Velayuthan s/o Tan Kim Song
- Joseph Tek Choon Yee
- Puru Kumaran
- P K Venugopal

bottom:

- Madusoodanan
- Ng Chung Yin
- Francis Chai Min Fah



Desa Talisai Palm Oil Mill

For the financial year under review, the Plantation Division continued to achieve commendable results with revenue of RM541.56 million, a 3% improvement compared to the previous year of RM527.70 million. The performance during the period was underpinned by steady production growth and high palm product prices during the first half of the year 2008 when CPO prices rallied to a historical high. Following this, the Division managed to achieve an average CPO selling price of RM2,641, a notable 4% higher over the previous year.

The strong first half year results moderated the effects of the sharp downturn in CPO prices during the second half of 2008. This, coupled with the higher cost of production arising from the volatility in fuel and fertiliser prices resulted in the Division registering a pre-tax profit of RM160.45 million, a decline of 16% over the previous year.

For the financial year, FFB harvested increased to 600,205 tonnes from 567,324 tonnes over the previous year, a growth of 6% primarily attributable to larger areas in Sugut attaining maturity or coming into prime age.

Backed by the record volume of FFB harvested, total FFB milled inclusive of outside crop purchases in the Division's four mills also increased by 4% to 750,592 tonnes (FY 2008: 724,361 tonnes).

The Plantation Division has a total planted hectareage of 25,555 (FY 2008: 25,293) hectares, of which 91% have achieved maturity status. Out of the total planted hectareage, the Sugut region made up 63%, while the remaining 36% was in the Sandakan region, Sabah and 1% in East Kalimantan, Indonesia. Planting in Indonesia commenced towards the close of the financial year, adding 308 hectares to the immature area.

The age profile of the plantations is as follows:-

	Hectares	%
<b>Malaysia</b>		
Mature (> 20 years)	900	3
Mature - Prime (8 - 20 years)	14,449	57
- Young (4 - 7 years)	7,764	31
Immature (1 - 3 years)	2,136	8
<b>Indonesia</b>		
Immature (1 - 3 years)	308	1





*Pollen collection for oil palm seed breeding*



*Workers' housing in the estate*

The Division commissioned its fourth oil mill, the Sabang Palm Oil Mill II ("SBPOM II"), with 30 tonnes per hour capacity. With this, the Division now has four oil mills with a total processing capacity of 195 tonnes of FFB per hour. Both CPO and palm kernel ("PK") output increased by 2% to 157,376 tonnes (FY 2008: 154,174 tonnes) and 35,022 tonnes (FY 2008: 34,269 tonnes) respectively as compared to the previous year.

As for kernel crushing plant, the Division crushed 40,705 tonnes (FY 2008: 52,954 tonnes) of kernel, producing 17,721 tonnes (FY 2008: 23,042 tonnes) of crude palm kernel oil and 20,922 tonnes (FY 2008: 27,717 tonnes) of palm kernel expellers to achieve extraction rates of 43.5% and 51.4% (FY 2008: 43.5% and 52.3%) respectively.

The Division encountered incessant rain for a few intermittent months during the financial year, which disrupted crop evacuation activities during those periods and adversely affected the oil extraction rates. The average oil extraction rate achieved was 21.0%, a decline from 21.3% in the previous year. Kernel extraction rate averaged at 4.7% which remained the same level as the previous year.

Whilst there was continued growth in FFB harvest and positive impact of CPO prices during the year, operating costs escalated as a result of unprecedented high cost of fertilisers and diesel. Contributions made to the State in the form of Sabah sales tax, palm oil cess paid to the Malaysian Palm Oil Board ("MPOB") and windfall profit levy paid to the Federal Government amounted to RM39.34 million, a decline of 17% from the previous year.

There have been numerous initiatives and measures put in place to further improve operational efficiency and productivity primarily to contain the adverse effects of the increasing costs of production. As in the past, improved water conservation and irrigation measures have been adopted selectively to improve and sustain high FFB yield. Apart from that, in sustaining high productivity levels, management continued to explore and find ways to recruit and maintain adequate skilled workers, by providing ongoing skills training and ensuring structured and intensive supervision.

Caring for the environment is embedded as part of the Division's culture where long term sustainable development is strongly advocated in its commitment to environmental conservation. As such, the Division ensured that good agronomic and environmental friendly practices were observed in soil and water conservation, mill waste management, integrated pest management, soil conditioning and enrichment and zero-burning methods.

## CEO'S REVIEW OF OPERATIONS (cont'd)



*Engaging stakeholders*



*Medicinal plant garden in Sugut*



*Harvesting of fresh fruit bunches*

In support of the environment, the Division has embarked into its fifth year of composting empty fruit bunches ("EFB") with palm oil mill effluent ("POME"), providing organic fertilisers which enhance soil conditions as well as nutrient uptake. As a result, this allowed rationalisation of fertiliser usage thus rendering cost savings.

Planting commenced as scheduled in the Division's Indonesian operations towards the end of the financial year. Following the establishment of nurseries and site-preparation works, maiden planting officially commenced in January 2009. As at end of March 2009, approximately 308 hectares of land has been planted. It is anticipated that land clearing and planting work will be well underway and progressively developed in stages.

On the development progress of the Division's joint venture with its Indian partner, Godrej Agrovet Limited, both parties have been working closely to ensure the objectives of the joint venture remained on track. During the financial year, the Division provided agronomy and processing advisory services to the joint venture company, Godrej IJM Palm Oil Limited which involved field visits and tutorials for the farmers in India.

Overall, the Division anticipates another challenging year ahead in the face of volatility in commodity prices. According to some palm oil analysts, while the global economy is in the midst of a recession, the outlook for palm oil prices is likely to be bearish. In tandem with the bearish market sentiments and uncertainties ahead, some palm oil analysts forecast prices to fall to RM1,500 per tonne in the second half of the year 2009. Others are more bullish on grounds that supply will fall short and therefore continued strong commodity prices can be expected.

On the local front, the Division is grappling with issues of soaring high fertiliser and fuel prices. However, the Division is well positioned for continued and satisfactory performance. The Division will continue to place utmost importance on operational efficiencies and maximising of labour productivity. Notwithstanding the elements that are beyond the Division's control, such as adverse weather conditions and volatility in the palm oil market, the Division is committed to deliver a satisfactory performance for the forthcoming financial year.



## Plantation Statistics

	Unit	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
<b>ESTATES</b>						
Oil Palm Area						
<b>Malaysia</b>						
Mature (> 20 years)	hectares	900	–	–	–	–
Mature-Prime (8-20 years)	hectares	14,447	15,600	11,877	9,410	8,967
Mature-Young (4-7 years)	hectares	7,764	7,040	10,673	10,946	8,945
Immature (1-3 years)	hectares	2,136	2,653	2,871	4,251	6,489
<b>Indonesia</b>						
Immature (1-3 years)	hectares	308	–	–	–	–
<b>Total Planted Area</b>		<b>25,555</b>	<b>25,293</b>	<b>25,421</b>	<b>24,607</b>	<b>24,401</b>
FFB Production	tonne	600,205	567,324	504,871	451,677	396,983
Yield Per Mature Hectare	tonne	26.0	25.1	22.4	22.2	22.2
<b>MILLS</b>						
FFB Processed	tonne	750,592	724,361	669,050	622,625	635,476
Palm Kernels Processed	tonne	40,705	52,954	55,778	56,977	49,607
<b>Production</b>						
Crude Palm Oil	tonne	157,376	154,174	144,095	139,313	141,054
Palm Kernel	tonne	35,022	34,269	30,277	28,775	28,464
Crude Palm Kernel Oil	tonne	17,721	23,042	24,038	24,438	21,947
Palm Kernel Expeller	tonne	20,922	27,717	29,004	29,628	26,229
<b>Extraction Rates</b>						
Crude Palm Oil	%	21.0	21.3	21.5	22.4	22.2
Palm Kernel	%	4.7	4.7	4.5	4.6	4.5
Crude Palm Kernel Oil	%	43.5	43.5	43.1	42.9	44.2
Palm Kernel Expeller	%	51.4	52.3	52.0	52.0	52.9
<b>AVERAGE SELLING PRICES</b>						
Crude Palm Oil	RM/tonne	2,641	2,544	1,511	1,373	1,500
Palm Kernel	RM/tonne	1,180	1,481	786	941	1,024
Crude Palm Kernel Oil	RM/tonne	3,107	3,251	1,863	2,093	2,255
Palm Kernel Expeller	RM/tonne	358	381	198	172	157

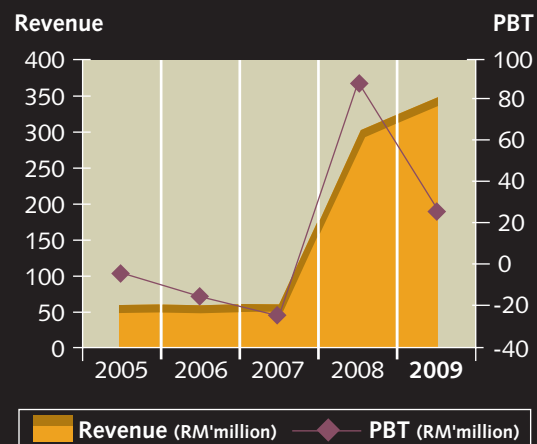
DESPITE THE CHALLENGES OF HIGHER CAPITALIZED EPC COSTS ARISING FROM HIGH BITUMEN AND OTHER MATERIAL COST IMPACTING THE OVERSEAS TOLLING OPERATIONS, THE INFRASTRUCTURE DIVISION CONTINUED TO PERFORM WELL FROM ITS STEADY CASH FLOWS GENERATED FROM MALAYSIAN TOLL AND PORT CONCESSIONS.

# Infrastructure



*Lebuhraya Kajang-Seremban (LEKAS)*





## FY 2010 OUTLOOK

Whilst it is anticipated that overseas tolling operations, which are in their early stages of the concession periods, will continue to face challenges in terms of traffic volumes and high debt costs, these factors will be mitigated by the maturing profile of the existing concession assets and the commencement of full tolling in respect of two new concession assets and the recent coming-on-stream of the Gautami Power Plant.

## CEO'S REVIEW OF OPERATIONS (cont'd)

### Infrastructure Management Team:



left to right

top:

- Neoh Soon Hiong
- Wong Soon Fah
- Ho Phea Keat

middle:

- Mohd Khalid Haji Mohamed
- Haji Khasbullah Bin A Kadir
- Simon Thiang Choon Hian

bottom:

- Wan Salwani Binti Wan Yusoff
- Azah Bin Abdul Aziz



LEKAS successfully opened its first section (Kajang Selatan-Pajam) in August 2008

The Infrastructure Division reported an improved turnover by 15% to RM349.63 million (FY 2008: RM305.02 million) due to higher collection from operating Malaysian as well as overseas toll concessions. The ports and water concessions produced results generally in line with the previous year. The Division's pre-tax profit, however, tumbled by 70% to RM26.49 million (FY 2008: RM88.60 million) as the prior year's profit included a one-off gain from the disposal of the Group's investment in the Second Vivekananda Bridge in Kolkata, India of RM65.0 million. The Division's infrastructure assets presently comprise nine toll road concessions with three in Malaysia, five in India and one in Argentina, two 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. Presently, there are two operating local toll roads, namely the wholly-owned 16.6 Km Besraya Highway ("Besraya") and 19.6 Km New Pantai Expressway ("NPE"). One toll road under construction is the 50%-owned 44 Km Lebuhraya Kajang-Seremban ("LEKAS"). The concession periods for Besraya, NPE and LEKAS, are for 36, 34 and 33 years and they have been operating for 11, 5 and less than 1 (partially opened) year respectively.

During the financial year, Besraya's turnover dropped by 5% from the previous year to RM52.75 million. Its pre-tax profit declined by 12% to RM28.86 million. The drop was attributable to the emergence of alternative toll-free routes as well as competing highways like SMART and MEX. The abolishment of the Salak Jaya toll plaza in February 2009 also affected its performance. NPE performed better by recording a turnover of RM79.19 million, an improvement of 14% from the previous year. Its pre-tax profit turned around to RM3.39 million from a pre-tax loss of RM3.85 million in the previous year. The improved performance was attributable to a double-digit growth in traffic volume.

Based on the concession agreements, both Besraya and NPE tollways were entitled to an increase in toll rates for all classes of vehicles effective 1 January 2009. The toll rate increases were deferred by the Government to March 2009, and again to January 2010 to ease the financial burden of the public in the face of the global economic slowdown. Furthermore, the Government reduced the toll fare for Class 5 (Bus) by 50% in September 2008 and abolished two toll plazas - NPE's PJS 2 (KL Bound) and Besraya's Salak Jaya toll plazas in February 2009. This resulted in cash compensation of RM184 million to NPE while the compensation to Besraya comes in the form of a concession for the highway extension known as the Besraya Eastern Extension ("BEE").





The Salak Jaya toll plaza of the Besraya Highway was abolished in February 2009



Jaipur Mahua tollway in India



NPE's PJS 2 (KL Bound) toll plaza was also abolished in February 2009



LEKAS's Intelligent Transport System aids in relieving congestion, monitors safety and security along the highway

LEKAS commenced sectional tolling by successfully opening its first section (Kajang Selatan-Pajam) in August 2008 followed by the second section (Pajam-Mantin) in December 2008, both of which were completed earlier than scheduled. By end of 2009, it is scheduled to complete its third section (Mantin-Setul) and full completion of the entire road is anticipated by March 2010. This is expected to contribute additional revenues to the Division. Since commencing sectional tolling, LEKAS recorded a turnover of RM1.63 million and a pre-tax loss of RM6.26 million due to amortisation of the highway asset, finance cost and low initial traffic volume from an incomplete highway.

The forthcoming 12.3 Km BEE is planned to alleviate congestion along several interchanges in Eastern Kuala Lumpur and will serve as an alternative route from the East to the Southern parts of Kuala Lumpur. This RM649 million project has been entrusted to Besraya to construct, maintain and operate. Construction is expected to start in the third quarter of 2009 and will take approximately three years to complete.

Amidst moderate performances by the local toll roads, there are increasing challenges in the toll industry from the construction of new highways, emergence of toll-free alternative routes, improvements along road networks and the slowing economic situation - all of which affect traffic volumes. However, the local division is confident of upholding its double-digit growth and will continue to strive for higher productivity and efficiency to sustain profitability.

## CEO'S REVIEW OF OPERATIONS (cont'd)



Container Yard Operations at Kuantan Port, Pahang



Loading of Steel Pipes onto Vessel at Kuantan Port, Pahang

In India, the Division's operating toll roads such as the 35%-owned Swarna (145 Km) and wholly-owned Rewa (387 Km) tollways have been operating for five years with improved traffic counts. Its latest addition is the wholly-owned Jaipur-Mahua (108 Km) tollway which started sectional tolling during the financial year. Full tolling is expected in the current financial year. The Division can expect better performance in the coming years as the concessions mature. Construction work in the 50%-owned Trichy (93 Km) tollway continued to progress well, whilst work on the latest tollway concession, 50%-owned Chikaluripet-Vijayawada (79 Km) tollway is expected to commence in the coming financial year. The Indian tollways hold concession periods ranging from 16 to 31 years. During the financial year, the Indian tollways contributed revenues of RM71.37 million (FY 2008: RM26.77 million) and pre-tax losses of RM21.38 million (FY 2008: RM29.69 million). The lower losses were attributable to improved toll collections during the period resulting from increased traffic volume. These losses were anticipated as the concessions are in very early stages of tolling when traffic is low and debt costs high.

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 an increased turnover by 8% to RM34.60 million over last year due to increased traffic volume. Despite the increased turnover, the Group however, shared a net loss of RM4.02 million, 3.75 times higher than last year due to higher labour costs and amortisation levels. As part of the concession contract

renegotiation, Grupo succeeded in obtaining a toll rate revision for light vehicles in January 2009 of 43%. The traffic outlook for 2009 is approximately 5% below 2008 due to the economic slowdown but Grupo expects to contain labour cost increases within reasonable limits.

The Group's prospects in the toll road business continue to remain positive with limited operational and financial risk exposure and will continue to contribute a steady recurring income stream to the Group's earnings. The Division's human capital and managerial skills coupled with extensive industry knowledge locally and overseas, will ensure that the Toll Division becomes a major contributor to Group's earnings as the assets mature.

### Ports

The Group has two port concessions in its stable of concession assets which contributed positively to the Group's bottom-line. During the financial year, Kuantan Port's results were consistent with that of the prior year by achieving a pre-tax profit of RM33.10 million (FY 2008: RM33.30 million) on the back of turnover of RM99.40 million (FY 2008: RM99.30 million). The global financial crisis has caused its cargo throughput to decline by 9% to 9.1 million freightweight tonnes from last year, mainly in export liquid chemicals, iron ore and containers. Hence, revenue from port operations which made up about 80% of total turnover dropped by only 2% to RM79.90 million. Gross registered tonnage ("GRT") of ships that called at Kuantan Port in FY 2009 remained at 15.70 million (FY 2008: 15.70 million) GRT.



The Division's 39% stake in Kemaman Port, Terengganu which operates the East Wharf and Liquid Chemical Berth, performed well by recording a turnover of RM32.20 million, up 16% from last year. Its pre-tax profit increased by 4% to RM9.90 million mainly due to cargo handling and marine services.

The Port Division continued to invest in port facilities that would yield good returns to their bottom line. During the financial year, a new palm oil berth no. 3 and a 200-metre container berth no. 3 were commissioned. The Division continues in its efforts to transform Kuantan Port into a megaport, an international hub that would spearhead the development of the East Coast states in line with the East Coast Economic Region ("ECER")'s objectives. The local port industry is set to grow in the long term though the current global financial crisis has slightly dented its growth in the short term. Malaysia's position as a global trading nation and its sustainable economic growth make local ports, including Kuantan and Kemaman, resilient port services providers and the Group is confident of more positive and steady contributions from the Port Division in future years.



Western Access Tollway in Buenos Aires, Argentina

### Power Plant

The Group's sole power plant concession in Andhra Pradesh, India is its 20%-owned Gautami Power, a 469 MW natural gas based Combined Cycle Power Plant. The construction of the plant has been completed but commissioning was delayed due to non-availability of gas. Commissioning recently commenced on 5 June 2009.

### Water Treatment Plant

The Group's 36%-owned Vietnam associate, Binh An Water Corporation Ltd, contributed a net profit of RM2.95 million, a slight increase from last year's profit of RM2.79 million, attributable to higher water consumption. The investment is expected to contribute stable income streams to the Group until the year 2019.

In the present challenging economic times, the Group will continue in its endeavors to selectively bid for infrastructure projects in the local and international markets to build up its portfolio of diversified and good infrastructure investments for recurrent income.

### CONCLUSION

In the context of a very difficult operating environment, the performance of the Group was commendable. Going forward, the business environment will remain challenging amid continued global uncertainties. Global monetary easing and interventionist stimulus packages appear to have stabilised the major economies but all round recoveries are yet to be seen. Amidst these, there appear opportunities that the Group can capitalise on to produce results. The Malaysian stimulus packages provide hope for order book enhancement for the Construction and Industry divisions while the historically low interest rate environment is encouraging property demand. Recent recovery in CPO prices augurs well for the performance of the Plantation Division and the growing maturity of the Malaysian toll concessions and the operation of the 20% owned Gautami power plant will mitigate the negative results expected from the newly operational Indian toll ways.

Our strategies to focus on strengthening our presence in emerging markets while taking advantage of the opportunities in the home base will continue. And with constant vigilance and proactive management of our operations, we believe we will continue to rise above challenges and deliver results in the coming years.

**Dato' Tan Boon Seng @ Krishnan**  
 CEO & Managing Director

# CORPORATE GOVERNANCE STATEMENT

GOOD CORPORATE GOVERNANCE HAS ALWAYS BEEN OF HIGH IMPORTANCE TO THE GROUP SINCE ITS ESTABLISHMENT, AND IT IS A FUNDAMENTAL PART OF THE GROUP'S CULTURE AND BUSINESS PRACTICES, THUS, THE BOARD OF DIRECTORS ("THE BOARD") IS ALWAYS PROACTIVE IN RESPECT OF CORPORATE GOVERNANCE AND CONTINUOUSLY 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.

TO SAFEGUARD THE INTEREST OF ALL STAKEHOLDERS AND ENHANCE SHAREHOLDERS' VALUE, THE BOARD IS COMMITTED TO ENSURE THAT THE HIGHEST STANDARDS OF CORPORATE GOVERNANCE ARE CONDUCTED THROUGHOUT THE GROUP WITH INTEGRITY, TRANSPARENCY AND PROFESSIONALISM FOR THE CONTINUED PROGRESS AND LONG-TERM SUCCESS OF THE GROUP.



*The Board of Directors and Secretary at the Annual General Meeting held at the Group's hotel property, Holiday Villa Hotel & Suites Subang in Selangor*

## 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 will 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 composition and size of the Board are being reviewed from time to time to ensure its appropriateness. The profile of each Director is presented on pages 26 to 33.



## 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, five (5) Board meetings were held.

The attendance record of each Director was as follows:

	Number of Meetings Attended	Percentage
<b>Executive Directors</b>		
Dato' Tan Boon Seng @ Krishnan	5 out of 5	100%
Teh Kean Ming*	4 out of 4	100%
Dato' Goh Chye Koon	5 out of 5	100%
Soo Heng Chin	5 out of 5	100%
<b>Independent Non-Executive Directors</b>		
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	5 out of 5	100%
Tan Sri Abdul Halim bin Ali	5 out of 5	100%
Datuk Oh Chong Peng	5 out of 5	100%
Datuk Yahya bin Ya'acob	5 out of 5	100%
<b>Non-Executive Directors</b>		
Datuk Hj Hasni bin Harun**	4 out of 5	80%
Datuk Lee Teck Yuen	4 out of 5	80%
Dato' David Frederick Wilson	4 out of 5	80%
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	5 out of 5	100%
<b>Alternate Directors</b>		
Tan Gim Foo, <i>Alternate to Soo Heng Chin</i>	3 out of 5	60%
Teh Kean Ming, <i>Alternate to Dato' Goh Chye Koon*</i>	1 out of 1	100%

\* Ceased as an Alternate Director to Dato' Goh Chye Koon on 1 July 2008 and appointed as Deputy Chief Executive Officer & Deputy Managing Director on 1 July 2008

\*\* Ceased as an Alternate Director to A. K. Feizal Ali on 21 April 2008 and appointed as Non-Executive Director on 21 April 2008

Besides these Board meetings, the Directors also attend tender adjudication meetings and/or investment briefings where members deliberated on the Group's participation in major project bids and/or investments in excess of RM500 million (or RM250 million for overseas contracts). 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.

# CORPORATE GOVERNANCE STATEMENT (cont'd)



*IJM Group directors and senior managers in the annual Senior Management Dialogue 2008 at the Genting International Convention Centre*

## 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).

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

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

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

The Directors have put in place a procedure whereby they may take independent advice where necessary, at the expense of the Company, in furtherance of their duties.

## 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:

Executive Directors	Number of Meetings Attended	Percentage
Dato' Tan Boon Seng @ Krishnan	11 out of 11	100%
Teh Kean Ming*	7 out of 8	88%
Dato' Goh Chye Koon	10 out of 11	91%
Soo Heng Chin	10 out of 11	91%

\*Mr Teh Kean Ming has been a member of the Committee since his appointment as the Deputy Chief Executive Officer & Deputy Managing Director on 1 July 2008.

#### B. Audit Committee

The Audit Committee was established on 31 January 1994 and is chaired by Y. Bhg. Datuk Oh Chong Peng. 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.

#### 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 (*centre left*). The three other members of the Nomination & Remuneration Committee are Y. Bhg. Datuk Yahya bin Ya'acob (*centre right*), Y. Bhg. Datuk Oh Chong Peng (*left*) and Y. Bhg. Datuk Lee Teck Yuen (*right*).

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

- to establish and review the terms and conditions of employment and remuneration of the Executive Directors and senior executives of the Group;
- to review and approve the annual salary increments and bonuses of the Executive Directors and senior executives of the Group;
- to review, recommend and consider candidates to the Board of the Company, subsidiaries and associates of the Group, including committees of the Board;
- to review and determine the mix of skills, experience and other qualities, including core competencies of Non-executive Directors on an annual basis; and
- 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. One meeting, which was attended by all members, was held during the financial year. All recommendations of the Nomination & Remuneration Committee are subject to endorsement of the Board.

# CORPORATE GOVERNANCE STATEMENT (cont'd)

## **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 was 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), Mr. Teh Kean Ming 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.

## **7. Re-election**

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

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

## **8. Directors' Training**

All the Directors have attended the Directors' Mandatory Accreditation Programme organised by the Bursa Securities. 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 to the Board.

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.

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

- 1) Understanding Financial Statements for Directors and Senior Management, a workshop organised by PricewaterhouseCoopers ("PwC") on 11 June 2008;
- 2) Budget 2009, a seminar organised by PricewaterhouseCoopers Taxation Services Sdn Bhd on 16 September 2008; and
- 3) FTSE Bursa Malaysia Kuala Lumpur Composite Index (KLCI), a briefing organised by Bursa Malaysia Berhad on 2 March 2009.

In addition, the highlight on the 2009 Mini Budget entitled 'Managing Taxes in Challenging Times' prepared by PwC had been provided to the Directors to update them with the changes in the tax legislation.

Updates on companies and securities legislations, and other relevant rules and regulations, such as amendments to the Act, Listing Requirements of the Bursa Securities, the Code, Capital Markets & Services Act 2007 and new Securities Commission's guidelines are also being provided to the Board, together with the Board papers, in order to acquaint them with the latest developments in these areas.



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.



*Workshop for Directors and Senior Management*

During the financial year, members of the Audit Committee together with other members of the Board had discussions with the management team at the Indian operation headquarters in Hyderabad and with the project team at the Municipal Corporation of Delhi project in New Delhi, the Raintree Park Township project in Kukatpally, Hyderabad and the Mahua-Jaipur Highway project in Jaipur, Rajasthan.

## 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.

# CORPORATE GOVERNANCE STATEMENT (cont'd)

## 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 (including critical illnesses insurance) 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. The ESOS of the Company had expired on 10 November 2008. 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 144 and 145.

## 7. Directors' Remuneration

The details of the remuneration of Directors during the financial 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	2,664	77	2,269	918	135	6,063
Non-executive Directors	879	498	328	110	60	1,875

In addition, an allowance of RM1,000 was paid to the Non-executive Directors for each of the Board and Committee meeting attended.



B. Aggregate remuneration of each Director:

	RM'000
<b>Executive Directors</b>	
Dato' Tan Boon Seng @ Krishnan	2,916 <sup>^</sup>
Teh Kean Ming	780 <sup>^</sup>
Dato' Goh Chye Koon	1,719 <sup>^</sup>
Soo Heng Chin	648 <sup>^</sup>
<b>Non-Executive Directors</b>	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	155
Tan Sri Abdul Halim bin Ali	71
Datuk Oh Chong Peng	84
Datuk Yahya bin Ya'acob	82
Datuk Hj Hasni bin Harun	41 <sup>*</sup>
Datuk Lee Teck Yuen	63
Dato' David Frederick Wilson	536
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	54
<b>Alternate Director</b>	
Tan Gim Foo, <i>Alternate to Soo Heng Chin</i>	789 <sup>^</sup>

\* The fees and allowances were paid to Zelan Berhad.

<sup>^</sup> 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 Securities 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:-

	Number of Meetings
<b>Regular Meetings with Investors/Fund Managers/Analysts, etc</b>	
1. Company Briefing	2
2. Meetings with visiting investors/fund managers	113
<b>Overseas Investor Road Shows/Conferences</b>	
1. Singapore	1
2. Hong Kong	1
3. Sydney, Australia	1
4. London, United Kingdom	1
5. New York, USA	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.

# CORPORATE GOVERNANCE STATEMENT (cont'd)

## 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.



*A shareholder participating in the question and answer session at the Annual General Meeting*

## 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 Securities, what others say of the Group, annual reports, minutes of general meetings, distribution of dividends, unclaimed dividends, securities dealings of Directors, Principal Officers and substantial shareholders, and a profile of the Group.

To 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](mailto:ijmir@ijm.com). In addition, stakeholders who wish to reach the respective divisions of the Group can do so through the 'Contact Us' page.

Investor queries pertaining to financial performance or company developments may be directed to the Investor Relations Manager whereas shareholder and company related queries may be referred to the Company Secretary, whose contact details are located in the 'Information for Investors' section on pages 43 to 44.

## 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 109.

## 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 2009 amounted to RM0.8 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 26 August 2008.

Signed on behalf of the Board of Directors in accordance with its resolution dated 8 July 2009.



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

# AUDIT COMMITTEE REPORT

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.



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

## MEMBERSHIP AND 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 Securities").

The Chairman of the Audit Committee, Y. Bhg. Datuk Oh Chong Peng is a qualified Chartered Accountant, a Fellow of the Institute of Chartered Accountants of England and Wales, and a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

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

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 Audit Committee shall report on key issues discussed at each meeting to the Board.

During the financial year, the Audit Committee convened 5 meetings. The Audit Committee members and their details of attendance at Audit Committee meetings are tabled below:

	No. of meetings	
	Held	Attended
Y. Bhg. Datuk Oh Chong Peng <i>Chairman of the Audit Committee</i> <i>(Independent Non-Executive Director)</i>	5	5
Y. Bhg. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob <i>Member</i> <i>(Independent Non-Executive Director)</i>	5	5
Y. Bhg. Datuk Yahya bin Ya'acob <i>Member</i> <i>(Senior Independent Non-Executive Director)</i>	5	5
Y. Bhg. Tan Sri Abdul Halim bin Ali <i>Member</i> <i>(Independent Non-Executive Director)</i>	5	4

## 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.

# AUDIT COMMITTEE REPORT (cont'd)

## DUTIES

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

- (1) To review the quarterly results to Bursa Securities and year end financial statements of the Group before submission to the Board, focusing particularly on:
  - (i) the going concern assumption;
  - (ii) any changes in accounting policies and practices;
  - (iii) significant issues arising from the audit;
  - (iv) compliance with accounting standards, regulatory and other legal requirements; and
  - (v) major judgemental 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 Securities 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 Securities.
- (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 Audit 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.

## **TRAINING**

During the year, the Audit Committee members have attended seminars and training programmes on the following areas:

- (a) Understanding Financial Statements Workshop;
- (b) Budget 2009 Seminar; and
- (c) FTSE Bursa Malaysia KLCI Briefing.

## **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, property, industry and infrastructure divisions, as well as the overseas operations of the Group. The department continues to provide internal audit services to IJM Land Berhad and IJM Plantations 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

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, and includes representatives from all the business divisions, including its 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. Every quarter, the RMC reports to the Audit Committee which dedicates separate time for discussion of this subject.



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 controls and management information systems, and output from monitoring processes.

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.

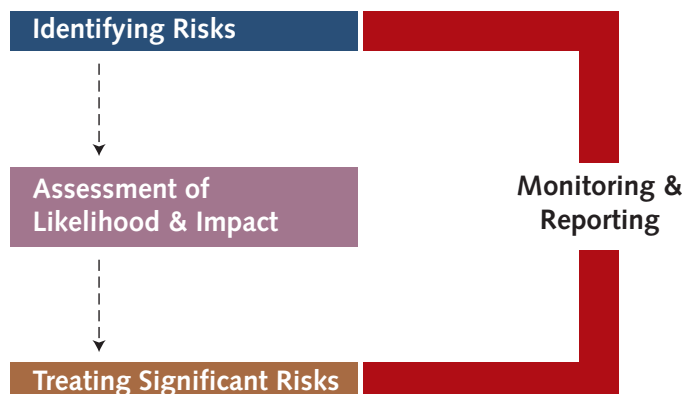
Under this system, each business or functional unit, excluding associates and joint ventures, prepares annually a 'risk map' which summarises the risks, the controls and processes for managing them and the means for assuring management that the processes are effective. The Group's Head Office also considers 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.

As a global company with diverse business portfolio, the IJM Group is exposed to numerous risks. Adequate and regularly reviewed insurance coverage where it is available on economically acceptable terms in order to minimise related financial impacts, is in place.

### MARKET RISK MANAGEMENT

Market risk arises from economic conditions and the inherent cyclical nature of the Group's core businesses of construction, property development and manufacturing affecting the Group's performance and profitability. In the present economic slowdown, the opportunities for order book enhancement become more challenging and competitive, therefore the Group is focusing on selected projects as well as exploring various potential business and geographical diversifications. The properties sector remain challenged amidst waning demand resulting in the Group adopting a more aggressive marketing strategy and flexibility in its product offerings to suit the market demand.

## RISK MANAGEMENT PROCESS



Over the years, the Group has ventured overseas, particularly in the emerging markets such as India, the Middle East, Pakistan and China. Whilst the Group is able to tap into those markets, foreign jobs come with added risks given their different operating and economic environments as well as intensive competition from local and other international players. Recognising that the emerging markets have not been spared from the global slowdown, the Group is now focusing on the local market to replenish orders and preserve earnings.

### COMMODITY RISK MANAGEMENT

Commodity risk is the impact arising from the volatility of commodity prices including currency fluctuations affecting business performance especially in the Group's plantations business. Oil palm being a commodity is subject to cyclical swings. On that account, management is continuously monitoring the commodity prices, complemented by hedging through forward sales and close monitoring of the price trends of major substitutes such as oils and fats.

### CREDIT AND LIQUIDITY RISK MANAGEMENT

Credit and liquidity risk arises from the inability to recover debts which may have severe impact on the bottom line as well as operational cash flows and funding. To reduce the exposure to such risk, the Group has taken additional measures to closely monitor cash flows, more effective credit utilisation as well as greater concerted efforts to collect outstanding receivables to keep gearing at a comfortable level.



# STATEMENT ON INTERNAL CONTROL (cont'd)

## OPERATIONAL RISK MANAGEMENT

Operational risk arises from factors such as breakdown in systems and equipments, overcapacity situations, inadequate skilled labour resources and adverse weather conditions affecting the business operations and the achievement of business objectives. To manage the risk of system and equipment failure, the Group strictly adheres to policies, procedures, processes, quality controls and best practices to ensure the smooth running of business operations. To address overcapacity issues during the current economic slowdown, the Group continuously reviews its business plans, maintains good relationship with vendors and seeks alternative use of idle plants. The Group has put in place an attractive remuneration scheme to attract and maintain skilled labour to meet existing and future needs. To cope with the adverse dry seasons such as *El Nino* that affects the oil palm crops, the Plantation Division complies with planting manuals, carries out good agricultural practices, implements water conservation and irrigation measures to sustain the high production yield.



CEO & MD, Dato' Krishnan Tan accompanied by Board member, Datuk Lee Teck Yuen meeting members of the Management of Kuantan Port

### Other key elements of internal controls

Besides risk management, the other key elements of the Group's internal control system are:-

- 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;
- quarterly or as required, company briefings with analysts held on the day of announcement of financial results, after the 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.



Basic fire safety training at the project site

## LEGAL AND REGULATORY COMPLIANCE

The Group has in place an in-house legal division which reports directly to the Chief Executive Officer and Managing Director. The Head of Legal is an engineer and lawyer by profession and has worked with various organisations for over 20 years prior to joining the Group in 2007. The Head of Legal provides legal input vis-a-vis compliance with statutory and regulatory provisions, as well as legal advice on business and operational matters.

## DISASTER RECOVERY PLANNING

With threats of Management Information Systems ("MIS") breakdown or collapse and other potential hazards such as fire or major hardware failures, amongst others, continuity of business operations is of a major concern.

In line with that, the Group has recently set up a production site for its ERP systems at an external hosting centre in Cyberjaya, Kuala Lumpur which has been designed to be near disaster free while the existing IJM Data Centre at Wisma IJM continues to house the non-ERP applications. The IJM Data Centre will also act as a warm site for systems recovery, or vice versa, in the event of a MIS failure. Data back-ups are systematically performed daily and sent to an off-site storage location. Should there be a major disruption causing the loss of data, application systems would be restored within 48 to 72 hours to ensure continuity of business operations.

Regular incident management drills at our properties and project sites 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.

The Group is continuously developing and enhancing its business continuity management plans to ensure the continuity of critical business functions in the event of a crisis.

## ANNUAL RISK ASSESSMENTS

During the financial 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 processes have been made. These changes were reviewed by the RMC and were subsequently reported to the Audit Committee.

The Group has remained vigilant, more so, during the current global economic crisis. The Group has identified major areas of concern and took proactive measures to mitigate its adverse effects; some of these areas included rising building material costs, tightened liquidity, slow collections, waning property demand and fluctuating commodity prices. A number of minor internal control weaknesses were identified during the review, all of which have been, or are being, addressed. None of the areas of concern have resulted in any material losses, contingencies, or uncertainties.

The integration and streamlining of the business operations and processes by the Group following the acquisition of the Road Builder Group has been successfully completed. In a strategic move to strengthen its properties group under a single umbrella, IJM Properties Sdn Bhd has been injected into IJM Land Berhad and the Group is in the process of merging the existing business operations as well as streamlining the quality certifications and other processes.

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 THEM, PROVIDING A FRAMEWORK FOR SAFEGUARDING OUR COMPETITIVE EDGE WORLDWIDE.**

# QUALITY REPORT

IN ORDER TO REMAIN AT THE FOREFRONT OF TODAY'S COMPETITIVE ENVIRONMENT, IJM SEEKS TO DELIVER DISTINCTIVELY SUPERIOR QUALITY PRODUCTS AND SERVICES TO ITS CUSTOMERS. THE GROUP'S MOTTO OF "EXCELLENCE THROUGH QUALITY" APTLY DESCRIBES ITS UNCOMPROMISING ADHERENCE TO QUALITY STANDARDS AND PURSUIT FOR CONTINUOUS IMPROVEMENTS.

## QUALITY POLICY STATEMENTS

The Group has a broad perspective of quality, i.e. that it not only involves the development of systems and processes but also entails imprinting the right work culture amongst staff. In keeping with this philosophy, the Group has adopted the following policies:

- All projects and services undertaken will be implemented in such a 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 systems; and
- Instil the highest standards of integrity and professionalism in our staff to serve our customers better.



*Routine checks are carried out at construction sites*

## QUALITY CULTURE

Given the one-off nature of construction contracts, IJM's quality systems need to be comprehensive yet flexible enough to encompass the unique aspects of each new project. Managing fragmented groups of professionals as well as transient labour and sub-contractors also requires a very robust quality management system.

As such, the Group places considerable importance on developing a quality conscious culture amongst employees as an additional means of achieving quality excellence. The Group's Quality Management System ("QMS") has been implemented at all levels of IJM, resulting in quality practices being ingrained into day-to-day operations rather than merely as a form of monitoring control.

The Group's commitment towards quality is also reflected in the senior management's involvement in the quality management committee and management review meetings.

## QUALITY CONTROL & MONITORING

The Group's QMS was certified by the internationally recognised ISO 9001 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.

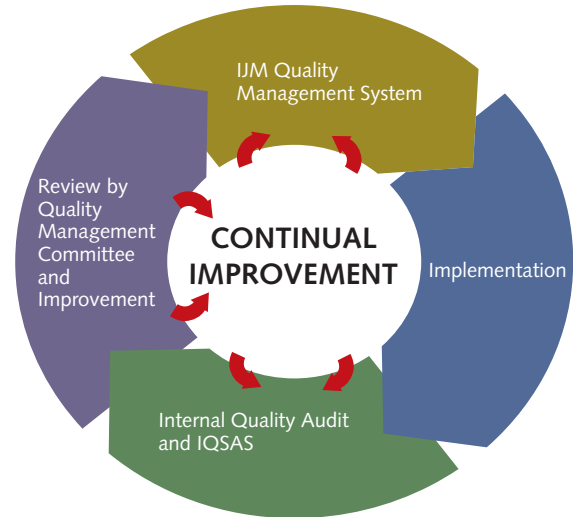
The Group's manufactured products are also certified to comply with the relevant regulatory standards.



## CONTINUOUS QUALITY IMPROVEMENT

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

- Continuous review and revision of the QMS manual and procedures to address customers' requirements and market developments;
- Upgrading and refurbishment of machineries and investments in new testing equipments;
- Continuous review of the production processes;
- Implementation of new high performance materials in our manufactured products;
- 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 operations;
- Knowledge sharing and update through the internal Information Portal; and
- Implementation of guidelines and handbooks for proper execution and control.



## QUALITY RECOGNITION

In order to promote healthy competition amongst our project sites to deliver quality work, the Group accords annual Quality Awards to projects that excel based on certain criteria, which include amongst others, external survey and quality audits. The award is given out for two categories - building and civil works.



Deep soil boring test is performed at project site

## QUALITY CERTIFICATION

The group aspires to continuously achieve compliance with ISO 9001 in its core business operations. The following are companies that have achieved the renowned certification:



Resilient modulus test equipment used to test cored premix at our projects

- |   |                                     |
|---|-------------------------------------|
| 1. IJM Corporation Berhad               | 8. IJM Building Systems Sdn Bhd     |
| 2. IJM Construction Sdn Bhd             | 9. Road Builder (M) Sdn Bhd         |
| 3. Industrial Concrete Products Berhad  | 10. IJM (India) Infrastructure Ltd. |
| 4. IJM Land Berhad                      | 11. Expedient Resources Sdn Bhd     |
| 5. Strong Mixed Concrete Sdn Bhd        | 12. Durabon Sdn Bhd                 |
| 6. Jurutama Sdn Bhd                     | 13. Besraya (M) Sdn Bhd             |
| 7. Prebore Piling & Engineering Sdn Bhd | 14. New Pantai Expressway Sdn Bhd   |
|   | 15. Kuang Rock Products Sdn Bhd     |

# HEALTH, SAFETY AND ENVIRONMENT REPORT

GUIDED BY ITS MOTTO, "HEALTH, SAFETY AND ENVIRONMENT IS EVERYONE'S RESPONSIBILITY", THE GROUP IS COMMITTED TO CONDUCTING ITS BUSINESSES IN A MANNER THAT DELIVERS LEADING HEALTH, SAFETY AND ENVIRONMENT ("HSE") PERFORMANCES. THESE EFFORTS ALSO SUPPORT IJM'S ENVIRONMENTAL COMMITMENT AND IS CONSISTENT WITH ITS PLEDGE TO CORPORATE CITIZENSHIP, SOCIAL RESPONSIBILITY AND LONG TERM SUSTAINABILITY.

To achieve its purpose of safeguarding life and property, prevention of accidents and occupational illnesses, and preservation of the environment, the Group focuses on:

- Meeting or exceeding all applicable HSE legislations and requirements as laid out by the Departments of Environment ("DOE") and Occupational Safety and Health ("DOSH") and the Fire Department;
- Engage employees and stakeholders through training, sharing of information and available facilities;
- Increase awareness and accountability at all levels of the organisation by integrating the objectives into business plans and decision-making processes; and
- Performance tracking and regular reviews of the processes to achieve the set objectives or to improve upon them.



Warning signages are used at construction sites to prevent occupational accidents



Chemicals are safely kept and locked at designated storage areas with warning signages shown to alert workers on the safety and potential health hazards at the factories

## HEALTH AND SAFETY

The International Labour Office has stated that health and safety at work is a basic human right. Correspondingly, IJM believes that its people are the most valued assets of the Group and the safety of its employees, contractors and the public is top priority in managing our businesses.

The Group strongly feels that employers and employees must work together in effecting health and safety guidelines in the workplace. The various divisions of the Group play an important role in providing employees with first-hand information, involving them in preventive plans and sharing good practices in occupational health and safety.

Each employee has an individual responsibility to understand and support the Group's HSE policies, and actively participate in the HSE programmes. Signage and notices at the workplace also serve to caution and remind staff on the best HSE practices. This is aimed at ultimately promoting a culture of occupational accident prevention.

### HSE Management System

IJM has an established HSE Management System ("HSEMS") to implement and monitor the HSE programmes. Various HSE committees and performance indicators have been put into action where the Group operates, to ensure conformity with applicable standards and for monitoring purposes.

Construction Project Managers are required to put up their Project Safety and Health Plan ("PSP") and Project Environmental Management Plan ("PEMP") prior to the commencement of operations for effective process control and to reduce the risk of incidence during dangerous



*Safety: Edge protection and peripheral netting are practised at our project sites*



*Personal protective equipment - full body harness is used by employees at project sites*

operations. They are monitored by a HSE Management Committee ("HSEMC") that meets periodically to review HSE operations and compliance to the Company's policies, procedures and objectives.

A separate HSE Committee ("HSEC") was also established at corporate level and all project sites in compliance with OSHA Act 1994. This committee provides advice and makes recommendations to the Board:

- on HSE policies, clearly setting out the commitments of the Company to manage HSE-related matters effectively;
- by monitoring the performance of the Company with respect to the implementation of the HSE Management System designed to ensure the commitments made in the policies are being met and that HSE-related risks are being assessed, eliminated, avoided or controlled;
- by reviewing and recommending targets for HSE performance and assessing progress by the Company towards those targets; and
- investigate HSE incidents within the Company and considering appropriate actions and measures to minimise the risk of recurrence.

### OHSAS Certification

In 1999, IJM had the honour of being the first construction company in Malaysia to receive the internationally recognised Occupational Health and Safety Assessment ("OHSAS") 18001:1999 certification. As a result of effective implementation of the HSEMS, this was successfully upgraded to the improved and revised OHSAS 18001:2007 in October 2008.

### Monitoring and Measurement

While numbers and figures are important as they articulate the extent of a problem, their main purpose in IJM is prevention. Targets are set to continuously measure and assess HSE performances in its business operations.

During the financial year, a total of 24 HSE audits and 86 surprise inspections were carried out across active projects at different stages of construction. The objective of the audits was to ensure that established systems conform to HSE requirements and standards and more importantly, to monitor the effectiveness of IJM's HSE policies and procedures. These are all carried out as part of IJM's continuous improvement process. Audit findings are reported to management and recommendations for remedial actions are taken immediately. The Division also recorded a Frequency Rate of 0.10 and Severity Rate of 1.94 for cumulative man-hours of 20.1 million for the year under review.

In view of the nature of the Industry Division's operations, the Division has additional incentives to promote safety in its factories, plants and quarries. To date, more than half of the Division's work sites have been rewarded for having achieved continuous 500 Accident Free Days.

The Industry Division's health and safety commitment is highlighted in its ongoing 'Safety and Health Campaign and Competition', which has been running since 1996. The audit comprises administrative elements as well as physical inspection of the worksite including amongst others, safety practices, general housekeeping, personal protective equipment, reporting and investigation procedures. The primary objective was to establish compliance with statutory regulations as well as to improve the overall health and safety of the workforce.



# HEALTH, SAFETY AND ENVIRONMENT REPORT (cont'd)

The winners of the Industry Division's 'My Workplace My Home 2008' campaign were the spun pile factories in Kapar, Nilai and Jawi which secured the top three prizes. The Jawi factory undertook an initial Chemical Health Risk Assessment (CHRA) in compliance with the Occupational Safety and Health Use and Standards of Exposure of Chemical Hazardous to Health (USECHH) Regulation 2000. The assessment set in motion the set up of appropriate control measures, training, monitoring and health surveillance activities to protect the health and safety of its employees.



*Safety and health tool box briefing is conducted daily before commencement of work at the factories*

In sync with CHRA, the Industry Division also conducts Noise Monitoring as prescribed under the Factories and Machinery (Noise Exposure) Regulations 1989 in all its factories. Personal monitoring is also scheduled annually for its employees as part of its hearing conservation programme.

The Plantation Division continues to provide training and retraining of employees and contractors to conduct all activities in a responsible, safe and healthy manner in various aspects of plantation operations to ensure compliance with local legal requirements. Safety Officers carry out periodical audits, advisory and training on safety and health practices in all operating units covering chemical usage, fire drills and industrial first aid. CHRS are carried out in all the Division's palm oil mills and moving into the estates.

Meanwhile, the Port Division has in place a safety policy in accordance with the DOSH requirements which are applicable to all port users and employees. The Division is committed to ensure safe working practices at the port by conducting daily safety briefings and tool box meetings, weekly audits and monthly joint-audits with the local regulator, Kuantan Port Authority. Its Emergency Response Team conducts regular exercises to ensure immediate responses and professional execution in the event of emergencies.



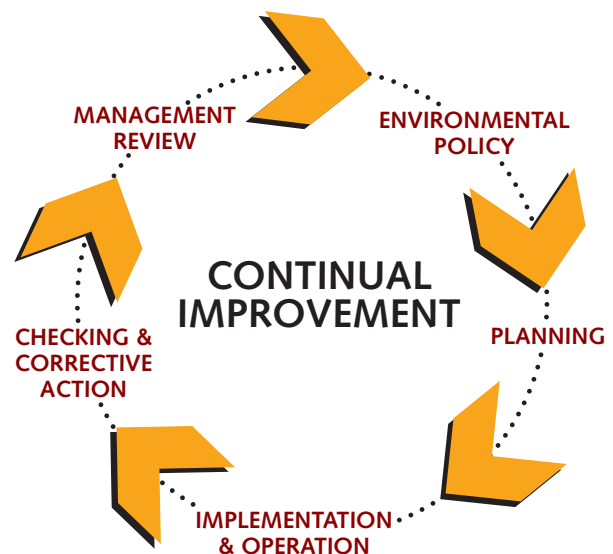
*Annual safety inspection of overhead cranes is carried out by JKPP Officers at the factories*

## ENVIRONMENT

The Group has long made the protection and preservation of the environment an integral part of its corporate philosophy and business policy. Key targets set by the Group in its corporate environmental policy is pollution prevention, natural resource management, reinstatement of landscape at project sites, minimisation of social and environmental nuisances and respect for the culture of the communities. The Group believes this strategy will result in the least disruption to the environment as well as contribute to sustainable development.

The Company took an organised approach to initiate, implement and monitor environmental plans by establishing an Environmental Management System ("EMS") in compliance with ISO 14001. The performance indicators established are based on environmental aspect assessment, environmental objectives and statutory requirements.

### ISO 14001 Model



## Environmental Monitoring

To support the framework of continuous improvement, the Environmental Quality Monitoring Programme ("EQMP") was set-up to self-measure the quality of the surrounding environment that is affected by our business operations and activities. It also serves to monitor and measure projects that are not subject to Environmental Impact Assessment ("EIA") Approval Conditions. The programme focused on the quality of air, noise and river water to minimise potential damage or harm towards the eco-system. Their parameters are summarised in the adjacent table.

Environmental Quality Monitoring Program	Parameters
Ambient Air Quality	Total Suspended Particulate (TSP)
	Particulate Matters $\mu$ 10 (PM <sub>10</sub> )
Ambient Noise Quality (Duration: 8 hours and 24 hours)	La <sub>eq</sub>
	La <sub>min</sub>
	La <sub>max</sub>
	L <sub>10</sub>
	L <sub>50</sub>
	L <sub>90</sub>
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 <sub>3</sub> N)
Discharge from Silt Trap	Total Suspended Solid (TSS)

Technical staffs on construction sites are also trained by the Department of Drainage and Irrigation and the Department of Public Works under the Best Environmental Practices Series programme, which was initiated by the HSE Department. Exercises entitled 'Introduction to Manual Saliran Mesra Alam' and 'Erosion and Sedimentation Pollution Control' are milestone events for IJM.

At our factories, the regulation for the prevention and control of health hazards due to mineral dust is stipulated under the Factories and Machinery Act 1967. Dust monitoring, first carried out at the Lumut factory of our Industry Division, will be rolled out progressively in all factories and quarries.



Scenic landscape of Desa Talisai South Estate

## ENVIRONMENTAL PRESERVATION AND CONSERVATION

IJM is consistent in its efforts to safeguard the environment. Year-on-year, the Group has introduced new initiatives whilst ensuring continuous improvements in its environmental management system in its commitment to address climate change and other environmental issues.

Following are the conservation and preservation measures adopted by the various divisions of the Group. The efforts are featured by sector to capture a complete picture of IJM's environmental activities.



Water catchment

# HEALTH, SAFETY AND ENVIRONMENT REPORT (cont'd)

## Construction

### Waste Management

The waste management system practiced by the Construction and Property Divisions was developed in accordance with the Environmental Quality (Scheduled Waste) Regulation 2005, Local Government Act 1976 and other requirements as listed by the local Municipal Councils. The system clearly defines roles, responsibilities and waste handling methods to meet and exceed the Company's obligations under the Environmental Quality Act 1974. Sedimentation ponds, silt traps and bunkers are created to prevent construction waste from being discharged into rivers during heavy rain.

### Water Pollution Control

Drainage and water discharge systems are considered in the initial planning stages of a project. Preliminary assessments are made by specialists to determine anticipated problems as well the estimated cost of control. Water quality and public health parameters are monitored throughout the project. The monitoring includes qualitative and quantitative assessment of a river eco-system.

Preventive measures employed in the construction and property sites to maintain water quality and control flood is carried out through a comprehensive Erosion and Sedimentation Control Plan, which include:

- grading for areas going into immediate construction;
- use of temporary groundcover, hill slope turfing, progressive vegetation, hydro-seeding and slope stabilisation to prevent soil erosion and landslide;
- controlled earthworks and flood mitigation controls to prevent flooding of surrounding low-lying areas near project sites;
- diversions, adequate drainage outlets and channels to control the flow of rainwater;
- landscaping that seamlessly integrate the site into the natural landscape; and
- building materials like cement, sand and other powders are properly stored and located where they will not be washed into waterways or drainage areas.

There is increasing pressure on construction companies to reduce pollution and conform to environmental regulations. Where our projects involve land reclamation work along the seaside, sand bunds are constructed to prevent sea pollution.



*Soil nailing is used to stabilise the earth and prevent landslides at our project sites*



*Sand bunds are constructed along the filling perimeter to prevent sea pollution during land reclamation*

### Air and Noise Pollution Control

There are many activities at construction sites that can impact ambient air and noise quality. IJM has established practices and measures to reduce and control air and noise pollution on site. All new projects need to prepare environmental risk assessments for construction activities and materials likely to cause pollution. Specific measures were taken to mitigate these risks:

- open burning is strictly prohibited at construction and property sites to prevent emission of soot particles and toxic gasses;
- fine water sprays are used to dampen down the site and access routes to control dust;
- trucks loaded with construction materials are covered or dampened down; and
- proper piling methods are employed during foundation works to prevent noise pollution.

As part of the assessment, the air and noise quality are regularly monitored to ensure compliance to the Environmental Quality Act 1974.

All IJM projects were monitored and measured under IJM's EQMP to ensure their environmental performance are within the standard compliance as stipulated in the Environmental Quality Act 1974 and other relevant regulations.



## Property

### Green Properties

Green is certainly in. The popularity of eco-friendly green buildings is fast catching on in Malaysia. There is great emphasis on green buildings, sustainability and energy-saving solutions in upcoming property developments.

As a responsible developer, IJM understands green property standards and does its part to create sustainable designs that minimise a building's negative impact on the environment. The Property Division constantly looks for methods of making tangible contributions to environmental protection within its property projects.



Lush green landscapes are incorporated into our property projects such as Taman Idaman in Penang

Our designs subscribe to the principle of harmonising and embracing the environment to create optimal living conditions. These features include orientating units to face 'north' and 'south' directions, installing inverter air-conditioning ready piping for improved indoor air quality and incorporating lush green areas, court-yards and openings for better cross-ventilation for a healthier environment.

IJM's waterfront project in Penang, 'The Light' is poised to be the talk of the town as it unveils state-of-the-art eco-friendly features previously unseen in Malaysia including waterways with thriving marine life. The iconic project will feature water and resource conservation through energy optimisation, use of sustainable building materials, and renewable energy features in the residential precinct.

The Division has been successful in striking a balance between profit objectives and environmental viability by adopting an innovative edge in value engineering and energy efficient planning. This is made possible through the synergistic support of our Construction Division.

## Plantation

As a member of the Roundtable on Sustainable Palm Oil, the Plantation Division takes its own socio-environmental performance seriously. All its operating units practice the 'Zero Waste' concept, where waste is reduced, recycled, re-used or disposed off in an environmentally and socially responsible manner.

### Soil Conservation

Soil conservation measures carried out in the estates include terracing of hilly areas, planting of legume cover crops, construction of drains and preservation of natural watercourses, use of silt pits and proper placement of fronds across slopes to minimise erosion and runoff.



Legume cover crops

The lush greenery of legume cover crop contributes to the rich eco-system and biodiversity of the oil palm estates. Our estates plant legume cover crops such as *Mucuna bracteata* as ground cover. The legumes fix nitrogen into the soil which improves fertility in addition to lowering the soil temperature and maintaining high level of moisture.

### Recycle Oil Palm By-Products

Palm oil mill effluents ("POME") which are rich in nutrients are properly treated before being discharged to the field for irrigation. Empty fruit bunches ("EFB") are also being channeled for mulching in the estates. In Sabang, both shredded EFB and POME are mixed for the production of bio-compost.

### Water Conservation

Drip irrigation technology is a water-saving technology which enables slow precision application of water directly to the roots of the plants through a network of innovative designed plastic pipes. This innovative technology has been successfully implemented and continuously being used at the Desa Talisai Estate in Sabah where it produces healthy and quality seedlings for the ongoing replanting programme and protects the environment through conserving soil, water and use of agrochemicals.

The Plantation Division manages optimal water use through water catchments, reservoirs and a series of irrigation systems. Water reservoirs have been created in selected areas in the estates taking advantage of the natural topography.

# HEALTH, SAFETY AND ENVIRONMENT REPORT (cont'd)

## Zero-Burning Policy

Small scale replanting programme has started in Desa Talisai South estate. IJM enforces zero-burning policy in all replanting activities. Best management practices for replants are being carried out.

## Integrated Pest Management

The Division also embraces integrated pest management which involves a combination of pest management techniques to maintain a high level of biodiversity within the ecosystem. An integral part of the practice is the planting of beneficial plants like *Turnera subulata*, *Antigonon leptopus* and *Cassia cobanensis* to keep populations of oil palm insect pest in balance with nature. This has led to a reduction in the use of insecticides for bagworm and nettle caterpillar control. IJM also breeds and multiplies predatory insects in insectariums in its Quality, Training and Research Centre and Sugut for biological control of leaf-eating pests. Owl boxes are also built to attract rodent-eating barn owls as a biological control tool for rats in the estates. Similarly, pheromones are used to trap the *Oryctes rhinoceros* beetles, instead of chemical control. The plantation's minimal use of pesticide has thus allowed a variety of flora and fauna to thrive.

## Forest Conservation

The Division also maintains pockets of natural forest on estates as conservation sites. The crowning glory of the Plantation Division's conservation and preservation measures is the 100 acres Sugut tree conservation plot and mini arboretum located in Sg. Sabang estate. The site conserves various tropical rainforest trees, cultivates varieties of tropical fruit tree species and medicinal plants. Over time, mammals and birds have become permanent residents in the site. The arboretum also host a garden of medicinal plant collection with over 150 species of medicinal and other types of herbaceous plants collected and planted for both conservation and educational purposes.

Another conservation area covering over 300 acres plot surrounding an oxbow lake in Sugut has been left intact for the purposes of research, education and conservation through collaboration with Universiti Malaysia Sabah.

Areas that have been identified to be unsuitable for oil palm cultivation have been planted with suitable timber tree saplings under the Sugut tree planting project. Remnant areas within the estates have also planted with timber tree species such as mahogany (*Swietenia spp.*) and sentang (*Azadirachta excelsa*).



Predatory insects bred in insectariums



Pitcher plants in its natural habitat

## Industry

The Industry Division has stringent standard operating procedures that protect the environment. Their focus is on safeguarding the quality of air and minimising noise pollution in and around the communities in which it operates.

## Landslide Prevention

The quarrying operations have adopted turfing of hillsides as preventive action for landslides or other adverse effects to the environment.

## Air and Noise Pollution Control

To reduce dust fumes, all quarries have a sprinkler system installed on crushers, conveyers and along quarry access routes to dampen down the load on the lorries. Similarly a dust filter system has been installed in our cement silos.

The Division has also engaged external consultants to monitor dust pollution and review noise levels to maintain both within permissible levels. At the same time, the manufacturing arm has adopted the use of rubberised mesh in its screening operations and installed noise absorbers in quarry control rooms. To reinforce these efforts, the Division has commissioned environmentally friendly plants and machineries at its operations.

As a precautionary step and in compliance with OSHA regulations, all staff is required to wear noise protective equipment.



Skid tanks are enclosed by perimeter concrete wall to prevent oil spillage at the factories and surrounding areas under the requirement of OSHA 1994



At our factories, clean and healthy environment is maintained by the installation of silo filters to prevent overflow of cement



LEKAS introduced the Smart Card system to substitute the use of conventional tickets to reduce paper wastage

## Toll

### Paper Wastage Control

In the Toll Division's bid to foster a greener earth, its latest highway addition, LEKAS introduced the 'Smart Card' system when it started tolling on 4 October 2008. The 'Smart Card' is a substitute for the conventional ticket used at other closed-toll highway systems. Besides reducing paper consumption as the card can be reused, this 'Smart Card' system also reduces any possible discrepancies in toll collection and eliminates the fear of the maximum penalty for loss of ticket. Besides that, the card facilitates easy retrieval of data and is overall cost-saving.

### EIA Conformance

Incorporating the latest technology in the design and construction of the highway with minimal impact to the environment, LEKAS was constructed based on the Environment Impact Assessment ("EIA") Approval Conditions.

## Port

### Sea Pollution Control

Pollution of port waters and its surroundings could give rise to catastrophic impacts to the environment and the port business. The Port Division abides fully to local and international regulations in this respect, e.g. Marine Oil Pollution Convention (MARPOL 73/78 Convention) and the International Safety Guide for Oil Tankers and Terminals ("ISGOTT"). The Division also makes it compulsory for all oil tankers calling at Kuantan Port to strictly adhere to the ship-shore safety checklist in order to ensure compliance with safety and pollution controls. As a mitigating measure, the Division's Oil Spill Emergency Response Team is always on standby and could be deployed immediately whenever required.

### Dust Pollution Control

The Division also mandates that lorries carrying bulk cargoes like palm kernel expeller, fertilisers, wood chips and other bulk goods, to cover the cargo before leaving the port premises in order to reduce dust pollution in the port area and its surrounding vicinity. The use of conveyor system for the loading and discharging of cargoes is encouraged. Dust from these bulk cargoes, though they may not affect the environment detrimentally, may however affect the health of port employees and users in the long run. Therefore, employees and port users are encouraged to use dust masks.



# HEALTH, SAFETY AND ENVIRONMENT REPORT (cont'd)

## TRAINING AND AWARENESS PROGRAMME

The Group is consistent in its efforts to increase awareness and accountability at all levels of the organisation.

The HSE Department manages a comprehensive webpage on the Group Internal Information Portal which lists the latest HSE manuals and guidelines on best practices as well as the recommended corrective and preventive measures. Non-compliance matters, incidences and remedial actions are also highlighted as case studies for all to benefit.

This is further supplemented with regular training, road shows and awareness programmes. IJM-conducted trainings are endorsed by the relevant authorities and government bodies. Training programmes and workshops conducted under the OHSAS 18001 Series and the ISO 14001:2004 Environmental Management System Standard comprised of:

- Basic introduction course for all levels of corporate and site staff;
- 'HSE Internal Audit' training with a practical session on site;
- 'Accident Investigation' training specially organised for project personnel;
- 'First Aid and CPR' for the Emergency Response Team members at head office as well as on site; and
- 'Plant and Machinery Safety' training and practical at the IJM Central Workshop in Bukit Beruntung.

The 'Environmental Aspects and Impacts' workshop is conducted every quarter to train the site personnel to identify potential risks and the implications of the Group's operations toward the environment.

The Group also has an annual health and safety competition for project teams based at sites and factories, in an effort to encourage good health and safety practices. The award also serves to promote healthy competition and continuously raise the standards of our operations.



*HSE Awareness Road Shows are conducted regularly at branch offices and sites*



*Fire drill exercises for quick and effective evacuation, supported by the local Fire Department (BOMBA), are conducted regularly at the IJM Headquarters at Wisma IJM in Petaling Jaya, Selangor*



*IJM received a special mention for the Environmental Best Practices Award*

## RECOGNITION AND ACHIEVEMENTS

### National Occupational Safety And Health Excellence Award 2007

IJM was awarded the coveted Gold award for Occupational Safety and Health ("OSH") practices in the workplace for the Construction Industry category in the National Occupational Safety and Health Excellence Award 2007. IJM also received a special mention in the same category in 2005. The award recognises companies for their outstanding OSH management systems, initiatives and performances. These accomplishments reflect a sustained commitment by all management staff and employees towards OSH.

The award ceremony in July 2008 was officiated by the then Deputy Prime Minister, Y.B. Datuk Seri Mohd Najib Tun Razak, who presented awards to winners in 16 industry category. IJM was amongst the 200 organisations with reputable OSH management systems who participated in the national-level competition. The competition was audited by DOSH and judged by the National Council for Occupational Safety and Health ("NCOSH").

### Malaysian Construction Industry Excellence Award ("MCIEA") 2008

The Construction Industry Development Board Malaysia ("CIDB"), a statutory body under the Ministry of Works organises an annual award to recognise achievements and to provide a platform for healthy competition in the construction industry. IJM received a Special Mention in the Environmental Best Practices category for its commitment towards environmentally sustainable practices. The awards ceremony was held on 13 January, 2009 at CIDB Convention Centre, Kuala Lumpur. Mr. Tan Gim Foo represented IJM in receiving the award from the Minister of Works, Y.B. Dato' Ir. Mohd Zin Mohamed.



*IJM won the gold medal award in the National Occupational Safety and Health Excellence Award 2007*





Enthusiastic IJM volunteers at the IJM-sponsored Lighthouse Race held in conjunction with the 10<sup>th</sup> Annual Malaysian Nature Society's Raptor Watch event in Tanjung Tuan, Melaka





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WE ARE ENCOURAGED BY THE DEDICATION, COMPASSION AND RESPONSIBILITY DEMONSTRATED BY IJM STAFF. IN THIS REPORT, WE ARE PROUD TO SHARE WITH YOU OUR EFFORTS IN BRINGING SUSTAINABLE IMPROVEMENTS TO OUR MANY STAKEHOLDERS...

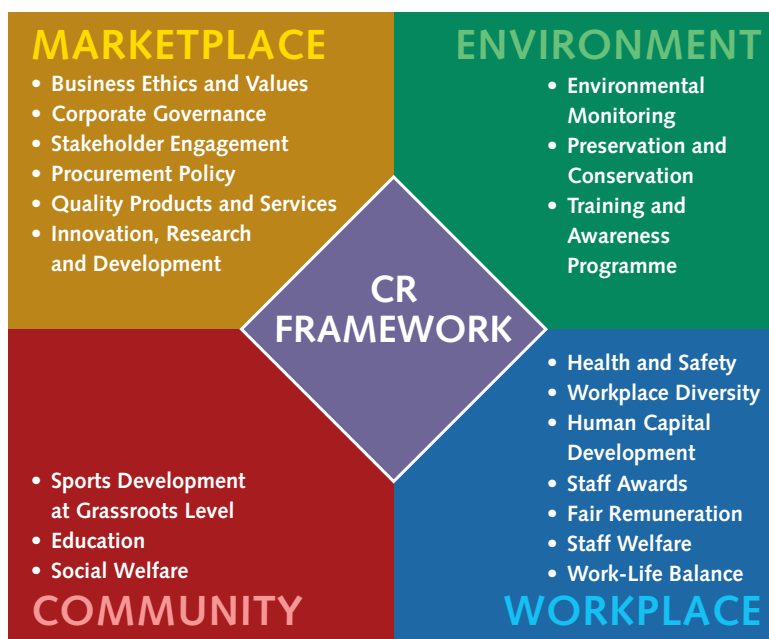
# CORPORATE RESPONSIBILITY

CORPORATE RESPONSIBILITY (“CR”) IS AN INTEGRAL PART OF IJM’S BUSINESS PHILOSOPHY AND CORPORATE CULTURE. OUR EMBRACE OF GOOD CR STEMS FROM OUR ASPIRATION TO DELIVER SUSTAINABLE VALUE AND IMPROVEMENTS TO SOCIETY, OVER THE LONG TERM, BY EMPLOYING BEST PRACTICES IN OUR KEY ROLES AS:

- A HARBOUR FOR CAPITAL AND ENTERPRISE IN THE MARKETPLACE;
- A NURTURER OF THE ENVIRONMENT;
- A DEVELOPER OF COMMUNITIES; AND
- A PROVIDER OF OPPORTUNITIES AT THE WORKPLACE.

As a large organisation, IJM recognises that its business operations and corporate conduct may have a profound impact on various stakeholders. The Group, therefore, firmly believes that its principle objective of enhancing long term shareholder value can only be accomplished if accompanied with comprehensive CR best practices.

In its adoption of these best practices, IJM is guided by its CR Framework, which is consistent with the principles set out in Bursa Malaysia’s CSR Guidelines, as depicted in the diagram below:



## MARKETPLACE

THE ABILITY TO COMMAND THE CONFIDENCE OF ITS CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS, INVESTORS, BANKERS, GOVERNMENTS AND REGULATORY BODIES ARE OF PARAMOUNT IMPORTANCE TO THE GROUP’S CONTINUED SUCCESS. IJM THEREFORE DEVOTES CONSIDERABLE EFFORT TOWARDS CULTIVATING EXCELLENT BUSINESS ETHICS AND VALUES, GOOD CORPORATE GOVERNANCE AND STAKEHOLDER ENGAGEMENT, EFFICIENT PROCUREMENT SYSTEMS, AND QUALITY AND INNOVATIVE PRODUCTS AND SERVICES.

### Business Ethics and Values

The Group recognises that maintaining an ethical business culture within the organisation is a constant work-in-progress. To this end, IJM goes beyond the mere developments and improvements of policies, practices and procedures; it also promotes ethical leadership from the top as an important means of inculcating and preserving an enduring moral foundation throughout the Group. Induction, training and improvement courses organised by the Group’s Human Resource Department are also embedded, whenever possible, with messages to foster an ethical culture amongst staff. In its interactions with business constituents, the Group undertakes to conduct itself in a responsible and ethical manner, which will be addressed in further detail in subsequent paragraphs of this section.



Leadership from the top, our CEO & MD addressing the Directors and staff at the annual Senior Management Dialogue 2008 to discuss the Group's performance, future plans and strategies.

### Corporate Governance

Among the Group's CR Framework is to cultivate a culture of good corporate governance and accountability throughout the Group, as stated in 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 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, maintenance of sound internal control systems and appropriate 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 Statement on Internal Control (for the risk management framework, practices and other internal control measures).

### Stakeholder Engagement

The Group endeavours to communicate quality information to investors, regulators, customers, suppliers, employees and the general public, in a timely and transparent manner. For instance, the Group has an established Investor Relations ("IR") programme to disseminate important information about the Group's developments, operations and financial performance to the investment community. Various disclosures and announcements are made to



Financial analysts attending the Company Briefings

Bursa Malaysia Securities Berhad, regular dialogues are held with analysts and fund managers, and press conferences are organised from time to time to effectively disseminate pertinent information to the general public. More details of the Group's Investor Relations activities are contained in the Corporate Governance Statement.

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

The Group also has a comprehensive website at <http://www.ijm.com> to further enhance stakeholder communications. Visitors to the website are welcomed to offer feedback and comments for improvements pertaining to the Group's product offerings, services or any other matters they wish to raise.

### Procurement Policy

The Group's CR initiatives include the decisions on procuring goods and services for the business as it takes on the responsibility to ensure that materials or services that are procured satisfy the client's requirements and contract specifications. The Group's procurement policy is to obtain the most reliable source of materials and services in terms of pricing, quality, availability and timely delivery.

The Group adopts neutral and open procurement policies and procedures which have been ISO 9001 certified and aimed at providing choice, quality, efficiency, timeliness and economies of scale in the provision of quality products and services to ensure customer satisfaction. It covers areas such as material requisitions and order process, requests for tenders and quotations, evaluation and selection of sub-contractors and suppliers based on established criteria, periodical sub-contractor/supplier assessments and regular updates of approved sub-contractor/supplier lists.



## CORPORATE RESPONSIBILITY (cont'd)



*Regular quality control assessments are carried out at project sites to maintain the quality of our products*



*Compression test for concrete cylinder for a USA project at an independent laboratory*



*Material laboratory testing*

### Quality Products and Services

In its effort to deliver superior quality products and services to its customers 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 "We strive to ensure the quality of our products and services exceeds our customers' expectations". To date, the Group's ISO-certified companies stand at 15. The Group's commitment to quality is further demonstrated by the adoption of its 'Mark of Excellence' branding and 'Excellence through Quality' corporate motto.

As a responsible corporation, the Group carries out regular reviews, process improvements and quality control assessments, to continually enhance the production process and quality of its products and services, to minimise product defects, accidents, health and environmental hazards, whilst at the same time, satisfying customers' requirements and meeting the needs of its stakeholders and the community at large. In addition, annual satisfaction surveys are carried out to obtain customers' feedback in order to serve them better.

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 the Malaysian Construction Industry Excellence (International Achievement) Award in 2007 and MITI Industry Excellence Award for Export Excellence (Services) in 2008.

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

### Innovation, Research and Development

The Group constantly innovates and improves on the quality of its products and services in order to remain relevant to evolving technology and consumer preferences. In this regard, the Group practices regular reengineering and reinvention of its products and processes through ongoing research and development ("R&D") to produce the highest quality with lower costs and faster time-to-market than its competitors, to maintain its competitive edge.

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 Industry Division's Central Research and Development Laboratory at its Klang factory has been accredited by the Department of Standards, Malaysia, for calibration scope covering dimension and mass since 2000. In its continuous effort to enhance the pretensioned spun concrete ("PSC") piles manufacturing processes and cost efficiency, the laboratory has embarked on a study using new environmental-friendly chemicals and cementitious additives to produce more durable and energy efficient piles. The use of new poly-ether based additives combined with green technology cementitious products has given rise to improved pile quality that can accelerate the gain in concrete strength without the steam curing process, thus, resulting in shorter turn around time in the delivery system. Other areas of R&D improvements are the setting up of aggregate testing facilities to obtain better understanding of aggregate properties and durability of concrete under sulphate attack.

Our Plantation Division continuously carries out R&D activities through its Quality, Training and Research Centre ("QTRC"). Such efforts include the implementation of biological controls to reduce the use of chemical pesticides. Other R&D efforts carried out include oil palm yield improvements through methodical breeding and selection, scientific recordings of genetic blocks, selection of mother palms in Sijas Estate, Sabah and progeny testing trials. The breeding programme allows 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 are produced and used in the Division's oil palm replantings in Sabah as well as new plantings in Indonesia.

The Group, in its stride to deliver high quality and innovative products and services, will continue to invest and allocate resources in R&D activities for sustainable improvements and to eliminate inefficient processes.



*Sugut arboretum*



*IJM was the main sponsor and organised the Lighthouse Race 2009 which took participants up a hilly terrain through the rainforest up to the lighthouse finishing line*



*"Hundred Acre Wood" in Sugut - Conservation area by the Plantation Division*



*An IJM volunteer manning a kiddie's stall at the Raptor Watch event*



*A fascinating raptor shot captured by our staff, Mr Lee Hock Aun, an enthusiastic photographer*

## ENVIRONMENT

THE GROUP HAS LONG MADE THE PROTECTION AND PRESERVATION OF THE ENVIRONMENT AN ESSENTIAL PART OF ITS CORPORATE PHILOSOPHY AND BUSINESS POLICY. KEY TARGETS SET BY THE GROUP IN ITS CORPORATE ENVIRONMENTAL POLICY IS POLLUTION PREVENTION, NATURAL RESOURCE MANAGEMENT, REINSTATEMENT OF LANDSCAPE AT PROJECT SITES, MINIMISATION OF SOCIAL AND ENVIRONMENTAL NUISANCES AND RESPECT FOR THE CULTURE OF THE COMMUNITIES. IJM BELIEVES THIS STRATEGY WILL RESULT IN THE LEAST DISRUPTION TO THE ENVIRONMENT AS WELL AS CONTRIBUTE TO SUSTAINABLE DEVELOPMENT.

IJM has long been passionate about environmental conservation. The Company's vision for a sustainable future is translated into action in the public events it has participated in the year under review. Two key events stand out for the global messages it conveyed.

### Malaysian Nature Society's Lighthouse Race 2009

IJM was the main sponsor in Malaysian Nature Society's ("MNS") Lighthouse Race 2009 that was organised in conjunction with the Raptor Watch event held at Tanjung Tuan, Melaka. The festival in March 2009 celebrated the return of migratory birds of prey or better known as raptors to their breeding ground in the northern hemisphere.

MNS organised the event to raise public awareness on the conservation of raptors and their habitats. IJMers were given a singular opportunity to gather first hand experience about nature conservation, to understand and participate in the works of MNS in the protection of Malaysia's natural heritage.

### Earth Hour

Earth Hour was a global 'lights out' initiative created by WWF ("World Wildlife Fund"). Millions of people around the globe and in Malaysia turned off their lights for one hour on Saturday, March 28, 2009 at 8.30p.m. to show support for action on climate change. It was the first major initiative in IJM's long term aim to build resource conservation in the Group.

IJM participated in the event by joining all Malaysians in turning off non-essential lights (e.g. façade lighting and neon lights) at its headquarters in Selangor as well as its branches, sites and subsidiaries in Malaysia and international offices. All staff were reminded to turn-off their computer monitors, electrical appliances and non-essential lights at their workplace before leaving for the weekend.

IJM was committed to Earth Hour and encouraged its staff to spread the word to their families and friends; and also to celebrate Earth Hour in their own homes.

The Group's efforts in the preservation and conservation of the environment are elaborated at length in the Health, Safety and Environment Report.

# CORPORATE RESPONSIBILITY (cont'd)



Trophy Presentation for the 5th COBRA Schools Invitational Rugby 10s



Rugby players' in action



IJM... Your partner in Rugby

## COMMUNITY

IJM FIRMLY BELIEVES THAT IT SHOULD "GIVE BACK" TO THE COMMUNITY IN WHICH IT OPERATES. THIS DICTUM HAS BEEN CONSISTENTLY PRACTISED AND REFINED OVER THE YEARS. GUIDED BY ITS CR FRAMEWORK, IJM'S COMMUNITY EFFORTS ARE CENTRED ON SPORTS DEVELOPMENT AT GRASSROOTS LEVEL, EDUCATION AND SOCIAL WELFARE.

### Sports Development at Grassroots Level

The Group focuses on sports at grassroots level as it considers sports to be an integral part of education and health development while contributing to national development. Focusing on rugby and gymnastics, IJM maintained a hands-on approach which yielded some level of success.

Both the rugby and gymnastic events sponsored by IJM have many merits in common. An outstanding aspect is that they are organised entirely by volunteers comprising sports enthusiasts, supporters and families of the participants. They started as local events and as it grew in stature, attracted international teams and audiences, which is in line with to the Government's call to promote sports tourism.

#### Rugby

IJM's involvement in rugby began when it supported the Government's 'Rakan Muda' initiative in the 90's. The sponsorship of rugby development in Peninsular Malaysia is managed through a partnership with Combined Old Boys Rugby Association ("COBRA"), Malaysia's most successful rugby club. The Plantation Division in Sabah also has a successful rugby development programme which is conducted in collaboration with the Sabah Rugby Union, Sandakan Rugby Club and Sabah Education Department. These collaborations have allowed IJM to embark on a national-level agenda that reaches out to all age groups and its successes can be assessed in two areas: grassroots development activities and international tournaments.

#### a) Rugby Development Programmes

The Group has associated itself with COBRA and its main sponsor for the schools programme, CIMB foundation, in an elaborate programme to lift the standard of rugby at the schools level.

The first phase of the COBRA Schools Rugby Development Programme (2005 to 2007) focused on training teachers to become qualified rugby coaches and promoting the game amongst schoolboys. Phase two of the programme, launched in 2008, aimed at upgrading the skills of teacher-coaches while also grooming the next generation of world-class Malaysian rugby players.

To date, the programme has trained 421 teachers as Rugby Level One Coaches. Of these, 22 teachers have progressed to Level Two Coaching. These Coaching programmes have been conducted by International Rugby Board ("IRB") certified trainers from the Penguin Rugby Academy, United Kingdom. Since its inception, the programme with the involvement of the trained teachers has reached out to over 30,000 students from schools across Malaysia.

The year round activities include amongst others, coaching courses for teachers, coaching clinics for students, rugby camps and an annual national and two international level tournaments.





IJM sponsors the bi-annual international inter-club rhythmic gymnastics competition, the Angel Cup



Recipients of the IJM Scholarship Award 2008

In Sabah, the Plantation Division's rugby development programmes are carried out through the Academy of Rugby Excellence. Their key activities included various age-group tournaments held annually to develop sports excellence, discover young talents and nurture athletes for the benefit of the state and nation.

Rugby, however, is not the sole sport sponsored by the Plantation Division. The Division also host a football tournament with the aim of encouraging solidarity amongst the plantation fraternity as well as the community in which it operates. The 13th edition of the IJM-Adidas Invitational Football Tournament held in August 2008 once again drew good support and fostered good camaraderie amongst the local teams.

#### b) International Sporting Events

IJM has continuously sponsored the COBRA Rugby 10s with a long-term aim of reviving the sport of rugby in Malaysia; by facilitating the display of world-class rugby to local fans as well as to improve the quality of rugby in Malaysia by participating alongside international teams. Malaysia's biggest international rugby tournament has grown in stature and size, attracting some of the best club teams from rugby playing nations. With the Honourable Prime Minister of Malaysia as the tournament patron, the event is comprehensively supported by the Ministries of Youth and Sports; Information and Tourism.

This is also a strategic step to support the development of rugby at schools by exposing students to a higher level of competition, and to inspire them to emulate the spirit of sportmanship and teamwork that is on display. Through the support of friends of IJM and COBRA, about 5,000 schoolboys were sponsored to witness the final day's matches at the stadium.

IJM Plantation sector's involvement in the sport of rugby in Sabah dates back to 2002, when it collaborated with Sabah Rugby Union to revive the interest for rugby in the State, through the introduction of an annual tournament - the Borneo-COBRA Invitational Rugby 10s. Initially mooted as a local tournament and a key feature in the Sandakan Festival, it has grown year on year to become an international event that attracts quality club teams from rugby playing nations. With IJM Plantations Berhad as the main sponsor, the tournament which is now in its eighth year is listed in the state and national calendar of sporting events.

### Gymnastics

The achievements of the Serdang Rhythmic Angels Club in establishing a training centre within a short period greatly impressed IJM who consequently took on the role of the main sponsor in the biennial international inter-club rhythmic gymnastics competition. The competition provided an avenue for young gymnasts to compete at international level as well as a platform for coaches and judges to sharpen their coaching and judging skills, besides fostering ties with local and international clubs.

Established in 1998, the gymnastics club which is based in Seri Kembangan and managed entirely by volunteers, won the inaugural "Best Performing Rhythmic Gymnastics Club" award from the Selangor Amateur Gymnastics Association in 2007. From an initial number of 12 gymnasts at the outset, the enrolment has increased manifold comprising different stages of development and age groups.

### Education

#### IJM Scholarship

The Group has been offering scholarships to deserving students for the past 14 years. IJM's Scholarship Programme is in line with the Company's CR objectives of making a meaningful contribution by providing educational assistance to help develop and nurture bright, young Malaysian talents into capable leaders of the future. To date, more than 120 students have benefited from the programme, many of whom have returned to work with the Group. The 2008 scholarship presentation ceremony held in August 2008, was officiated by the Honourable Minister of Human Resources, Datuk Dr. S. Subramaniam. Successful scholars not only receive RM10,000 per annum, but also the added advantage of having a mentor identified from amongst IJM senior personnel, to guide and counsel them during the course of their studies and when they join the Group.

## CORPORATE RESPONSIBILITY (cont'd)



Basic education is provided for children of the estate workers



IJM was the overall Cheerleading Champions in the Rat Race 2008



IJM donated RM100,000 in aid of the Palestinian Humanitarian Fund



IJM took on the role of organising committee secretariat of the 'Partners Against Poverty' Programme which raised RM1.155 million to eradicate the hardcore poverty in Penang



Residents and staff participated in the Charity Walk for MAKNA during the 'Colours of Life Fiesta' carnival at our Seremban 2 township in Negeri Sembilan

IJM also has an ongoing internship programme which provides IJM Scholars the opportunity to do industrial training with the Group as part of their course requirements. The IJM scholarship award covers fields of study such as Civil, Mechanical, Chemical and Electrical Engineering; Accounting; Housing, Building and Planning; Quantity Surveying; Applied Sciences; Economics; Business Administration; Materials Science and Geology.

### Career and Education Fairs

IJM also participates in career and education fairs, the most prominent being the MYCareer & Education Fair held in May 2008. As a rule, the Group is responsive to requests from colleges and universities for site visits, invitations to career or technical talks, participation in studies or surveys conducted by students and sponsorships of events that offer exposure and support their intellectual and interpersonal development.

### Education Programme at the Plantations

The Plantation Division has an established programme that provides basic education for the children of the workers and the surrounding community. There are seven kindergartens that reach out to children between the ages of five and ten years old. The Division has gone a step further by setting up a school in Desa Talisai South Estate in collaboration with the Humana Child Aid Society Sabah. Information about the programme can be found at (<http://www.borneochildaid.org/>).

### Social Welfare

IJM's vision to ensure that it makes a difference to the lives of the people it touches remains at the centre of its CR efforts. Maintaining continuous contact with the community is another core feature. Whilst CR efforts remain Division oriented, the common threads are evident in the nature of activities undertaken.

At headquarters level, the Company continued its support of annual charity events like the Kuala Lumpur Rat Race 2008, whilst broadening its scope to respond to current issues and take on new challenges in keeping with its CR Framework.

IJM donated towards the Palestinian Humanitarian Fund in February 2009 and also pledged its support towards the Penang State Government's Partners Against Poverty ("PAP") programme. The PAP Programme, launched in January 2009, gave the private sector the opportunity to exercise their corporate and social responsibilities by donating towards a special fund to eliminate hardcore poverty in Penang. The Property Division played an important role in driving the campaign.

Continuing the Group's CR efforts, the Property Division also worked with Majlis Kanser Nasional ("MAKNA") in a fund-raising event entitled 'Colours of Life Charity Walk 2008' to help poor cancer patients. The 3.5 km walk in Seremban 2, Negeri Sembilan, was fully supported by the local residents and IJM staff. IJM Land Berhad hosted a colourful fiesta all day long, filled with fun activities and games for all ages.

IJMers showed their compassionate side and donated generously to collect RM187,283 for the daughter of their colleague, Chew Koon Chuan who needed extensive medical attention. Eight-year old Chew Cai Ying was





IJM staff donated generously for Chew Cai Ying, daughter of their colleague who needed extensive medical attention.



Road rehabilitation works in progress to provide better road to the residents near the quarries of our Industry Division



Over 60 helmets were exchanged for those helmets that did not meet the standard SIRIM safety requirement in the Toll Division's annual advocacy campaign



Buckling-up for a safe ride - part of our Toll Division's road safety campaign



Our Port Division donated school shoes to the needy students of Sekolah Kebangsaan Sungai Ular in Kuantan, Pahang



To encourage reading habits in children, our Port Division contributed funds to assist in the construction of a reading corner at the Sekolah Kebangsaan Jabor in Kuantan, Pahang

diagnosed with Fanconi Anaemia, a blood disease which requires a Haematopoietic Stem Cell Transplant costing approximately RM160,000. The funds raised solely from within the IJM Group, is a reflection of the organisation's culture of caring for the welfare of their staff and families.

The Industry Division is committed to ensuring that basic infrastructure in the areas it operates are maintained for the benefit and safety of the local residents. IJM's subsidiary Kuang Rock Products Sdn Bhd which has a quarry in the Bukit Lagong area embarked on a project to repair and upgrade the roads to provide better access for the neighbouring residents of Matang Jaya in Sungai Buloh. Continuing its efforts, the Division also relocated a spun pile factory, which was built adjacent to a village in the early 80s, from Bukit Tengah to the Prai Industrial Estate.

In June 2008, the Industry Division's Durabon factory jointly organised a 'gotong-royong' campaign with its neighbours in Kawasan Perindustrian Senai to clean up the locality for the benefit of the community.

The Toll Division which includes the NPE, LEKAS and Besraya Highways, continues to play an important role in creating road safety awareness especially during the festive seasons. The Royal Malaysian Police, Road Safety Department (JKJR), Malaysian Highway Authority and the media have been supportive of the public road safety campaigns and publicity efforts to heighten the level of awareness and inculcate good road safety behaviour. In addition, there is also a continuous agenda to support the Government's enforcement of national-level safety initiatives like the implementation of the new ruling that requires back-seat passengers to buckle-up.

The Division's annual advocacy campaign held in January 2009 was a resounding success, as it reached out to a greater audience. Given that studies have indicated that motorcyclists and pillion riders are most vulnerable to succumb to fatal injuries during road accidents, the campaign this year focused on educating the public on the proper use of safety helmets. Over 60 helmets were given away in exchange for those helmets which did not meet the standard SIRIM safety requirement. Child safety car seats were also presented to lucky motorists to increase awareness on the correct use of safety and booster seats.

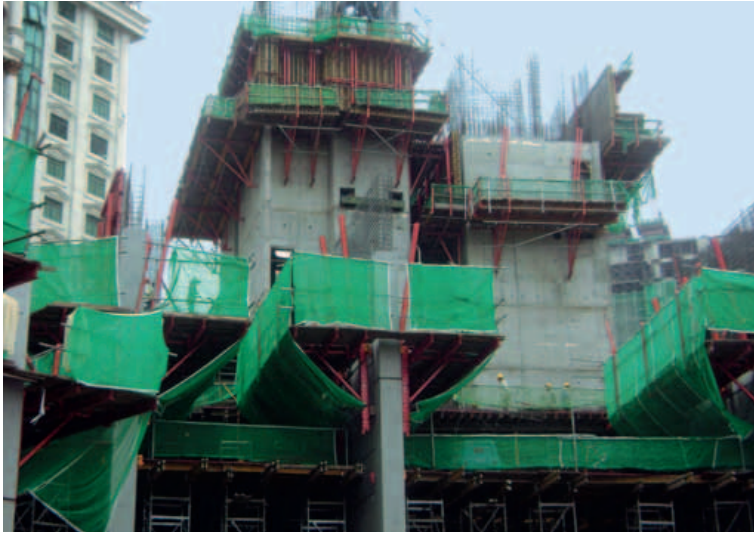
The Port Division's CR activities touched the lives of school going and "special" children in Pahang. Kuantan Port Consortium Sdn Bhd's activities calendar included donations to school-going children, contribution towards the setting-up of a reading corner to promote good reading habits amongst children, sponsoring a field trip to Johor for the "special" children of Seri Nilam Cahaya and donation of food essentials to childrens homes.

Meanwhile, the Plantation Division continued to engage the surrounding community through public health awareness projects. A public forum on breast cancer and a demonstration on breast self-examination ("BSE") was jointly organised with the Sandakan Breast Health Awareness Committee of The Duchess of Kent Hospital.

The event which targeted students particularly school girls, aimed at publicising the need for BSE early amongst the younger generation. The forum which attracted more than 400 students also educated participants on the nutritional properties and benefits of palm oil.



# CORPORATE RESPONSIBILITY (cont'd)



*Edge protection is practised at our construction sites*



*Monthly briefing by the Factory Manager to staff and workers on health & safety awareness at our factory*

## WORKPLACE

OTHER THAN THE HOME ENVIRONMENT, THE WORKPLACE IS THE SETTING IN WHICH MANY PEOPLE SPEND THE LARGEST PORTION OF THEIR TIME. CLEARLY UNDERSTANDING THIS, THE GROUP CONSTANTLY STRESSES THE IMPORTANCE OF A SAFE WORK ENVIRONMENT AND HAS IMPLEMENTED PREVENTIVE MEASURES IN THE WORKPLACE AND THE AREAS WHERE OUR OPERATIONS ARE BASED. THE COMPANY HAS AN EXTENSIVE PROGRAMME TO EDUCATE AND CREATE AWARENESS AMONG EMPLOYEES ON THEIR COLLECTIVE RESPONSIBILITIES FOR THE PREVENTION OF INJURIES AND OCCUPATIONAL HEALTH HAZARDS.

### Health & Safety

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

- Comply with all applicable occupational health and safety regulations, guidelines and other requirements;
- Set-up various Safety Committees for monitoring, continuous reviews and improvements on health and safety;
- Carry out planned HSE audits and surprise inspections;
- Familiarise all employees with HSE training, information and facilities available;
- Increase awareness and accountability at all levels of the organisation; and
- Measure HSE performance.

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

## Workplace Diversity

"We strive to respect the different cultures, gender, religion, human rights and dignity of our stakeholders"... is deeply rooted in our policy statement as part of the Group's commitment towards workplace diversity. IJM strongly believes that the collective effort from all employees will enable the Group to steadily grow whilst achieving optimum productivity and bringing out the best in its people.

The Group believes in providing an equitable working environment where all employees regardless of ethnic origin, gender, age, culture, religion, education and physical appearance, are equally supported and valued. With this in mind, the Group hopes that each employee develops to his or her full potential, whilst working together in harmony to achieve the organisational goals.

An analysis of employees by classification, ethnic composition and productivity is included in the *Employees & Productivity Report*.

## Human Capital Development

To ensure that the Group stays resilient and competitive in its business environment, IJM continuously invests in human capital development through various training programmes the whole year round. These training programmes will help our people enhance their skills and capabilities to excel within the organisation and deliver their best. Training opportunities are made available to all employees via in-house and external training programmes ranging from technical-related and skills management courses to soft skills.

Graduate engineers who have just joined the Company are enrolled in the Engineers' Training Programme. Under this programme, these engineers are given exposure to all aspects of construction work in order to prepare them to assume the role of the Project Manager in the future. The development needs of the Project Managers are addressed through the Project Managers' Programme which will equip them with technical, management and people skills.



'Gotong-royong' to clean up and beautify the compound of Wisma IJM and Annexe



Various training programmes are organised for staff



Team building workshops

## CORPORATE RESPONSIBILITY (cont'd)

The Group continuously evaluates the skill set requirements and needs of its business operations. Where necessary, new or additional courses are introduced and conducted to meet the Group's requirements. New courses introduced in the year include:

- Talent Management and Succession Planning - to effectively identify, develop successors and manage talent to support business growth and sustainability of the Group;
- Holmesglen Building Supervision Training - to provide supervision training on all aspects of building construction to our project supervisors. Since February 2008, trainings have been conducted by experts from the Holmesglen Institute, TAFE Australia. Classes are conducted over two-weekly cycles for a period of one and a half years. Upon successful completion, staff are awarded Certificate IV in Building and Construction. The Construction Division has invested in this programme to improve the project management skills of its supervisors; and
- Positive Work Attitude (specially tailored for executives and support staff) - to ensure that staff irrespective of level or category are provided with opportunities for self-development i.e. knowledge, skills and attitude enhancement.

To determine the training needs of staff, the Group has developed an e-TNA (Training Needs Analysis). Staff are required to complete questionnaires which are reviewed by their superiors. This has provided the Training Department valuable information to plan the annual training programme whilst enabling the Group to track the capabilities as well as training requirements for its employees.

Besides in-house training, the Group also encourages its employees to pursue further education and professional development by providing study loans, subsidies and study and examination leave for employees who undertake Masters, Degree or Professional Qualification programmes.

### Staff Awards

#### Loyalty Appreciation

The Group recognises and appreciates the dedication of long serving staff. Staff who have completed 20 years of service are conferred the Long Service Award and presented a token of appreciation. In 2008, 14 staff received their Long Service Awards during the Company Annual Dinner.



*Participants of the Holmesglen Building Supervision Training at an on-site training*



*Senior management actively participating in the Talent Management & Succession Planning workshop*

### Retirement Awards

IJM staff who have reached the retirement age of 55 and served more than 15 years, are conferred the Retirement Award. These staff are hosted a luncheon with senior management where they are presented a commemorative gift. During the year in review, five retired staff received their awards.

### Performance Awards

Staff that performed well in the Toll Division are rewarded with staff performance awards as a form of motivation which also serves to encourage other staff. New Pantai Expressway Sdn Bhd presents the Best Staff and Toll Collector Awards every quarter and annually to its employees.

### Fair Remuneration

The Group continuously assesses and benchmarks its compensation structure against industry standards as well as the overall marketplace to maintain a competitive remuneration package for its employees. The salary policy of the Group reflects the industry's rates to attract and retain quality employees.





Some of the recipients of the Long Service Awards at the IJM Annual Dinner 2008



Recipients of the New Pantai Expressway's Best Staff and Best Toll Collector Awards 2008



Employees attending the annual Senior Management Dialogue 2008 which discusses the Group's current performance, future plans and strategies

The philosophy of the Group is to create an attractive work environment with good prospects for employee advancement with a fair remuneration package over the long term. The Group advocates remunerating salaries and benefits that commensurates with qualification, experience and performance of staff.

The Group regularly participates in employee surveys to evaluate its position amongst its peers as well as to continuously upgrade the staff remuneration package.

In addition, the Group operates an Employee Share Option Scheme and allots warrants to eligible employees to encourage staff involvement in the Group's operations, boost morale, improve staff performance and instil loyalty.

#### Staff Welfare

IJM offers competitive staff benefits as follows:

##### Employee Protection

To ensure that staff are well looked after, the Group has sourced and implemented various employee protection schemes such as the Group Multiple Insurance Benefits Scheme ("GMIBS") which is a combination of term life, total permanent disability, critical illnesses and investment return scheme. It provides comprehensive protection up to the age of 70 and can be extended to cover spouse and children at affordable rates. The Group's care for its employees goes beyond their tenure of employment as the scheme is portable should they leave the Group.

Employees are also covered by the Group's personal accident scheme which provides for total permanent disability and/or death as a result of accident in the course of performing official duties. The Group also makes contributions that are higher than the statutory rate for the Employer's portion of the Employees provident Fund, as part of its efforts to care for its employees after retirement.

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.

##### Assistance to Purchase Residential Property

The Group's Property Division develops a wide range of residential properties. Its high rise properties range from basic apartments to luxury condominiums while landed properties range from affordable terrace houses to semi-detached homes and bungalows in major townships all over the country. Over the years, the Group has assisted its staff to own IJM-developed residential properties by giving a 5% staff discount.

##### Academic Excellence Awards for the Children of Employees

The Group also supports the Ministry of Education's call in encouraging parents to play a more important role in their children's education by rewarding the children of employees who have performed well in the National Examinations (SPM, STPM and A-Level) with Academic Excellence Awards and cash prizes. These awards serve as encouragement to the children to excel in their studies and raise the awareness for the need for parental involvement in their children's education.



A recipient of the Academic Excellence Award

## CORPORATE RESPONSIBILITY (cont'd)



*The 7th IJM Games in Sandakan, Sabah*



*Volly Ball event, IJM Games*



*Participants of the IJM Badminton tournament*



*Talented staff gave an entertaining traditional Sabahan cultural performance*

### Work-Life Balance

Sports and fun activities are organised throughout the year to encourage employees to adopt a healthy lifestyle and achieve work-life balance.

### Healthy Living

IJM in collaboration with the Combined Old Boys Rugby Association (COBRA), built and manage the Kompleks Sukan IJM-COBRA which houses many Kelab Sukan IJM ("KSIJM")'s indoor and outdoor sporting activities. Many in-house sports competitions like futsal and bowling have also been organised to promote healthy competition among staff.

In June 2008, the Plantation Division hosted the 7th biennial inter-division games at their home ground in Sandakan, Sabah where over 350 staff from all over Malaysia, took part in various games. The overall champion was the Plantation Division. In conjunction with the games, a city tour and visit to an orang utan sanctuary and plantation estate was organised to enable visiting IJMers to better understand the Plantation Division's operations.



*Plantation Division celebrating their victory as overall champions*

A series of health talks by qualified physicians and nutritionists were organised during the year for the benefit of staff. The topics include 'Kidney Disease: Common, Harmful and Treatable' by the National Kidney Foundation, 'Cardiovascular Disease, Cancer & Natural Health' and 'Go Green to Beat Chronic Diseases, Live Longer & Better'. In addition, free health screening and health education talks were conducted to educate staff on early identification of risk factors and healthy lifestyle. Blood donation drives were organised throughout the Group where caring employees responded positively.



The Group believes that financial health and protection is also an important aspect of healthy living. Therefore, talks on 'Financial Health' and 'SOCSO: Its Schemes and Benefits' were organised to assist staff in their financial planning for the future. Other events include 'Fire Prevention' and 'Crime Prevention' talks to educate staff on the preventive measures to protect themselves.

### Social Events

KSIJM organised social events are popular among IJMers who take the opportunity to get to know fellow colleagues from other divisions, departments and branches. Events carried out during the year include the Annual Dinner, Zoo Hunt, Majlis Berbuka Puasa, Deepa Raya, Christmas celebrations and our very own version of 'KSIJM Idol 2009'. These activities foster fellowship and camaraderie amongst staff.

The Property Division also organises carnivals at their various property townships such as the 'Family Fun Day Carnival' where staff and their families joined the residents in the fun.

THE GROUP STRONGLY BELIEVES THAT ITS PEOPLE  
 ARE ITS BEST ASSET THAT WILL DRIVE THE  
 ORGANISATION TO GREAT SUCCESS. IT WILL  
 CONTINUE TO ENCOURAGE ITS EMPLOYEES TO  
 CONSTANTLY IMPROVE THEIR SKILLS AND  
 KNOWLEDGE TO BE IN THE FOREFRONT OF THE  
 INDUSTRIES IN WHICH IT OPERATES.



Health talks are organised to educate staff on various diseases and the preventive measures they can take to protect themselves



Staff enjoying the scrumptious Malay and Indian cuisines during the 'Deepa Raya' celebrations



Staff dressed up and gave entertaining performances during the Company's Annual Dinner event themed 'Movie Mania'



A demonstration on self-defence techniques was organised to educate staff on ways to protect themselves from crime



Residents and staff participated in the Family Fun Day Carnival at our Bandar Puncak Alam township in Shah Alam 2, Selangor







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# DIRECTORS' REPORT AND STATEMENT

The Directors have pleasure in submitting their 25<sup>th</sup> annual report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2009.

## 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.

## FINANCIAL RESULTS

	The Group RM'000	The Company RM'000
Net profit for the financial year	401,967	412,679
Attributable to:		
Equity holders of the Company	290,212	412,679
Minority interest	111,755	–
	<u>401,967</u>	<u>412,679</u>

## DIVIDENDS

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

In respect of the financial year ended 31 March 2009:

A tax exempt dividend in-specie of 85,763,142 IJM Land Berhad's (formerly known as RB Land Holdings Berhad) ("IJMLB") warrants on the basis of 1 IJMLB's warrant for every 10 IJM shares held at 4.99 sen per share, distributed on 15 September 2008

RM'000

42,881

A special interim dividend of 25 sen per share less income tax at 25%, paid on 25 November 2008

160,641

203,522

On 26 May 2009, the Directors have declared a second interim dividend in respect of the financial year ended 31 March 2009 of 5% less tax at 25% to be paid on 21 August 2009 to every member who is entitled to receive the dividend as at 5:00pm on 31 July 2009.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2009.

## RESERVES AND PROVISIONS

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

## SHARE CAPITAL

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM859,313,724 to RM941,951,233 by way of:

- The issuance of 76,831,052 and 4,988,797 new ordinary shares of RM1.00 each on 1 December 2008 and 15 January 2009 respectively as the purchase consideration for the acquisition of the remaining shareholdings in Industrial Concrete Products Berhad as disclosed in Note 46 to the financial statements;
- The issuance of 311,060 and 2,000 new ordinary shares of RM1.00 each arising from the exercise of Warrants 2005/2010 at the exercise price of RM4.80 and RM4.77 per share respectively in accordance with the Deed Poll dated 22 June 2005; and



## SHARE CAPITAL (cont'd)

- (c) The issuance of 504,600 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
197,100	3.96*/3.93**/3.91*** /3.88****
62,500	4.20**/4.18*** /4.15****
245,000	4.36*/4.33**/4.31*** /4.28****
504,600	

- \* Exercise price of the ESOS has been adjusted on 30 April 2005  
 \*\* Exercise price of the ESOS has been adjusted on 1 August 2006  
 \*\*\* Exercise price of the ESOS has been adjusted on 1 August 2007  
 \*\*\*\* Exercise price of the ESOS has been adjusted on 19 August 2008

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

## TREASURY SHARES

During the financial year, the Company repurchased 3,040,800 of its issued share capital from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM14,523,342. The average price paid for the shares repurchased was approximately RM4.78 per share.

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

## 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 expired 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 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) Datuk Oh Chong Peng
  - (iii) Datuk Yahya bin Ya'acob
- (d) The total number of new Company's shares which may be made available under the ESOS shall not exceed 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 5 market days immediately preceding the Offer Date with an allowance for a discount of not more than 10% therefrom at the ESOS Committee's discretion or the par value of the Company's shares, whichever is higher.

## EMPLOYEE SHARE OPTION SCHEME ("ESOS") (cont'd)

The main features of the ESOS are as follows: (cont'd)

- (f) The exercise price of the ESOS had been adjusted on 30 April 2005, 1 August 2006, 1 August 2007 and 19 August 2008 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 10% of the nominal value of the shares of the Company. The adjusted option prices on 30 April 2005, 1 August 2006, 1 August 2007 and 19 August 2008 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	Adjusted on 19 August 2008
8 January 2004	RM3.99	RM3.96	RM3.93	RM3.91	RM3.88
7 April 2004	RM4.47	RM4.44	RM4.41	RM4.39	RM4.36
30 April 2004	RM4.39	RM4.36	RM4.33	RM4.31	RM4.28
20 May 2004	RM4.21	RM4.18	RM4.15	RM4.13	RM4.10
30 August 2005	RM4.40	n/a	RM4.37	RM4.35	RM4.32
26 October 2005	RM4.23	n/a	RM4.20	RM4.18	RM4.15

The ESOS expired on 10 November 2008. On the date of expiry, all options granted but not exercised lapsed and ceased to be valid for any purposes. The details of the options granted but not exercised on the date of expiry are set out in Note 14A(b) to the financial statements.

## 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 1 Warrant for every 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 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 in accordance with the provisions in the Deed Poll. The option price was subsequently adjusted to RM4.77 on 19 August 2008 pursuant to the payment of dividend in-specie by the Company to its shareholders of 85,763,142 IJM Land Berhad's ("IJMLB") warrants on the basis of 1 IJMLB warrant for every 10 IJM shares held. Any Warrants 2005/2010 not exercised at the date of maturity will lapse and cease to be valid for any purpose. As at the balance sheet date, 21,848,341 Warrants 2005/2010 (2008: 22,161,401) remained unexercised.

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.

## 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*

Teh Kean Ming, *Deputy Chief Executive Officer & Deputy Managing Director (ceased as an Alternate Director to Dato' Goh Chye Koon on 1 July 2008, and appointed as Deputy Chief Executive Officer & Deputy Managing Director on 1 July 2008)*

Dato' Goh Chye Koon, *Executive Director (retired as Deputy Chief Executive Officer & Deputy Managing Director on 29 June 2008, and remained as an Executive 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, *Non-Executive Director*

Tan Gim Foo, *Alternate to Soo Heng Chin*

\*members of the Nomination and Remuneration Committee

## 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 1.4.2008	Acquired	Disposed	Balance at 31.3.2009
<b>IJM Corporation Berhad</b>				
<b><u>Name of Director</u></b>				
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob				
Direct interest	50,000	–	–	50,000
Dato' Tan Boon Seng @ Krishnan				
Direct interest	954,600	457,200	–	1,411,800
Indirect interest	50,000	732,240	–	782,240
Teh Kean Ming				
Direct interest	20,000	60,000	–	80,000
Indirect interest	42,000	54,000	–	96,000
Dato' Goh Chye Koon				
Direct interest	298,712	50,640	20,000	329,352
Soo Heng Chin				
Direct interest	120,400	30,000	70,000	80,400
Datuk Yahya bin Ya'acob				
Direct interest	50,000	–	–	50,000

Number of Ordinary Shares of RM0.50 each				
	Balance at 1.4.2008	Acquired	Disposed	Balance at 31.3.2009
<b><u>Industrial Concrete Products Berhad (a subsidiary)</u></b>				
<b><u>Name of Director</u></b>				
Dato' Tan Boon Seng @ Krishnan				
Direct interest	762,000	–	762,000	–
Indirect interest	901,200	–	901,200	–
Teh Kean Ming				
Direct interest	50,000	–	50,000	–
Indirect interest	30,000	–	30,000	–
Dato' Goh Chye Koon				
Direct interest	84,400	–	84,400	–



## DIRECTORS (cont'd)

	Number of Ordinary Shares of RM0.50 each			
	Balance at 1.4.2008	Acquired	Disposed	Balance at 31.3.2009
<b><u>IJM Plantations Berhad (a subsidiary)</u></b>				
<b><u>Name of Director</u></b>				
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob				
Direct interest	–	35,000	–	35,000
Dato' Tan Boon Seng @ Krishnan				
Direct interest	505,879	–	–	505,879
Indirect interest	277,879	50,000	–	327,879
Teh Kean Ming				
Direct interest	30,000	–	–	30,000
Dato' Goh Chye Koon				
Direct interest	153,484	–	–	153,484
Soo Heng Chin				
Direct interest	22,000	30,000	–	52,000
Datuk Oh Chong Peng				
Direct interest	50,000	50,000	30,000	70,000

	Number of Ordinary Shares of RM1 each			Balance at 31.3.2009
	Balance at 1.4.2008	Acquired	Disposed	
<u>IJM Land Berhad (a subsidiary)</u>				
<u>Name of Director</u>				
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob				
Direct interest	–	50,000	–	50,000
Dato' Tan Boon Seng @ Krishnan				
Indirect interest	–	20,000	–	20,000
Soo Heng Chin				
Direct interest	–	30,000	–	30,000
Tan Sri Abdul Halim bin Ali				
Direct interest	10,000	–	–	10,000
Datuk Lee Teck Yuen				
Direct interest	3,932,000	–	–	3,932,000

	Number of options over ordinary shares of RM1 each				
	Balance at 1.4.2008	Granted	Exercised	Lapsed upon expiry on 10.11.2008*	Balance at 31.3.2009
<b><u>IJM Corporation Berhad</u></b>					
<b><u>Name of Director</u></b>					
Teh Kean Ming	35,000	—	—	35,000	—
Dato' Goh Chye Koon	550,000	—	—	550,000	—
Datuk Oh Chong Peng	100,000	—	—	100,000	—

	Number of options over ordinary shares of RM0.50 each				
	Balance at 1.4.2008	Granted	Exercised	Lapsed upon expiry on 19.10.2008^	Balance at 31.3.2009
<u>IJM Plantations Berhad (a subsidiary)</u>					
<u>Name of Director</u>					
Datuk Oh Chong Peng	50,000	—	—	50,000	—

\* IJM Corporation Berhad ESOS expired on 10 November 2008

^ IJM Plantations Berhad ESOS expired on 19 October 2008

# DIRECTORS (cont'd)

	Number of Warrants				
	Balance at 1.4.2008	Acquired	Disposed	Exercised	Balance at 31.3.2009
<b><u>IJM Corporation Berhad</u></b>					
<b><u>Name of Director</u></b>					
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob					
Direct interest	–	21,500	–	–	21,500
Dato' Tan Boon Seng @ Krishnan					
Direct interest	501,900	–	–	–	501,900
Teh Kean Ming					
Direct interest	97,000	–	–	–	97,000
Indirect interest	5,000	–	–	–	5,000
Dato' Goh Chye Koon					
Direct interest	113,000	–	–	–	113,000
Soo Heng Chin					
Direct interest	273,400	–	131,400	–	142,000
Datuk Lee Teck Yuen					
Direct interest	1,500,000	–	–	–	1,500,000
Indirect interest	700,000	–	–	–	700,000
Tan Gim Foo					
Direct interest	10,000	–	–	–	10,000

	Number of Warrants				Balance at 31.3.2009
	Balance at 1.4.2008	Acquired	Disposed	Exercised	
<b><u>IJM Land Berhad (a subsidiary)</u></b>					
<b><u>Name of Director</u></b>					
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob					
Direct interest	–	5,000	–	–	5,000
Dato' Tan Boon Seng @ Krishnan					
Direct interest	–	95,460	–	–	95,460
Indirect interest	–	13,000	–	–	13,000
Teh Kean Ming					
Direct interest	–	2,000	–	–	2,000
Indirect interest	–	5,200	–	–	5,200
Dato' Goh Chye Koon					
Direct interest	–	29,871	–	–	29,871
Soo Heng Chin					
Direct interest	–	8,040	–	–	8,040
Datuk Yahya bin Ya'acob					
Direct interest	–	5,000	–	–	5,000

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

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

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

## OTHER STATUTORY INFORMATION

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

- (a) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

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

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts of the Group and of the Company inadequate to any material extent or the values attributed to current assets of the Group and of the Company misleading; or
- (b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (c) not otherwise dealt with in this report and statement or in the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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 147 to 260 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 2009 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.

## AUDITORS

The Auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

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  
26 May 2009



# INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

RISE  
ABOVE  
CHALLENGES

ANNUAL REPORT '09

	Note	The Group		The Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Operating revenue	4,13	4,601,294	4,637,172	411,016	204,406
Cost of sales		(3,703,848)	(3,652,868)	(188,886)	(143,430)
Gross profit		897,446	984,304	222,130	60,976
Other operating income		157,265	331,029	324,149	158,477
Tendering, selling and distribution expenses		(93,413)	(83,559)	–	–
Administrative expenses		(154,698)	(169,215)	(18,697)	(16,364)
Other operating expenses:					
- Impairment of investment in a subsidiary		–	–	–	(940,860)
- Impairment of goodwill	45	–	(940,860)	–	–
- Others		(111,044)	(127,583)	(38,581)	(28,660)
Operating profit/(loss) before finance cost	5	695,556	(5,884)	489,001	(766,431)
Finance cost	9	(189,090)	(157,459)	(21,410)	(22,652)
Operating profit/(loss) after finance cost		506,466	(163,343)	467,591	(789,083)
Share of profits of associates		19,046	14,638	–	–
Share of profits of jointly controlled entities		3,158	3,857	–	–
Profit/(loss) before taxation	13	528,670	(144,848)	467,591	(789,083)
Income tax expense	10,13	(126,703)	(155,314)	(54,912)	(20,889)
Net profit/(loss) for the financial year	13	401,967	(300,162)	412,679	(809,972)
Attributable to:					
Equity holders of the Company		290,212	(420,467)	412,679	(809,972)
Minority interest		111,755	120,305	–	–
Net profit/(loss) for the financial year	13	401,967	(300,162)	412,679	(809,972)
Dividends per share	12			34.99	–
<b>Earnings/(loss) per share</b>					
Net profit/(loss) attributable to ordinary equity holders of the Company		290,212	(420,467)		
Earnings/(loss) per share attributable to ordinary equity holders of the Company:					
- Basic	11(a)	32.84 Sen	(49.4 Sen)		
- Fully diluted	11(b)	N/A	(48.9 Sen)		
N/A denotes not applicable because the Warrants are anti dilutive and hence the calculation of diluted earnings per share for the financial year ended 31 March 2009 does not assume the exercise of Warrants					
Supplementary information on earnings per share in the preceding financial year excluding the impairment of goodwill are as follows:					
Net loss attributable to ordinary equity holders of the Company			(420,467)		
Impairment of goodwill			940,860		
Net profit attributable to ordinary equity holders of the Company, excluding impairment of goodwill			520,393		
Earnings per share attributable to ordinary equity holders of the Company in the preceding financial year, excluding the impairment of goodwill:					
- Basic			61.2 Sen		
- Fully diluted			60.5 Sen		

# BALANCE SHEETS

AS AT 31 MARCH 2009

		The Group		The Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	14	941,952	859,314	941,952	859,314
Share premium	14	2,128,037	1,991,180	2,128,037	1,991,180
Treasury shares	14	(16,298)	(1,774)	(16,298)	(1,774)
Revaluation reserve		36,441	36,196	–	–
Exchange translation reserve		(72,232)	17,793	(743)	(1,198)
Other reserves	15	37,903	37,919	653	669
Retained profits	10	1,714,347	1,687,622	761,348	552,191
		4,770,150	4,628,250	3,814,949	3,400,382
MINORITY INTEREST					
		845,917	936,026	–	–
TOTAL EQUITY					
		5,616,067	5,564,276	3,814,949	3,400,382
NON-CURRENT LIABILITIES					
Bonds	16	652,704	844,130	–	–
Commercial Papers and Medium Term Notes	17	233,380	274,384	150,000	150,000
Term loans	18	1,073,621	990,633	–	–
Government support loans	19	280,175	273,365	–	–
Hire purchase and lease creditors	20	5,843	5,605	–	–
Deferred tax liabilities	21	350,093	347,760	–	–
Trade and other payables	22	84,888	75,221	–	–
Retirement benefits	23	5,839	5,670	–	–
		2,686,543	2,816,768	150,000	150,000
Deferred income					
	24	73,343	68,952	–	–
		8,375,953	8,449,996	3,964,949	3,550,382
NON-CURRENT ASSETS					
Property, plant and equipment	25	1,299,035	1,179,706	11,221	18,138
Leasehold land	26	320,799	309,668	–	–
Investment properties	27	163,521	35,489	5,294	–
Concession assets	28	2,175,269	2,184,803	–	–
Subsidiaries	29	–	–	3,707,146	2,032,665
Associates	30	415,263	397,586	87,706	101,140
Jointly controlled entities	31	817,981	679,157	119,646	101,733
Long term investments	32	18,135	86,233	2,050	2,050
Long term receivables	33	72,986	75,891	–	–
Intangible assets	34	83,078	86,681	–	–
Deferred tax assets	21	65,773	65,820	856	1,506
Land held for property development	35	734,233	638,891	281	281
Plantation development expenditure	36	430,972	416,898	–	–
		6,597,045	6,156,823	3,934,200	2,257,513

		The Group		The Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>CURRENT ASSETS</b>					
Property development costs	35	1,699,730	1,667,188	–	–
Inventories	37	390,726	341,868	19,732	5,366
Trade and other receivables	38	2,103,848	2,140,641	1,122,158	1,591,718
Short term investments	39	73,350	68,455	12,588	24,564
Deposits, cash and bank balances	40	945,654	666,537	166,829	95,337
Assets held for sale	41	29,830	94,940	–	–
Tax recoverable		69,905	11,961	5,677	–
		5,313,043	4,991,590	1,326,984	1,716,985
Less:					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	42	2,015,357	1,816,802	877,773	403,069
Current tax liabilities		29,567	34,423	–	1,001
Borrowings					
- Bank overdrafts	43	123,801	67,932	–	–
- Others	43	1,365,410	779,260	418,462	20,046
		3,534,135	2,698,417	1,296,235	424,116
<b>NET CURRENT ASSETS</b>					
		1,778,908	2,293,173	30,749	1,292,869
		8,375,953	8,449,996	3,964,949	3,550,382



# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	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
<b>The Group</b>										
<b>At 1 April 2008</b>	859,314	1,991,180	(1,774)	36,196	17,793	37,919	1,687,622	4,628,250	936,026	5,564,276
Exchange differences arising from translation of net investment in foreign subsidiaries, associates and branch	-	-	-	-	(90,025)	-	-	(90,025)	(10,077)	(100,102)
Share of realisation of revaluation reserve of a subsidiary	-	-	-	(194)	-	-	194	-	-	-
Minority interests' share of revaluation reserve	-	-	-	(135)	-	-	-	(135)	135	-
Dilution of interests in associate	-	-	-	-	-	-	(732)	(732)	-	(732)
Adjustments to fair values of previously held interest in a piecemeal acquisition	-	-	-	574	-	-	-	574	-	574
Income and expense recognised directly in equity	-	-	-	245	(90,025)	-	(538)	(90,318)	(9,942)	(100,260)
Net profit for the financial year	-	-	-	-	-	-	290,212	290,212	111,755	401,967
Total recognised income and expense for the year	-	-	-	245	(90,025)	-	289,674	199,894	101,813	301,707

Attributable to equity holders of the Company

	Note	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
<b>The Group</b>											
Acquisition of subsidiaries		-	-	-	-	-	-	-	-	63	63
Acquisition of additional interest from minority shareholders		-	-	-	-	-	-	(8,061)	(8,061)	(12,821)	(20,882)
Deemed disposal of subsidiaries		-	-	-	-	-	-	(736)	(736)	736	-
Dividend in-specie:											
- Year ended 31 March 2009	12	-	-	-	-	-	-	(42,881)	(42,881)	42,881	-
Special interim dividend:											
- Year ended 31 March 2009	12	-	-	-	-	-	-	(160,641)	(160,641)	-	(160,641)
Dividends paid by subsidiaries to minority shareholders		-	-	-	-	-	-	-	-	(37,245)	(37,245)
Issuance of shares:											
- Acquisition of subsidiaries	14,46	81,820	134,073	-	-	-	-	(50,630)	165,263	(201,947)	(36,684)
- Exercise of Warrants 2005/2010	14	313	1,206	-	-	-	(16)	-	1,503	-	1,503
- Exercise of ESOS	14	505	1,578	-	-	-	-	-	2,083	-	2,083
Shares buy back	14	-	-	(14,524)	-	-	-	-	(14,524)	-	(14,524)
Issuance of shares and warrants by subsidiaries to minority shareholders		-	-	-	-	-	-	-	-	16,411	16,411
<b>At 31 March 2009</b>		<b>941,952</b>	<b>2,128,037</b>	<b>(16,298)</b>	<b>36,441</b>	<b>(72,232)</b>	<b>37,903</b>	<b>1,714,347</b>	<b>4,770,150</b>	<b>845,917</b>	<b>5,616,067</b>

# STATEMENTS OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Attributable to equity holders of the Company										Note
	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	
<b>The Group</b>											
<b>At 1 April 2007</b>	570,327	748,846	-	27,056	12,886	50,975	1,192,832	2,602,922	559,459	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	8,985	34,914	
Realisation of revaluation reserve upon disposal of land	-	-	-	(18,272)	-	-	-	(18,272)	(6,841)	(25,113)	
Realisation of reserves upon disposal of an investment/subsidiary	-	-	-	-	-	(12,886)	(37)	(12,923)	-	(12,923)	
Income and expense recognised directly in equity	-	-	-	9,140	4,907	(12,886)	673	1,834	2,144	3,978	
Net loss for the financial year	-	-	-	-	-	-	(420,467)	(420,467)	120,305	(300,162)	
Total recognised income and expense for the year	-	-	-	9,140	4,907	(12,886)	(419,794)	(418,633)	122,449	(296,184)	



Attributable to equity holders of the Company

	Note	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
<b>The Group</b>											
Acquisition of a subsidiary	46b(i)	-	-	-	-	-	-	-	-	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		-	-	-	-	-	-	(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	-	-	-
<b>At 31 March 2008</b>		<b>859,314</b>	<b>1,991,180</b>	<b>(1,774)</b>	<b>36,196</b>	<b>17,793</b>	<b>37,919</b>	<b>1,687,622</b>	<b>4,628,250</b>	<b>936,026</b>	<b>5,564,276</b>

# STATEMENTS OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Note				Non-distributable		Distributable	Total RM'000
		Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Exchange translation reserve RM'000	Other reserve RM'000	Retained profits RM'000	
<b>The Company</b>								
<b>At 1 April 2008</b>		859,314	1,991,180	(1,774)	(1,198)	669	552,191	3,400,382
Exchange differences arising from translation of a foreign branch		–	–	–	455	–	–	455
Expense recognised directly in equity		–	–	–	455	–	–	455
Net profit for the financial year		–	–	–	–	–	412,679	412,679
Total recognised income and expense for the year		–	–	–	455	–	412,679	413,134
Dividends in specie:								
- Year ended 31 March 2009	12	–	–	–	–	–	(42,881)	(42,881)
Special interim dividend:								
- Year ended 31 March 2009	12	–	–	–	–	–	(160,641)	(160,641)
Issuance of shares:								
- Acquisition of subsidiaries	14,46	81,820	134,073	–	–	–	–	215,893
- Exercise of Warrants 2005/2010	14	313	1,206	–	–	(16)	–	1,503
- Exercise of ESOS	14	505	1,578	–	–	–	–	2,083
Shares buy back	14	–	–	(14,524)	–	–	–	(14,524)
<b>At 31 March 2009</b>		<b>941,952</b>	<b>2,128,037</b>	<b>(16,298)</b>	<b>(743)</b>	<b>653</b>	<b>761,348</b>	<b>3,814,949</b>
<b>The Company</b>								
<b>At 1 April 2007</b>		570,327	748,846	–	579	1,383	471,450	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)	–	(809,972)	(811,749)
Dividends:								
- Year ended 31 March 2007		–	–	–	–	–	(31,542)	(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	–
<b>At 31 March 2008</b>		<b>859,314</b>	<b>1,991,180</b>	<b>(1,774)</b>	<b>(1,198)</b>	<b>669</b>	<b>552,191</b>	<b>3,400,382</b>

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

RISE  
ABOVE  
CHALLENGES

ANNUAL REPORT '09

	Note	2009 RM'000	2008 RM'000
<b>OPERATING ACTIVITIES</b>			
Receipts from customers		4,748,151	4,269,480
Payments to contractors, suppliers and employees		(3,978,705)	(3,715,946)
Interest received		42,564	56,532
Interest paid		(226,142)	(182,246)
Income tax paid		(155,560)	(120,680)
<b>Net cash flow from operating activities</b>		<b>430,308</b>	<b>307,140</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of subsidiaries	46	(30,235)	303,083
Acquisition of shares from minority shareholders in subsidiaries		(20,882)	(12,850)
Disposal of shares in a subsidiary	47	–	69,127
Investments in jointly controlled entities		(41,621)	(65,345)
Investments in associates		(17,315)	(56,713)
Acquisition of investments		–	(180)
Purchase of development land held for property development		(74,478)	(76,751)
Purchase of property, plant and equipment and leasehold land		(406,252)	(309,769)
Cost incurred on concession assets		(83,766)	(158,366)
Additions to plantation development expenditure		(10,926)	(6,565)
Deferred expenditure incurred	34	(3,071)	(3,655)
Disposal of property, plant and equipment, investment properties and leasehold land		72,022	45,518
Disposal of assets held for sale		132,000	–
Disposal of an associate		–	106,364
Disposal of investments		18,088	178,453
Dividends received from associates		2,951	11,890
Dividends received from other investments		1,861	635
Advances to associates		(723)	(3,274)
Repayment of advances from associates		7,134	10,303
Advances to jointly controlled entities		(96,098)	(172,336)
Repayment of advances from jointly controlled entities		99,492	25,791
<b>Net cash flow used in investing activities</b>		<b>(451,819)</b>	<b>(114,640)</b>



# CONSOLIDATED CASH FLOW STATEMENT (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Note	2009 RM'000	2008 RM'000
<b>FINANCING ACTIVITIES</b>			
Issuance of shares by the Company:			
- Exercise of ESOS		2,083	8,690
- Exercise of Warrants 2005/2010		1,503	68,576
Issuance of shares by subsidiaries to minority shareholders		16,411	16,765
Repayment of Bonds		(70,000)	(65,000)
Drawdown of Commercial Papers		150,000	–
Repayments of Medium Term Notes (“MTN”) and Commercial Papers		(95,000)	–
Proceeds from bank borrowings		781,455	549,041
Repayments of bank borrowings		(344,774)	(291,210)
(Repayments to)/advances from the State Government		(1,500)	7,000
Repayment of Government Support Loan		(2,500)	(2,500)
Repayments to hire purchase and lease creditors		(15,600)	(14,366)
Payment of MTN and bonds interests		(19,283)	(16,267)
Dividends paid by subsidiaries to minority shareholders		(37,245)	(24,291)
Dividends paid by the Company		(160,641)	(31,542)
(Increase)/decrease in bank deposits assigned to trustees		(18,981)	(13,481)
Re-purchase of treasury shares	14(C)	(14,524)	(1,774)
<b>Net cash flow from financing activities</b>		<b>171,404</b>	<b>189,641</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR</b>			
		<b>149,893</b>	<b>382,141</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>			
		<b>626,805</b>	<b>251,793</b>
<b>FOREIGN EXCHANGE DIFFERENCES ON OPENING BALANCES</b>			
		<b>10,999</b>	<b>(7,129)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>			
	48	<b>787,697</b>	<b>626,805</b>

# COMPANY CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

RISE  
ABOVE  
CHALLENGES

ANNUAL REPORT '09

	Note	2009 RM'000	2008 RM'000
<b>OPERATING ACTIVITIES</b>			
Receipts from customers		197,244	98,972
Payments to contractors, suppliers and employees		(245,008)	(187,786)
Interest received		6,915	6,175
Interest paid		(7,175)	(2,513)
Income tax paid		(16,053)	(17,514)
<b>Net cash flow used in operating activities</b>		<b>(64,077)</b>	<b>(102,666)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(499)	(8,305)
Disposal of property, plant and equipment		113	–
Acquisition of additional interests in subsidiaries		(655,351)	(11,709)
Disposal of shares in a subsidiary	47	354,000	73,139
Disposal/(acquisition) of investments		95	–
Acquisition of shares in associates		(11)	(34,244)
Dividends received from subsidiaries		104,085	22,845
Dividends received from associates		531	6,615
Dividends received from other investments		703	536
Net repayment of advances from subsidiaries		520,149	200,709
Repayment of advances from associates		5,421	3,847
Advances to jointly controlled entities		–	(21,472)
Repayment of advances from jointly controlled entities		1,339	–
Subscription of IJM Land Berhad's redeemable convertible unsecured loan stocks ("RCULS")		(400,000)	–
Subscription of Lebuhraya Kajang Seremban Sdn Bhd's RCULS		(20,000)	–
<b>Net cash flow (used in)/from investing activities</b>		<b>(89,425)</b>	<b>231,961</b>
<b>FINANCING ACTIVITIES</b>			
Issuance of shares by the Company:			
- Exercise of ESOS		2,083	8,690
- Exercise of Warrants 2005/2010		1,503	68,576
Proceeds from bank borrowings		262,540	–
Repayments of bank borrowings		(14,881)	(44,902)
Payment of MTN interests		(11,283)	(8,267)
Dividends paid by the Company		(160,641)	(31,542)
Re-purchase of treasury shares		(14,524)	(1,774)
Drawdown of Commercial Papers		150,000	–
<b>Net cash flow from/(used in) financing activities</b>		<b>214,797</b>	<b>(9,219)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR</b>		<b>61,295</b>	<b>120,076</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>115,534</b>	<b>(4,542)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	48	<b>176,829</b>	<b>115,534</b>

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

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

## 1 BASIS OF PREPARATION

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

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

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

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

### (a) Standards, amendments to published standards and interpretations that are effective

The standards, amendments to published standards and interpretations that are effective and for the Group's and the Company's financial year beginning on or after 1 April 2008 are as follows:

- FRS 112 Income Taxes
- FRS 120 Accounting for Government Grants and Disclosure of Government Assistance
- Amendment to FRS 121 – The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operations
- IC Interpretation 1 "Changes in Existing Decommissioning, Restoration and Similar Liabilities"
- IC Interpretation 2 "Members' Shares in Co-operative Entities and Similar Instruments"
- IC Interpretation 5 "Rights to Interests arising from Decommission, Restoration and Environmental Rehabilitation Funds"
- IC Interpretation 6 "Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment"
- IC Interpretation 7 "Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies"
- IC Interpretation 8 "Scope of FRS 2"

IC Interpretations 2, 5, 6 and 7 are not relevant to the Group's and the Company's operations.

All changes in accounting policies have been made in accordance with the transition provisions in the respective standards, amendments to published standards and interpretations. All standards, amendments and interpretations adopted by the Group require retrospective application except for IC Interpretation 8 which requires retrospective application subject to the transitional provision of FRS 2. FRS 2 requires retrospective application for all equity instruments granted after 31 December 2004 and not vested at 1 April 2006.

The adoption of the standards, amendments to published standards and interpretations did not have any significant impact on the financial statements of the Group and of the Company.

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

The new standards and IC Interpretations that are mandatory for the Group's financial year beginning on or after 1 April 2010 or later periods, and the Group has not early adopted, are as follows:

- FRS 8 "Operating Segments" (effective for accounting periods beginning on or after 1 July 2009). FRS 8 replaces FRS 114/2004 Segment Reporting. The new standard requires a management approach, under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply this standard from financial periods beginning on 1 April 2010.



## 1 BASIS OF PREPARATION (cont'd)

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

- IC Interpretation 9 "Reassessment of Embedded Derivatives" (effective for accounting periods beginning on or after 1 January 2010). IC Interpretation 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The Group will apply this standard from financial periods beginning on 1 April 2010.
- IC Interpretation 10 "Interim Financial Reporting and Impairment (effective for accounting periods beginning on or after 1 January 2010). IC Interpretation 10 prohibits the impairment recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group will apply this standard from financial periods beginning on 1 April 2010.

The above standards and interpretations are not anticipated to have any significant impact on the financial statements of the Group and of the Company in the year of initial application.

The following standards will be effective for annual periods beginning on or after 1 January 2010. The Group will apply these standards from financial periods beginning on 1 April 2010. The Group has applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of the standard on the financial statements of the Group and of the Company.

- FRS 139 Financial Instruments: Recognition and Measurement
- FRS 7 Financial Instruments: Disclosures

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

- FRS 4 "Insurance Contracts" (effective for accounting periods beginning on or after 1 January 2010).

## 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, which 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.

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

### (a) Subsidiaries (cont'd)

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 reserve. Any resulting debit difference is adjusted against 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 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.

### (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.

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 long term 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.

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

### (d) Jointly controlled entities

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

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

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.

Where necessary, adjustments are 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. Impairment on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

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

## 4 INVESTMENTS

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

Long term investments are stated at cost 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 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.

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

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. 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.

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.

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 reassessment 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.

### (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.



## 9 REVENUE AND PROFIT RECOGNITION (cont'd)

### (a) Construction contracts (cont'd)

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

Hotel revenue represents income derived from room rental and sales of food and beverage. Room rental income is accrued on a daily basis on customer-occupied rooms. Sales of food and beverage are recognised upon delivery to customers. Hotel revenue is recognised net of sales tax and discounts.

### (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 to finance a township development commences when activities necessary to prepare the development land for its intended use commences and includes activities associated with obtaining approvals prior to commencement of physical development. Capitalisation of borrowing costs in relation to each individual development phase shall cease upon the completion of the respective development phase.

## 10 CAPITALISATION OF FINANCE COST (cont'd)

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. Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and the development is expected to be completed within the normal operating cycle.

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

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

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

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

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

## 12 INVENTORIES

### (a) Completed buildings

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

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

### (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 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.

#### 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 not exceeding 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 plan.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

## 20 EMPLOYEE BENEFITS (cont'd)

### (b) Post-employment benefits (cont'd)

#### (i) Defined contribution plan

The Group's contributions to defined contribution plan are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"), a defined contribution plan.

#### (ii) Unfunded defined benefit plan

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 experience adjustments. 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.

The share-based compensation plan expired on 10 November 2008.

## 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, the difference between the sales consideration and the carrying amount of the treasury shares are shown as a movement in equity. Where the consideration received is more than the carrying amount, the credit difference arising is taken to the share premium account. Where the consideration received is less than the carrying amount, the debit difference is offset against reserve.

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 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 is charged to the income statement unless it reverses a previous revaluation, in which case it is charged to the revaluation surplus. Impairment 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 on a revalued asset, in which case it is taken to revaluation surplus.

## **26 SEGMENTAL INFORMATION**

Segment reporting is presented for enhanced assessment of the Group's risks and returns as each business or geographical segment is subject to risks and returns that are different from the other business or geographical segments.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process.

## 27 CONTINGENT LIABILITIES

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions and the information about the contingent liabilities acquired are disclosed in the Notes to the financial statements.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of FRS 137 2004 and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118 2004.

## 28 PLANTATION DEVELOPMENT EXPENDITURE

Plantation development expenditure comprises 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 21 to 97 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 26 May 2009.

## 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.

The Group has estimated total contract revenue based on the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably based on the latest available information, and in the absence of such, the Directors' best estimates derived from reasonable assumptions, experience and judgement.

Where the actual approved variations and claims differ from the estimates, 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 particularly in light of the current economic environment. To the extent that actual recoveries deviate from management's estimates, such variances may have a material impact on the income statement. Based on management's assessment, management believes that the current level of allowance for doubtful debts is adequate. In addition, management is also rigorously monitoring the recoverability of these receivables.

### (g) Impairment of assets

The Group determines whether an asset is impaired by evaluating the extent to which the recoverable amount of an asset is less than its cost. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation report and discounted cash flow. For discounted cash flow, this involves the use of estimated future results and a set of assumptions to reflect its income and cash flow. Judgement has been used to determine the discount rate for the cash flow and the future growth of the business.

## 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.

Significant transaction with foreign exchange exposures are hedged, mainly with derivative financial instruments such as foreign currency forward contracts.

### Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises mainly from the Group's borrowings and deposits. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. Derivative financial instruments are used, where appropriate, to generate the desired interest rate profile.

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

#### Price risk

The Group faces exposure to the risk from changes in debt and equity prices. However, management regularly reviews these risks and takes proactive measures to mitigate the potential impact of such risks.

#### Credit risk

Credit risk arises when derivative instruments are used or sales are made on credit terms. The Group controls these risks by the application of credit approvals, limits and monitoring procedures. 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 a "single customer limit" debtor and Kumpulan Europlus Berhad ("KEB"), an associate and companies related to the associate. The Group has also carried out an assessment on the recoverability of these balances and 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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Construction contract revenue	1,745,486	2,081,901	190,870	148,561
Property development revenue	807,837	838,743	—	677
Sale of quarry and manufactured products	998,286	811,442	—	—
Sale of goods	238,961	63,964	—	—
Toll concession revenue	165,031	135,975	—	—
Port revenue	102,851	99,362	—	—
Sale of crude palm oil and plantations related products	491,604	478,029	—	—
Management services	8,757	24,616	1,634	1,361
Dividend income	802	741	218,248	53,536
Rental of properties	3,276	3,896	264	271
Rendering of other services	38,403	98,503	—	—
	<b>4,601,294</b>	<b>4,637,172</b>	<b>411,016</b>	<b>204,406</b>

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:

	2009 RM'000	2008 RM'000
Operating revenue of the Group	4,601,294	4,637,172
Share of operating revenue of:		
Associates	355,843	327,398
Jointly controlled entities	348,169	123,475
	<b>5,305,306</b>	<b>5,088,045</b>

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

## 5 OPERATING PROFIT/(LOSS) BEFORE FINANCE COST

- (a) The following expenses (excluding finance cost and tax expense) by nature have been debited in arriving at operating profit/(loss) before finance cost:

	Note	The Group		The Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Construction contract costs		1,813,192	1,910,457	188,886	142,753
Property development costs		729,081	722,165	—	677
Cost of quarry and manufactured products sold		778,616	657,315	—	—
Cost of plantation products sold		262,500	219,854	—	—
Toll operation costs		55,834	43,035	—	—
Port operation costs		59,960	56,653	—	—
Costs of rendering of other services		4,665	43,389	—	—
Employee benefits cost	6	256,956	240,210	16,791	13,100
Property, plant and equipment:					
- depreciation	25	82,859	79,790	2,336	1,282
- written off	25	1,476	748	—	—
- loss on disposal		17	42	2	—
- impairment	25	338	38	—	—
Amortisation of leasehold land	26	5,228	4,628	—	—
Investment properties					
- depreciation	27	1,884	486	129	—
- impairment	27	561	1,718	—	—
Rental of land and buildings		3,509	3,723	1,276	586
Hire of plant and equipment		24,028	27,870	—	—
Port lease and licence		3,829	3,215	—	—
Auditors' remuneration					
- statutory audit	8				
Current year		2,176	2,194	258	235
Under accrual in respect of prior years		429	132	112	—
Foreign exchange loss:					
- unrealised		1,661	445	1,192	—
- realised		887	3,059	—	1,800
Loss on disposal/liquidation of investments		—	170	—	—
Allowance for diminution in value of quoted investments		2,581	1,218	1,780	—
Allowance for diminution in value of unquoted investments		4	14,750	—	—
Impairment on investment in associates		15,455	20,532	13,445	20,000
Impairment on land held for property development	35(a)	2,649	3,050	—	—
Impairment on property development costs	35(b)	—	2,346	—	—
Amortisation of concession assets	28	55,350	46,188	—	—
Amortisation of quarry development expenditure	34	3,234	3,092	—	—
Amortisation of premium paid on quarry rights	34	—	47	—	—
Amortisation of licence fees	34	157	47	—	—
Amortisation of construction order book	34	3,283	3,283	—	—
Impairment of goodwill	34	—	940,860	—	—



## 5 OPERATING PROFIT/(LOSS) BEFORE FINANCE COST (cont'd)

- (a) The following expenses (excluding finance cost and tax expense) by nature have been debited in arriving at operating profit/(loss) before finance cost: (cont'd)

Note	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Impairment of investment in a subsidiary	—	—	11,880	940,860
Amortisation of discount on bonds issue	16 90	713	—	—
Amortisation of premium on acquisition of marketable securities	218	229	—	—
Allowance for doubtful debts	4,366	33,956	—	4
Allowance for obsolete stocks	245	110	—	—
Bad debts written off	955	1,113	—	—
Building stocks written down	4,383	435	—	—

Direct operating expenses from investment properties that generated rental income for the Group during the financial year amounted to RM498,000 (2008: RM256,000).

Direct operating expenses from investment properties that did not generate rental income for the Group during the financial year amounted to RM259,000 (2008: RM160,000).

- (b) The following amounts have been credited in arriving at operating profit/(loss) before finance cost:

Note	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Gross dividends received from:				
- subsidiaries				
(quoted)	—	—	12,546	29,909
(unquoted)	—	—	204,188	11,699
- associates				
(quoted)	—	—	325	163
(unquoted)	—	—	388	11,032
- other investments				
(quoted)	2,408	744	801	733
Interest income	50,467	56,532	69,276	96,071
Foreign exchange gain:				
- unrealised	7,274	821	115	1,321
- realised	317	76	—	4
Gain on disposal of property, plant and equipment	22,547	7,595	—	—
Gain on disposal of investment properties	—	328	—	—
Gain on disposal of assets held for sale	39,083	—	—	—
Rental income from properties	11,155	6,687	264	271
Rental income from plant, machinery, equipment and vehicles	3,454	5,278	313	310
Bad debts recovered	8	2,145	—	6,113
Write back of allowance for doubtful debts	36	—	—	—
Write back of allowance for diminution in value of investments	41	670	—	670
Amortisation of deferred income	24 4,421	3,988	—	—
Gain on disposal of shares in subsidiaries	—	21,967	254,000	54,287

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

## 5 OPERATING PROFIT/(LOSS) BEFORE FINANCE COST (cont'd)

(b) The following amounts have been credited in arriving at operating profit/(loss) before finance cost: (cont'd)

Note	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Gain on disposal of an associate	—	65,540	—	—
Gain on disposal of short term investments	74	121,160	54	—
Gain on disposal of long term investments	1,000	—	—	—
Negative goodwill arising from acquisition of subsidiaries	117	2,698	—	—
Realisation of revaluation reserve upon disposal of land and building	—	18,272	—	—
Waiver of debts	598	—	—	—

## 6 EMPLOYEE BENEFITS COST

Note	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Wages, salaries and bonus	247,700	229,254	13,212	10,196
Defined contribution retirement plan	25,887	24,968	2,220	1,633
Defined benefit retirement plan	1,247	1,723	—	—
Other employee benefits	12,308	15,281	1,359	1,271
	287,142	271,226	16,791	13,100
Less expenses capitalised into:				
- Property development costs	(472)	(1,045)	—	—
- Plantation development expenditure	(4,077)	(3,019)	—	—
- Construction contract work in progress	(25,637)	(26,952)	—	—
	256,956	240,210	16,791	13,100

## 7 DIRECTORS' REMUNERATION

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Directors of the Company:				
Fees				
- Current year	619	666	498	515
- Over provision in respect of prior years	—	(45)	—	(45)
Defined contribution retirement plan	1,028	1,028	765	587
Other emoluments	6,140	6,944	4,636	3,215
	7,787	8,593	5,899	4,272
Directors of subsidiaries:				
Fees	181	968	—	—
Defined contribution retirement plan	887	1,125	—	—
Defined benefit retirement plan	—	3,633	—	—
Other emoluments	6,142	8,611	—	—
	7,210	14,337	—	—

## 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 RM337,000 (2008: RM410,000) and RM134,000 (2008: RM78,000) 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 14A(b)) as follows:

Grant Date	Expiry Date	Exercise Price RM/share	Number of options over ordinary shares of RM 1 each				Balance at 31.3.2009 '000
			Balance at 1.4.2008 '000	Granted '000	Exercised '000	Lapsed upon expiry on 10.11.2008 '000	
8 January 2004	10 November 2008	3.99/3.96*/3.93**/ 3.91***/3.88****	—	—	—	—	—
7 April 2004	10 November 2008	4.47/4.44*/4.41**/ 4.39***/4.36****	240	—	—	(240)	—
30 April 2004	10 November 2008	4.39/4.36*/4.33**/ 4.31***/4.28****	310	—	—	(310)	—
20 May 2004	10 November 2008	4.21/4.18*/4.15**/ 4.13***/4.10****	100	—	—	(100)	—
30 August 2005	10 November 2008	4.40/4.37**/ 4.35***/4.32****	35	—	—	(35)	—
26 October 2005	10 November 2008	4.23/4.20**/ 4.18***/4.15****	—	—	—	—	—
			685	—	—	(685)	—

The exercise price of the ESOS had been adjusted on 30 April 2005 (\*), 1 August 2006 (\*\*), 1 August 2007 (\*\*\*) and 19 August 2008 (\*\*\*\*) respectively pursuant to Bye-Law 14 of the ESOS Bye-Laws (See Note 14A(b)).

Executive Directors and certain Non-Executive Directors of the Company have been allotted warrants under the Warrants 2005/2010 (see Note 14A(c)) as follows:

Expiry Date	Exercise Price RM/Warrant	Number of Warrants			Balance at 31.3.2009 '000
		Balance at 1.4.2008 '000	Disposed '000	Exercised '000	
22 August 2010	4.80/4.77*	571	(131)	—	440

The exercise price of the Warrants 2005/2010 had been adjusted on 19 August 2008 (\*) pursuant to the provisions of the Deed Poll dated 22 June 2005 constituting the Warrants 2005/2010.



**8 AUDITORS' REMUNERATION – STATUTORY AUDIT**

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
PricewaterhouseCoopers Malaysia*	1,524	1,154	370	235
Other member firms of PricewaterhouseCoopers International Limited *	604	564	–	–
Other auditors of subsidiaries	477	608	–	–
	<b>2,605</b>	<b>2,326</b>	<b>370</b>	<b>235</b>

\* PricewaterhouseCoopers Malaysia and other member firms of PricewaterhouseCoopers International Limited are separate and independent legal entities.

**9 FINANCE COST**

Note	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Interest expenses arising from:				
- Interest bearing bank borrowings	152,125	105,540	6,276	1,742
- Advances from subsidiaries	–	–	2,952	11,872
- Hire purchase and leasing	2,030	1,891	–	–
- Bonds	56,719	61,486	–	–
- Commercial Papers and Medium Term Notes ("MTN")	25,149	24,140	11,283	8,267
- Amortisation of government support loan	9,292	9,091	–	–
- Others	9,368	6,165	899	771
	<b>254,683</b>	<b>208,313</b>	<b>21,410</b>	<b>22,652</b>
Less interest capitalised into:				
- Concession assets	(16,827)	(19,164)	–	–
- Property development costs	(13,215)	(27,758)	–	–
- Plantation development expenditure	(35)	(1,057)	–	–
- Construction contract work-in-progress	(35,516)	(2,875)	–	–
	<b>(65,593)</b>	<b>(50,854)</b>	<b>–</b>	<b>–</b>
	<b>189,090</b>	<b>157,459</b>	<b>21,410</b>	<b>22,652</b>

**10 INCOME TAX EXPENSE**

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Current tax:</b>				
- Malaysian income tax	123,755	122,728	54,262	19,937
- Overseas taxation	236	15,026	–	90
	<b>123,991</b>	<b>137,754</b>	<b>54,262</b>	<b>20,027</b>
Deferred taxation (Note 21)	2,712	17,560	650	862
	<b>126,703</b>	<b>155,314</b>	<b>54,912</b>	<b>20,889</b>

## 10 INCOME TAX EXPENSE (cont'd)

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Current tax:</b>				
- Current year	131,229	149,144	52,463	21,013
- Benefits from previously unrecognised temporary differences	(3,322)	(7,834)	–	–
- (Over)/under accrual in prior years (net)	(3,916)	(3,556)	1,799	(986)
	123,991	137,754	54,262	20,027
<b>Deferred taxation:</b>				
- Origination and reversal of temporary differences	2,712	24,856	650	771
- Change in tax rate	–	(7,296)	–	91
	126,703	155,314	54,912	20,889

The explanation of the relationship between income tax expense and profit/loss before taxation is as follows:

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit/(loss) before taxation	528,670	(144,848)	467,591	(789,083)
Tax calculated at the Malaysian tax rate of 25% (2008: 26%)	132,168	(37,660)	116,898	(205,162)
Tax effects of:				
- Different tax rates in other countries	1,473	(4,707)	–	–
- Lower tax rates for small and medium companies	–	(693)	–	–
- Expenses not deductible for tax purposes	23,467	278,429	7,137	251,759
- Income not subject to tax	(15,228)	(55,963)	(70,922)	(24,813)
- Utilisation of tax incentives	(13,878)	(8,026)	–	–
- Current year's deferred tax assets not recognised	12,471	9,395	–	–
- Utilisation of previously unrecognised tax losses	(3,322)	(7,834)	–	–
- Share of results of jointly-controlled entities and associates	(5,927)	(5,952)	–	–
- Change in tax rate	–	(7,296)	–	91
- Others	(605)	(823)	–	–
(Over)/under accrual in prior years	(3,916)	(3,556)	1,799	(986)
Income tax expense	126,703	155,314	54,912	20,889

Included in income tax expense of the Group are tax savings from utilisation of tax losses as follows:

	The Group	
	2009 RM'000	2008 RM'000
<b>Tax losses:</b>		
Tax savings as a result of the utilisation of tax losses brought forward for which the related credit is recognised during the year	3,322	7,834

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 December 2013, whichever is earlier, unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provision 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 RM256,129,000 (2008: RM413,033,000) out of its retained profits.

## 11 EARNINGS / (LOSS) PER SHARE

### (a) Basic

The basic earnings per share for the financial year has been calculated based on the Group's profit attributable to ordinary equity holders of the Company for the financial year of RM290,212,000 (2008: Loss attributable to ordinary equity holders of the Company of RM420,467,000) and on the weighted average number of ordinary shares in issue during the financial year of 883,708,000 (2008: 850,544,000) 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") up to the expiry date on 10 November 2008 and the exercise of Warrants 2005/2010.

### (b) Fully diluted

The fully diluted earnings per share of the Group is calculated by dividing the Group's profit attributable to ordinary equity holders of the Company for the financial year of RM290,212,000 (2008: Loss attributable to ordinary equity holders of the Company of RM420,467,000) 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	
	2009 RM'000	2008 RM'000
Net profit/(loss) attributable to ordinary equity holders of the Company	290,212	(420,467)
	'000	'000
Weighted average number of ordinary shares in issue	883,708	850,544
Adjustments for ESOS	—	1,192
Adjustments for Warrants 2005/2010	—	8,808
Weighted average number of ordinary shares for diluted earnings/(losses) per share	883,708	860,544
Diluted earnings/(losses) per share	N/A	(48.9 Sen)

N/A denotes not applicable because the Warrants are anti-dilutive and hence the calculation of diluted earnings per share for the financial year ended 31 March 2009 does not assume the exercise of Warrants.

## 12 DIVIDENDS

Dividends declared in respect of the current financial year are as follows:

	The Company		The Company	
	2009	2008	2009	2008
	Gross dividend per share Sen	Amount of dividend, net of tax RM'000	Gross dividend per share Sen	Amount of dividend, net of tax RM'000
Dividend in-specie (tax exempt)*	4.99	42,881	—	—
Special interim dividend, net of 25% tax	25.00	160,641	—	—
Second interim dividend, net of 25% tax	5.00	**	—	—
	34.99	203,522	—	—

\* Pursuant to the distribution of 85,763,142 IJM Land Berhad's ("IJMLB") warrants on the basis of one (1) IJMLB's warrant for every ten (10) IJM shares held at 4.99 sen per share, distributed on 15 September 2008.

\*\* The amount of dividend, net of 25% tax, will be determined based on the number of shareholders entitled to receive the dividend as at 5:00pm on 31 July 2009.



## 12 DIVIDENDS (cont'd)

On 26 May 2009, the Directors have declared a second interim dividend in respect of the financial year ended 31 March 2009 of 5% less 25% tax to be paid on 21 August 2009 to every member who is entitled to receive the dividend as at 5:00pm on 31 July 2009. The second interim dividend has not been recognised in the Statement of Changes in Equity as it was declared subsequent to the financial year end.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2009 (2008: 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

	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
<b>2009</b>							
<b>REVENUE:</b>							
Total revenue	2,409,457	923,816	1,054,948	491,604	267,927	250,372	5,398,124
Less: Inter-segment revenue	(493,094)	–	(56,662)	–	–	(247,074)	(796,830)
Total segment revenue	1,916,363	923,816	998,286	491,604	267,927	3,298	4,601,294
<b>RESULTS:</b>							
Segment results	93,354	126,890	184,482	161,872	129,251	(293)	695,556
Finance cost	(74,162)	(876)	(12,146)	(3,741)	(98,165)	–	(189,090)
Share of results of associates	9,419	1,485	(1,349)	2,596	1,673	5,222	19,046
Share of results of jointly controlled entities	11,722	(2,023)	–	(274)	(6,267)	–	3,158
Profit before taxation	40,333	125,476	170,987	160,453	26,492	4,929	528,670
Income tax expense							(126,703)
Net profit for the financial year							401,967

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

## 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
<b>2009</b>								
<b>NET ASSETS:</b>								
Segment assets		1,933,707	3,749,702	913,188	969,542	2,921,913	53,114	10,541,166
Investment in associates		66,580	37,210	10,649	12,808	278,655	9,361	415,263
Investment in jointly controlled entities		232,195	382,768	–	52,970	150,048	–	817,981
								11,774,410
Unallocated corporate assets								135,678
Consolidated total assets								11,910,088
Segment liabilities		1,159,276	472,257	144,251	49,510	545,936	9,100	2,380,330
Interest bearing instruments		1,045,994	468,027	190,628	114,958	1,641,081	–	3,460,688
Unallocated corporate liabilities								379,660
Consolidated total liabilities								6,220,678
Deferred income		–	–	–	–	73,343	–	73,343
<b>OTHER INFORMATION:</b>								
Capital expenditure:								
- Property, plant and equipment	25	36,514	96,508	93,010	67,080	28,652	1,717	323,481
- Leasehold land	26	–	37,275	49	47	–	–	37,371
- Investment properties	27	–	53,668	–	–	–	–	53,668
- Concession assets	28	–	–	–	–	100,593	–	100,593
- Plantation development expenditure	36	–	–	–	11,994	–	–	11,994
								527,107
Depreciation charged to income statement:								
- Property, plant and equipment	25	13,326	5,250	29,924	21,732	11,986	641	82,859
- Investment properties	27	129	1,661	94	–	–	–	1,884
								84,743
Amortisation of:								
- Leasehold land	26	276	1,502	753	1,817	85	795	5,228
- Concession assets	28	–	–	–	–	55,350	–	55,350
- Quarry development expenditure	34	–	–	3,234	–	–	–	3,234
- Construction order book	34	3,283	–	–	–	–	–	3,283
- Premium paid on licence fees	34	157	–	–	–	–	–	157
- Deferred income	24	–	–	–	–	(4,421)	–	(4,421)
								62,831

### 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
<b>2008</b>							
<b>REVENUE:</b>							
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
<b>RESULTS:</b>							
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)
<b>NET ASSETS:</b>							
Segment assets	1,847,016	3,451,007	785,509	954,984	2,732,539	222,834	9,993,889
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	–	28,291	108,717	–	679,157
							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	705,820	354,652	185,080	149,841	1,581,905	–	2,977,298
Unallocated corporate liabilities							382,183
Consolidated total liabilities							5,515,185
Deferred income	–	–	–	–	68,952	–	68,952



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

## 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
<b>2008</b>								
<b>OTHER INFORMATION:</b>								
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
								<u>498,642</u>
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
								<u>80,276</u>
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)
								<u>53,297</u>
Impairment on:								
- Goodwill	34	–	–	–	–	–	940,860	940,860

### 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	Group RM'000
<b>2009</b>							
Revenue of the Group	1,916,363	923,816	998,286	491,604	267,927	3,298	4,601,294
Share of operating revenue of associates and jointly controlled entities	438,895	62,137	70,766	49,960	81,698	556	704,012
	<b>2,355,258</b>	<b>985,953</b>	<b>1,069,052</b>	<b>541,564</b>	<b>349,625</b>	<b>3,854</b>	<b>5,305,306</b>
<b>2008</b>							
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
	<b>2,353,153</b>	<b>991,027</b>	<b>871,995</b>	<b>527,703</b>	<b>305,019</b>	<b>39,148</b>	<b>5,088,045</b>

(b) Secondary reporting – Geographical segments

	Revenue from external customers RM'000	Total assets RM'000	Capital expenditure incurred during the year RM'000
<b>Geographical markets</b>			
<b>2009</b>			
Malaysia	3,714,869	9,222,923	369,590
India	655,926	1,230,880	138,455
Other countries	230,499	223,041	19,062
	<b>4,601,294</b>	<b>10,676,844</b>	<b>527,107</b>
Associates and jointly controlled entities:			
- India		384,403	
- Malaysia		537,033	
- Argentina		59,349	
- Singapore		68,162	
- Vietnam		33,676	
- Australia		31,362	
- Other countries		119,259	
		<b>11,910,088</b>	

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

## 13 SEGMENTAL REPORTING (cont'd)

### (b) Secondary reporting – Geographical segments (cont'd)

Geographical markets	Revenue from external customers RM'000	Total assets RM'000	Capital expenditure incurred during the year RM'000
<b>2008</b>			
Malaysia	3,795,669	8,631,727	269,415
India	760,248	1,279,586	227,731
Other countries	81,255	160,357	1,496
	<b>4,637,172</b>	<b>10,071,670</b>	<b>498,642</b>
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		45,670	
		<b>11,148,413</b>	

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			
	2009		2008	
	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 / 31 March	3,000,000	3,000,000	3,000,000	3,000,000
Issued and fully paid:				
At 1 April	859,314	859,314	570,327	570,327
Issuance of shares:				
- Arising from the acquisition of a subsidiary	—	—	272,661	272,661
- Arising from the acquisition of remaining shareholdings in a subsidiary	81,820	81,820	—	—
- Exercise of ESOS	505	505	2,039	2,039
- Exercise of Warrants 2005/2010	313	313	14,287	14,287
At 31 March	941,952	941,952	859,314	859,314



## 14 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (cont'd)

### (A) SHARE CAPITAL (cont'd)

- (a) During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM859,313,724 to RM941,951,233 by way of:
- (i) The issuance of 76,831,052 and 4,988,797 new ordinary shares of RM1.00 each on 1 December 2008 and 15 January 2009 respectively at an issue price of RM2.60 and RM3.48 per ordinary share respectively as the purchase consideration for the acquisition of remaining shareholdings in Industrial Concrete Products Berhad, a subsidiary, as disclosed in Note 46 to the financial statements;
  - (ii) The issuance of 313,060 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. The option price was subsequently adjusted to RM4.77 on 19 August 2008 pursuant to the dividend in-specie by the Company to its shareholders of 85,763,142 IJM Land Berhad ("IJMLB") warrants on the basis of 1 IJMLB's warrant for every 10 IJM shares held; and
  - (iii) The issuance of 504,600 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
71,500	3.88
125,600	3.91
39,900	4.15
22,600	4.18
95,000	4.28
150,000	4.31
<b>504,600</b>	

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

### (b) Employee Share Option Scheme

At the date of expiry on 10 November 2008, the unexercised ESOS of 2,106,000 lapsed and ceased to be valid for any purpose. The movement of ESOS during the financial year is as follows:

Grant Date	Expiry Date	Exercise Price RM/share	Number of options over ordinary shares of RM 1 each					Balance at 31.3.2009 '000
			Balance at 1.4.2008 '000	Granted '000	Exercised '000	Terminated '000	Lapsed upon expiry on 10.11.2008 '000	
8 January 2004	10 November 2008	3.99/3.96*/ 3.93**/3.91***/ 3.88****	197	—	197	—	—	—
7 April 2004	10 November 2008	4.47/4.44*/ 4.41**/4.39***/ 4.36****	420	—	—	—	420	—
30 April 2004	10 November 2008	4.39/4.36*/ 4.33**/4.31***/ 4.28****	1,412	—	245	—	1,167	—
20 May 2004	10 November 2008	4.21/4.18*/ 4.15**/4.13***/ 4.10****	100	—	—	—	100	—
30 August 2005	10 November 2008	4.40/4.37**/ 4.35***/4.32****	35	—	—	—	35	—
26 October 2005	10 November 2008	4.23/4.20**/ 4.18***/4.15****	447	—	63	—	384	—
			2,611	—	505	—	2,106	—

**14 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES** (cont'd)

**(A) SHARE CAPITAL** (cont'd)

(b) Employee Share Option Scheme (cont'd)

The exercise price of the ESOS had been adjusted on 30 April 2005 (\*), 1 August 2006 (\*\*), 1 August 2007 (\*\*\*) and 19 August 2008 (\*\*\*\*) 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, 1 August 2007 and 19 August 2008 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***	Adjusted on 19 August 2008****
8 January 2004	RM3.99	RM3.96	RM3.93	RM3.91	RM3.88
7 April 2004	RM4.47	RM4.44	RM4.41	RM4.39	RM4.36
30 April 2004	RM4.39	RM4.36	RM4.33	RM4.31	RM4.28
20 May 2004	RM4.21	RM4.18	RM4.15	RM4.13	RM4.10
30 August 2005	RM4.40	n/a	RM4.37	RM4.35	RM4.32
26 October 2005	RM4.23	n/a	RM4.20	RM4.18	RM4.15

The weighted average quoted price of shares of the Company at the time when the options were exercised was RM5.19 (2008: RM8.49) per share.

(c) Warrants 2005/2010

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

On 23 August 2005, the Company allotted:

- (i) 93,171,576 new Warrants 2005/2010 at an issue price of RM0.05 per Warrant on the basis of 1 Warrant for every 5 existing ordinary shares of RM1.00 each held in the Company on 11 July 2005; and
- (ii) 10,000,000 new Warrants 2005/2010 at an issue price of RM0.05 per Warrant to eligible management staff of the Company and its subsidiaries.

Each warrant entitles the registered holder to subscribe for 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 in accordance with the Deed Poll dated 22 June 2005. The option price was subsequently adjusted to RM4.77 on 19 August 2008 pursuant to the dividend in-specie by the Company to its shareholders of 85,763,142 IJM Land Berhad ("IJM Land") warrants on the basis of 1 IJM Land's warrant for every 10 IJM shares held. 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 311,060 and 2,000 new ordinary shares being issued at RM4.80 and RM4.77 each respectively. The weighted average quoted price of shares of the Company at the time when the warrants were exercised was RM5.40 (2008: RM8.54) per share.

As at the balance sheet date, 21,848,341 Warrants 2005/2010 (2008: 22,161,401) remained unexercised.

**(B) SHARE PREMIUM**

	Note	The Group and The Company	
		2009 RM'000	2008 RM'000
At 1 April		1,991,180	748,846
Arising from:			
- Acquisition of a subsidiary	46	—	2,102,935
- Acquisition of remaining shareholdings in a subsidiary	46	134,073	—
- Exercise of ESOS		1,578	6,651
- Exercise of Warrants 2005/2010		1,206	55,003
		2,128,037	2,913,435
Transfer of impairment on investment in a subsidiary/goodwill from retained earnings		—	(922,255)
At 31 March		2,128,037	1,991,180

## 14 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (cont'd)

### (B) SHARE PREMIUM (cont'd)

On 12 March 2008, the High Court of Malaya, Shah Alam approved the Company's application for the transfer of negative retained earnings at the Company level to the extent of the impairment 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 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			
	2009		2008	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
At 1 April	347	1,774	—	—
Shares buy back	3,041	14,524	347	1,774
At 31 March	3,388	16,298	347	1,774

The shareholders of the Company had approved an ordinary resolution at the Extraordinary General Meeting held on 26 August 2008 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 3,040,800 (2008: 346,700) of its issued share capital from the open market on Bursa Malaysia for RM14,523,342 (2008: RM1,773,792). The average price paid for the shares repurchased was approximately RM4.78 (2008: 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 2009.

## 15 OTHER RESERVES

	The Group	
	2009 RM'000	2008 RM'000
(a) Capital reserve		
At 1 April	37,250	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	37,250
(b) Warrants reserve		
At 1 April	669	1,383
Transferred to share premium upon conversion of Warrants 2005/2010	(16)	(714)
At 31 March	653	669
At 31 March	37,903	37,919

	The Company	
	2009 RM'000	2008 RM'000
Warrants reserve		
At 1 April	669	1,383
Transferred to share premium upon conversion of Warrants 2005/2010	(16)	(714)
At 31 March	653	669



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

## 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
<b>The Group</b>					
<b>2009</b>					
At 1 April	100,000	267,774	478,017	70,000	915,791
Redeemed during the year	–	–	(35,000)	(35,000)	(70,000)
At 31 March	100,000	267,774	443,017	35,000	845,791
Less:					
Discount on amortisation	(4,932)	–	(4)	(159)	(5,095)
Accumulated amortisation	4,685	–	(520)	117	4,282
	(247)	–	(524)	(42)	(813)
	99,753	267,774	442,493	34,958	844,978
Less:					
Amount redeemable within 12 months (Note 43)	(99,753)	–	(57,563)	(34,958)	(192,274)
	–	267,774	384,930	–	652,704
<b>2008</b>					
At 1 April	100,000	–	–	105,000	205,000
Arising from the acquisition of a subsidiary (Note 46(b))	–	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

## 16 BONDS (cont'd)

### (A) Maturity profile of Bonds

	The Group						
	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
<b>2009</b>							
<u>Secured</u>							
8% Secured Fixed Rate Bonds 1999/2009	99,753	99,753	—	—	—	—	—
Junior Bai Bithaman Ajil Notes	267,774	—	—	—	—	—	267,774
Senior Bai Bithaman Ajil Notes	442,493	57,563	84,128	94,194	104,910	101,698	—
	<b>810,020</b>	<b>157,316</b>	<b>84,128</b>	<b>94,194</b>	<b>104,910</b>	<b>101,698</b>	<b>267,774</b>
<u>Unsecured</u>							
Al-Bai' Bithaman Ajil Bonds	34,958	34,958	—	—	—	—	—
	<b>844,978</b>	<b>192,274</b>	<b>84,128</b>	<b>94,194</b>	<b>104,910</b>	<b>101,698</b>	<b>267,774</b>
<b>2008</b>							
<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
	<b>845,047</b>	<b>35,812</b>	<b>156,823</b>	<b>84,128</b>	<b>94,194</b>	<b>104,910</b>	<b>369,180</b>
<u>Unsecured</u>							
Al-Bai' Bithaman Ajil Bonds	69,841	34,946	34,895	—	—	—	—
	<b>914,888</b>	<b>70,758</b>	<b>191,718</b>	<b>84,128</b>	<b>94,194</b>	<b>104,910</b>	<b>369,180</b>

### (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:

- (i) 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.
- (ii) The Bonds carry a fixed coupon rate of 8% per annum payable semi-annually in arrears. At the end of its tenure, the Bonds will be redeemed at 100% of its nominal value on 15 October 2009.

## 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 ("NPE"), 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 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 4 to 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 Junior BBA Notes contains covenants which require NPE to maintain financial service cover ratio of at least 1.25 times and debt equity ratio of not greater than 75:25.
- (iv) The Senior BBA Notes contains covenants which require NPE to maintain finance service cover ratio of at least 1.5 times and debt equity ratio of not greater than 70:30.
- (v) 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 1.4.2008 RM'000	Redeemed during the year RM'000	At 31.3.2009 RM'000
1	6.48	* 15 December 2005	—*	—	—
2	6.50	* 15 December 2006	—*	—	—
3	6.71	* 15 December 2007	—*	—	—
4	6.93	15 December 2008	35,000	35,000	—
5	7.18	15 December 2009	35,000	—	35,000
			70,000	35,000	35,000

\* Redeemed in 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 2008. This bond carried a profit rate of 6.93% 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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Current</b>				
<u>Secured:</u>				
- RM100 million CP 2007/2014 (a)	49,000	49,000	—	—
<u>Unsecured:</u>				
- RM400 million CP 2006/2013 (b)	40,000	95,000	—	—
- RM400 million MTN 2006/2013 (b)	41,004	40,124	—	—
- RM300 million CP/MTN 2005/2012 (c)	150,000	—	150,000	—
	231,004	135,124	150,000	—
	280,004	184,124	150,000	—
<b>Non-current</b>				
<u>Unsecured:</u>				
- RM400 million MTN 2006/2013 (b)	83,380	124,384	—	—
- RM300 million CP/MTN 2005/2012 (c)	150,000	150,000	150,000	150,000
	233,380	274,384	150,000	150,000
	513,384	458,508	300,000	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	> 5 years RM'000
<b>2009</b>								
<u>Secured</u>								
RM100 million CP								
2007/2014	3.5 – 3.6	49,000	RM	49,000	–	–	–	–
<u>Unsecured</u>								
RM300 million CP/MTN								
2005/2012	4.35 – 5.5	300,000	RM	150,000	–	150,000	–	–
RM400 million MTN								
2006/2013	5.5 – 6.3	164,384	RM	81,004	41,532	41,848	–	–
		<u>513,384</u>		<u>280,004</u>	<u>41,532</u>	<u>191,848</u>	<u>–</u>	<u>–</u>
<b>2008</b>								
<u>Secured</u>								
RM100 million CP								
2007/2014	3.5 – 3.6	49,000	RM	49,000	–	–	–	–
<u>Unsecured</u>								
RM300 million CP/MTN								
2005/2012	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	–
		<u>458,508</u>		<u>184,124</u>	<u>191,004</u>	<u>41,532</u>	<u>41,848</u>	<u>–</u>

(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.

## 17 COMMERCIAL PAPERS AND MEDIUM TERM NOTES ("CP/MTN") (cont'd)

### (B) Principal features of CP/MTN (cont'd)

#### (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.

#### (c) RM300 million CP/MTN 2005/2012

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

	The Group	
	2009 RM'000	2008 RM'000
<b>Current:</b>		
Secured	282,443	329,102
Unsecured	146,265	35,571
	<b>428,708</b>	364,673
<b>Non-current:</b>		
Secured	566,125	461,460
Unsecured	507,496	529,173
	<b>1,073,621</b>	990,633
	<b>1,502,329</b>	1,355,306

### (A) Currency profile of term loans

The currency exposure profile of term loans is as follows:

	The Group	
	2009 RM'000	2008 RM'000
Ringgit Malaysia	433,076	348,535
Indian Rupee	514,849	500,397
United States Dollar	547,048	487,564
Chinese Renminbi	7,356	18,810
	<b>1,502,329</b>	1,355,306



## 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 2009

Group	Effective interest rate 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
<b>2009</b>														
<u>Secured</u>														
Term loan 1	7.2	502,339	Rs	(a) 199,149	40,937	41,833	34,548	47,158	138,714	-	-	-	-	-
Term loan 2	6.7	86,000	RM	(b) -	-	-	-	-	-	43,000	43,000	-	-	-
Term loan 3	4.9	15,864	RM	(c) 15,864	-	-	-	-	-	-	-	-	-	-
Term loan 4	3.5	6,575	RM	(d) 2,630	2,630	1,315	-	-	-	-	-	-	-	-
Term loan 5	4.5	26,000	RM	(e) 5,000	10,000	11,000	-	-	-	-	-	-	-	-
Term loan 6	6.0	2,550	RM	(f) -	-	-	-	-	-	1,800	750	-	-	-
Term loan 7	3.2	44,240	RM	(g) -	13,600	13,600	13,600	3,440	-	-	-	-	-	-
Term loan 8	4.0	30,000	RM	(h) 15,000	15,000	-	-	-	-	-	-	-	-	-
Term loan 9	4.1	128,000	RM	(i) -	12,800	12,800	22,426	22,426	57,548	-	-	-	-	-
Term loan 10	3.5	7,000	RM	(j) -	1,750	2,333	2,333	584	-	-	-	-	-	-
		<b>848,568</b>		<b>237,643</b>	<b>96,717</b>	<b>82,881</b>	<b>72,907</b>	<b>73,608</b>	<b>196,262</b>	<b>44,800</b>	<b>43,750</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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 2009

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
2009														
Unsecured														
Term loan 11	1.8	4,519	USD	4,519	-	-	-	-	-	-	-	-	-	-
Term loan 12	6.4	7,356	RMB	4,682	1,337	1,337	-	-	-	-	-	-	-	-
Term loan 13	10.0	1,620	Rs	-	-	-	-	-	-	720	720	180	-	-
Term loan 14	12.0	4,410	Rs	-	-	-	-	-	-	1,260	1,260	1,260	630	-
Term loan 15	5.6	22,055	RM	-	-	-	-	-	-	5,753	5,753	5,753	4,796	-
Term loan 16	5.0	19,792	RM	-	-	-	-	-	-	6,250	6,251	6,251	1,040	-
Term loan 17	2.4	365,950	USD	(k) 91,488	91,487	91,487	91,488	-	-	-	-	-	-	-
Term loan 18	1.2	73,190	USD	8,132	32,529	32,529	-	-	-	-	-	-	-	-
Term loan 19	1.2	36,595	USD	7,319	14,638	14,638	-	-	-	-	-	-	-	-
Term loan 20	1.2	62,212	USD	-	21,957	21,957	18,298	-	-	-	-	-	-	-
Term loan 21	5.5	4,582	USD	4,582	-	-	-	-	-	-	-	-	-	-
Term loan 22	5.0	45,000	RM	-	-	-	-	-	-	10,588	10,588	10,588	10,588	2,648
Term loan 23	11.9	6,480	Rs	-	-	-	-	-	-	972	1,296	1,296	1,296	1,620
		653,761		120,722	161,948	161,948	109,786	-	-	25,543	25,868	25,328	18,350	4,268
		1,502,329		358,365	258,665	244,829	182,693	73,608	196,262	70,343	69,618	25,328	18,350	4,268

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

## 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	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	<1 year	1-2 years	2-3 years	3-4 years	4-5 years
				RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	6.4	129,000	RM	(b) -	-	-	-	-	-	43,000	43,000	43,000	-	-
Term loan 3	4.7	28,439	RM	(c) 4,740	9,480	9,480	4,739	-	-	-	-	-	-	-
Term loan 4	4.8	7,890	RM	(d) 1,316	2,630	2,630	1,314	-	-	-	-	-	-	-
Term loan 5	5.4	26,000	RM	(e) -	5,000	10,000	11,000	-	-	-	-	-	-	-
Term loan 6	6.0	4,350	RM	(f) -	-	-	-	-	-	1,800	1,800	750	-	-
Term loan 24	4.5	2,741	USD	(a) -	-	-	-	-	-	2,741	-	-	-	-
Term loan 25	4.7	43,080	RM	(l) 43,080	-	-	-	-	-	-	-	-	-	-
Term loan 26	5.0	56,968	RM	(m) -	-	-	-	-	-	56,968	-	-	-	-
				96,391	52,422	56,295	54,140	37,087	172,966	232,711	44,800	43,750	-	-
2008														
Unsecured														
Term loan 11	3.9	8,261	USD	4,310	3,951	-	-	-	-	-	-	-	-	-
Term loan 12	7.7	18,810	RMB	12,540	3,990	1,140	1,140	-	-	-	-	-	-	-
Term loan 13	10.0	2,633	Rs	-	-	-	-	-	-	810	1,620	203	-	-
Term loan 14	12.0	5,670	Rs	-	-	-	-	-	-	567	1,134	3,969	-	-
Term loan 15	5.4	27,807	RM	-	-	-	-	-	-	5,754	5,753	5,753	5,753	4,794
Term loan 16	5.0	25,001	RM	-	-	-	-	-	-	5,208	6,250	6,250	6,250	1,043
Term loan 17	3.4	319,850	USD	(k) -	79,963	79,963	79,963	79,961	-	-	-	-	-	-
Term loan 18	3.3	63,970	USD	-	7,108	28,431	28,431	-	-	-	-	-	-	-
Term loan 19	3.3	31,985	USD	-	6,397	12,794	12,794	-	-	-	-	-	-	-
Term loan 20	3.2	54,375	USD	-	-	19,191	19,191	15,993	-	-	-	-	-	-
Term loan 21	5.95	6,382	USD	6,382	-	-	-	-	-	-	-	-	-	-
				23,232	101,409	141,519	141,519	95,954	-	12,339	14,757	16,175	12,003	5,837
				119,623	153,831	197,814	195,659	133,041	172,966	245,050	59,557	59,925	12,003	5,837
				1,355,306										



## 18 TERM LOANS (cont'd)

### (C) Principal features of secured term loans

- (a) Term loan 1 of RM502,339,000 (2008: RM492,094,000) and term loan 24 of RM Nil (2008: RM2,741,000) 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 2 of RM86,000,000 (2008: RM129,000,000) is secured by way of:
  - (i) land titles of certain subsidiaries of IJM Land Berhad ("IJMLB"), a subsidiary of the Company, pertaining to the 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 RB Land Sdn Bhd ("RBLSB"), a subsidiary of the Company 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 3 of RM15,864,000 (2008: RM28,439,000) is secured by way of:
  - (i) a facilities agreement for the sum of RM41,439,000;
  - (ii) a first legal charge created under the National Land Code 1965 over certain parcels of freehold land of a subsidiary of IJMLB (Note 35);
  - (iii) a negative pledge over all present and future assets of a subsidiary of IJMLB; and
  - (iv) a corporate guarantee by IJMLB.
- (d) Term loan 4 of RM6,575,000 (2008: RM7,890,000) is secured by way of:
  - (i) a facilities agreement for the sum of RM7,890,000;
  - (ii) a registered open all monies third party charge over certain parcels of freehold vacant commercial land of RBLSB (Note 35); and
  - (iii) a corporate guarantee by IJMLB.
- (e) Term loan 5 of RM26,000,000 (2008: RM26,000,000) is secured by way of:
  - (i) a facilities agreement for the sum of RM26,000,000;
  - (ii) a registered first legal charge created under the National Land Code, 1965 over certain parcels of freehold land of a subsidiary of RBLSB (Note 35); and
  - (iii) a corporate guarantee by IJMLB.
- (f) Term loan 6 of RM2,550,000 (2008: RM4,350,000) 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 Road Builder (M) Holdings Bhd ("RBH"), a subsidiary of the Company.
- (g) Term loan 7 of RM44,240,000 (2008: RM Nil) is secured by way of:
  - (i) a facilities agreement of RM44,240,000 together with interest, commission and all other charges thereon;
  - (ii) a first party first legal charge over certain parcels of leasehold land of a subsidiary of RBLSB with tenure expiring on 22 May 2094 (Note 35); and
  - (iii) a corporate guarantee by RBLSB and its holding company IJMLB.

**18 TERM LOANS** (cont'd)

(C) Principal features of secured term loans (cont'd)

- (h) Term loan 8 of RM30,000,000 (2008: RM Nil) is secured by way of:
- (i) a Lien-Holders' Caveat over certain parcels of landed properties of RBLSB with minimum security cover of 1.0 time (Note 35); and
  - (ii) a corporate guarantee by IJMLB, for RM30 million.
- (i) Term loan 9 of RM128,000,000 (2008: RM Nil) is secured by way of:
- (i) a facilities agreement for the sum of RM320,000,000;
  - (ii) a first legal charge created under the National Land Code 1965 over certain parcels of land of the subsidiaries of IJMLB (Note 35); and
  - (iii) Letter of awareness/ comfort from the Company.
- (j) Term loan 10 of RM7,000,000 (2008: RM Nil) is secured by way of:
- (i) a facilities agreement for the sum of RM7,000,000;
  - (ii) a registered open all monies third party charge over certain parcels of freehold vacant commercial land of RBLSB; and
  - (iii) a corporate guarantee by IJMLB.
- (k) 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 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.
- (l) Term loan 25 of RM Nil (2008: RM43,080,000) was 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 certain parcels of freehold vacant commercial land of a subsidiary of IJMLB (Note 35); and
  - (iii) a corporate guarantee by IJMLB.
- (m) Term loan 26 of RM Nil (2008: RM56,968,000) was 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 RBH, a subsidiary of the Company, in relation to the Kuantan Bypass project (Note 44).

**19 GOVERNMENT SUPPORT LOANS - UNSECURED**

	Note	The Group	
		2009 RM'000	2008 RM'000
Government Support Loans:			
- Government Support Loan 1	(a)	99,740	96,432
- Government Support Loan 2	(b)	80,289	77,626
- Government Support Loan 3	(c)	102,628	101,807
		282,657	275,865
		(2,482)	(2,500)
Less: Payable within 12 months (Note 42)		280,175	273,365

## 19 GOVERNMENT SUPPORT LOANS - UNSECURED (cont'd)

### (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
<b>2009</b>							
Government Support Loan 1	99,740	—	—	—	—	—	99,740
Government Support Loan 2	80,289	—	—	—	4,772	9,228	66,289
Government Support Loan 3	102,628	2,482	2,400	4,641	4,486	4,338	84,281
	<b>282,657</b>	<b>2,482</b>	<b>2,400</b>	<b>4,641</b>	<b>9,258</b>	<b>13,566</b>	<b>250,310</b>
<b>2008</b>							
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
	<b>275,865</b>	<b>2,500</b>	<b>2,418</b>	<b>2,320</b>	<b>4,487</b>	<b>8,952</b>	<b>255,188</b>

### (B) Currency profile of Government Support Loans

The government support loans are all denominated in Ringgit Malaysia.

### (C) Principal features of Government Support Loans

The principal features of Government Support Loans of subsidiaries of Road Builder (M) Holdings Bhd, a 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 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 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 22 yearly variable instalments.

The Government Support Loan 3 is secured by a negative pledge and by a deed of assignment over:

- 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
- 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	
2009 RM'000	2008 RM'000
7,468	16,889
6,209	5,965
13,677	22,854
(1,905)	(1,895)
11,772	20,959
5,929	15,354
5,843	5,605
11,772	20,959

The currency exposure profile of hire purchase and lease creditors is as follows:

Ringgit Malaysia  
Indian Rupee  
Singapore Dollar  
UAE Dirham

The Group	
2009 RM'000	2008 RM'000
9	24
11,654	20,732
25	44
84	159
11,772	20,959

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 11.5% (2008: 9.67%) 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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deferred tax assets	65,773	65,820	856	1,506
Deferred tax liabilities	(350,093)	(347,760)	—	—
	(284,320)	(281,940)	856	1,506

## 21 DEFERRED TAXATION (cont'd)

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At 1 April	(281,940)	(72,085)	1,506	2,368
(Charged)/credited to income statement (Note 10)				
- Property, plant and equipment	653	(5,047)	691	(270)
- Concession assets	(6,837)	2,620	-	-
- Post-employment benefit	173	291	-	-
- Intangible assets	127	(32)	-	-
- Plantation development expenditure	(1,896)	(336)	-	-
- Inventories	399	(13)	-	(13)
- Tax losses and deductible temporary differences arising from property, plant and equipment	(15,481)	(26,937)	-	-
- Payables	134	2,218	112	(372)
- Development properties	9,418	1,903	-	-
- Foreseeable loss	(4,400)	806	(1,453)	(58)
- Finance lease receivables	11,408	(1,317)	-	-
- Borrowings	2,370	2,721	-	-
- Leasehold land	93	250	-	-
- Ports	(403)	(704)	-	-
- Others	1,530	6,017	-	(149)
	(2,712)	(17,560)	(650)	(862)
Charged to equity	-	2,280	-	-
Acquisition of subsidiaries (Note 46)	332	(196,463)	-	-
Disposal of a subsidiary (Note 47(b))	-	1,888	-	-
At 31 March	(284,320)	(281,940)	856	1,506
<b>Subject to income tax</b>				
Deferred tax assets (before offsetting)				
- Property, plant and equipment	303	349	-	-
- Development properties	35,463	24,029	-	-
- Post-employment benefit	1,886	1,713	-	-
- Inventories	710	1,253	329	329
- Payables	8,033	8,738	1,102	990
- Tax losses and unabsorbed capital allowances	26,109	40,417	-	-
- Foreseeable loss	1,771	6,171	-	1,453
- Borrowings	10,307	10,260	-	-
- Concession assets	1,553	1,588	-	-
- Ports	11,917	12,513	-	-
- Others	1,346	6,790	-	-
	99,398	113,821	1,431	2,772
Offsetting	(33,625)	(48,001)	(575)	(1,266)
Deferred tax assets (after offsetting)	65,773	65,820	856	1,506

**21 DEFERRED TAXATION** (cont'd)

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Deferred tax liabilities (before offsetting)</b>				
- Property, plant and equipment	(108,259)	(108,965)	(575)	(1,266)
- Plantation development expenditure	(84,215)	(82,319)	—	—
- Development properties	(50,984)	(55,748)	—	—
- Intangible assets	(1,566)	(1,693)	—	—
- Finance lease receivables	(872)	(12,280)	—	—
- Port	(5,212)	(5,405)	—	—
- Borrowings	(26,005)	(28,328)	—	—
- Inventories	(1,283)	(2,225)	—	—
- Leasehold land	(12,166)	(12,259)	—	—
- Concession assets	(92,589)	(85,787)	—	—
- Others	(567)	(752)	—	—
	(383,718)	(395,761)	(575)	(1,266)
Offsetting	33,625	48,001	575	1,266
Deferred tax liabilities (after offsetting)	(350,093)	(347,760)	—	—

The amount of unutilised deductible 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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unutilised deductible temporary differences	88,929	61,738	—	—
Unused tax losses	119,876	110,467	—	—
	208,805	172,205	—	—
Deferred tax assets not recognised	52,201	43,051	—	—

**22 TRADE AND OTHER PAYABLES**

	Note	The Group	
		2009 RM'000	2008 RM'000
Trade payables:			
Outstanding purchase consideration on acquisition of land	(a)	—	31,666
Less: Payable within 12 months (Note 42)		—	(31,666)
Payable after 12 months		—	—
Other payables:			
Advances from the State Government	(b)	28,000	28,000
Land premium payable to State Government	(c)	19,600	21,100
Less: Payable within 12 months		(1,500)	(1,500)
Payable after 12 months		18,100	19,600
Interests in projects	(d)	32,609	21,243
Refundable membership securities	(e)	6,179	6,378
		84,888	75,221

(a) As at the end of the preceding financial year, this represented the outstanding purchase consideration on acquisition of land for property development of certain subsidiaries, payable over the duration of the development, which was unsecured and interest free.



## 22 TRADE AND OTHER PAYABLES (cont'd)

- (b) On 17 January 2003, IJM Properties Sdn Bhd, a 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
	<u>33,180</u>

The advances are 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 (1 <sup>st</sup> Payment)	30
12 months from the date of the Certificate of Completion of the entire Jelutong Expressway or from the date of the 1 <sup>st</sup> Payment, whichever is later (2 <sup>nd</sup> Payment)	30
12 months from the date of the 2 <sup>nd</sup> Payment	40
	<u>100</u>

As at 31 March 2009, Jelutong Expressway is at stage 2 of the Construction Works and the estimated date of completion is 6 months from successful clearing and relocation of roadside encumbrances by the State Government. Stage 3 of the Construction Works is expected to commence within 1 month upon resolving and relocating all the affected squatters by the State Government.

- (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	3,000
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	6,100
	<u>19,600</u>

- (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.

## 22 TRADE AND OTHER PAYABLES (cont'd)

- (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 Accumulated 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 Accumulated 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) Unfunded defined benefit plan

A subsidiary of the Company, Kuantan Port Consortium Sdn Bhd, operates an unfunded defined 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 credit 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	
	2009 RM'000	2008 RM'000
At 1 April	6,146	–
Acquisition of subsidiaries (Note 46(b))	–	5,109
Charged to income statement	1,247	1,723
Contributions paid during the financial year	(755)	(686)
At 31 March	6,638	6,146
Present value of liabilities:		
- Payable within 1 year (Note 42)	799	476
- Payable between 1 and 5 years	3,609	3,837
- Payable after 5 years	2,230	1,833
Payable after 1 year (included in non-current liabilities)	5,839	5,670
	6,638	6,146

The amounts of unfunded defined benefit recognised in the balance sheet may be analysed as follows:

	The Group	
	2009 RM'000	2008 RM'000
Present values of unfunded defined benefit obligations	7,323	6,831
Unrecognised actuarial losses	(685)	(685)
Liability in the balance sheets	6,638	6,146
Analysed as:		
Current (included in other payables - Note 42)	799	476
Non-current	5,839	5,670
	6,638	6,146

## 23 RETIREMENT BENEFITS (cont'd)

### (b) Unfunded defined benefit plan (cont'd)

The expenses recognised in the income statements were analysed as follows:

	The Group	
	2009 RM'000	2008 RM'000
Current service cost	706	712
Interest cost	376	348
Actuarial losses recognised during the year	—	3
Amortisation of transitional liability	165	660
Total unfunded defined benefit retirement plan (Note 6)	1,247	1,723

The charges to the income statements were included in the following line items:

	The Group	
	2009 RM'000	2008 RM'000
Cost of sales	935	1,292
Administrative expenses	312	431
Total included in employee benefits cost (Note 6)	1,247	1,723

The principal actuarial assumptions used in respect of the Group's unfunded defined benefit plan were as follows:

	The Group	
	2009 %	2008 %
Discount rate	5.5	5.5
Expected rate of salary increases	5.5	5.5

## 24 DEFERRED INCOME

### Cost

Government grants  
Exchange translation differences

### Accumulated amortisation

At 1 April  
Current amortisation (Note 5(b))  
Exchange translation differences  
At 31 March

	The Group	
	2009 RM'000	2008 RM'000
Government grants	96,657	79,977
Exchange translation differences	(8,734)	578
	87,923	80,555
At 1 April	(11,603)	(7,709)
Current amortisation (Note 5(b))	(4,421)	(3,988)
Exchange translation differences	1,444	94
At 31 March	(14,580)	(11,603)
	73,343	68,952

The government grants represent grants received from the Indian Government for certain toll road concessions awarded to the Group.



The details of property, plant and equipment are as follows:

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

The Group	Freehold land	Plantation infrastructure development expenditure	Buildings	Plant, machinery, equipment and vehicles	Office equipment, furniture, fittings and renovations	Liquid chemical berths	Inner harbour basin	Capital work-in-progress	Total
2009	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Net book value</b>									
At 1 April 2008	59,831	90,074	192,093	485,637	37,442	88,573	114,167	111,889	1,179,706
Acquisition of subsidiaries (Note 46(a))	-	1,792	365	1,694	166	-	-	575	4,592
Additions	10,157	14,332	18,860	130,422	10,406	-	-	139,304	323,481
Disposals	(19,623)	-	(18,626)	(9,338)	(886)	-	-	(714)	(49,187)
Written off	-	-	(1)	(1,129)	(346)	-	-	-	(1,476)
Depreciation charges for the year	-	(1,331)	(16,323)	(81,985)	(10,556)	(3,468)	(2,176)	-	(115,839)
Impairment	-	-	(338)	-	-	-	-	-	(338)
Exchange differences arising from translation of assets of foreign entities	(878)	-	559	(12,661)	(826)	-	-	(561)	(14,367)
Reclassifications	-	-	18,896	40,444	14	34,192	-	(93,546)	-
Transferred to investment properties (Note 27)	(2,418)	-	(5,423)	-	-	-	-	(19,696)	(27,537)
<b>At 31 March 2009</b>	<b>47,069</b>	<b>104,867</b>	<b>190,062</b>	<b>553,084</b>	<b>35,414</b>	<b>119,297</b>	<b>111,991</b>	<b>137,251</b>	<b>1,299,035</b>
<b>2008</b>									
<b>Net book value</b>									
At 1 April 2007	39,030	81,085	108,702	372,365	19,472	-	-	77,693	698,347
Acquisition of subsidiaries (Note 46(b))	19,623	-	167,589	62,448	15,777	23,618	116,344	24,036	429,435
Disposal of a subsidiary (Note 47(b))	-	-	(30,746)	(5,783)	(3,633)	-	-	-	(40,162)
Additions	3,260	10,119	33,690	122,022	14,955	5,200	-	110,265	299,511
Disposals	(6,798)	-	(20,893)	(3,013)	(348)	-	-	(24,171)	(55,223)
Written off	-	-	(42)	(241)	(465)	-	-	-	(748)
Depreciation charges for the year	-	(2,565)	(14,283)	(73,335)	(8,543)	(2,411)	(2,177)	-	(103,314)
Impairment	-	-	(38)	-	-	-	-	-	(38)
Exchange differences arising from translation of assets of foreign entities	35	-	256	1,612	248	-	-	105	2,256
Reclassifications	4,681	1,435	(50,202)	9,562	(21)	62,166	-	(27,621)	-
Transferred to assets held for sale (Note 41)	-	-	(1,940)	-	-	-	-	-	(1,940)
Transferred to investment properties (Note 27)	-	-	-	-	-	-	-	(14,699)	(14,699)
Transferred to property development cost (Note 35(b))	-	-	-	-	-	-	-	(33,719)	(33,719)
<b>At 31 March 2008</b>	<b>59,831</b>	<b>90,074</b>	<b>192,093</b>	<b>485,637</b>	<b>37,442</b>	<b>88,573</b>	<b>114,167</b>	<b>111,889</b>	<b>1,179,706</b>

## 25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

The Group (cont'd)		Freehold land RM'000	Plantation infrastructure development expenditure RM'000	Buildings RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Liquid chemical berths RM'000	Inner harbour basin RM'000	Capital work-in- progress RM'000	Total RM'000
<b>Net book value</b>										
<b>At 31 March 2009</b>										
Cost		47,069	114,941	302,487	1,137,395	120,460	137,288	132,269	137,251	2,129,160
Valuation		-	-	4,802	3,668	-	-	-	-	8,470
Accumulated depreciation		-	(10,074)	(88,720)	(563,584)	(85,046)	(17,991)	(20,278)	-	(785,693)
Accumulated impairment		-	-	(28,507)	(24,395)	-	-	-	-	(52,902)
Net book value		47,069	104,867	190,062	553,084	35,414	119,297	111,991	137,251	1,299,035
<b>At 31 March 2008</b>										
Cost		59,831	98,817	295,049	1,046,401	125,680	103,096	132,269	111,889	1,973,032
Valuation		-	-	4,802	3,668	-	-	-	-	8,470
Accumulated depreciation		-	(8,743)	(79,589)	(540,037)	(88,238)	(14,523)	(18,102)	-	(749,232)
Accumulated impairment		-	-	(28,169)	(24,395)	-	-	-	-	(52,564)
Net book value		59,831	90,074	192,093	485,637	37,442	88,573	114,167	111,889	1,179,706

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

## 25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

	Freehold land RM'000	Buildings RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture and fittings and renovations RM'000	Capital work in progress RM'000	Total RM'000
<b>The Company</b>						
<b>2009</b>						
<b>Net book value</b>						
At 1 April 2008	900	5,805	5,277	2,918	3,238	18,138
Transferred to investment properties (Note 27)	–	(5,423)	–	–	–	(5,423)
Additions	–	140	1,337	261	–	1,738
Reclassification	–	–	3,238	–	(3,238)	–
Disposal	–	–	(112)	(3)	–	(115)
Depreciation charges for the year	–	(11)	(380)	(1,945)	–	(2,336)
Exchange differences	–	–	(781)	–	–	(781)
<b>At 31 March 2009</b>	<b>900</b>	<b>511</b>	<b>8,579</b>	<b>1,231</b>	<b>–</b>	<b>11,221</b>
<b>2008</b>						
<b>Net book value</b>						
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)
<b>At 31 March 2008</b>	<b>900</b>	<b>5,805</b>	<b>5,277</b>	<b>2,918</b>	<b>3,238</b>	<b>18,138</b>
<b>At 31 March 2009</b>						
Cost	900	577	9,627	6,555	–	17,659
Accumulated depreciation	–	(66)	(1,048)	(5,324)	–	(6,438)
<b>Net book value</b>	<b>900</b>	<b>511</b>	<b>8,579</b>	<b>1,231</b>	<b>–</b>	<b>11,221</b>
<b>At 31 March 2008</b>						
Cost	900	6,912	6,975	6,298	3,238	24,323
Accumulated depreciation	–	(1,107)	(1,698)	(3,380)	–	(6,185)
<b>Net book value</b>	<b>900</b>	<b>5,805</b>	<b>5,277</b>	<b>2,918</b>	<b>3,238</b>	<b>18,138</b>

### (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 with net book value of RM1,693,000 (2008:RM2,008,000) been carried at cost less accumulated depreciation, the net book values would have been as follows:

	<b>The Group</b>	
	<b>2009 RM'000</b>	<b>2008 RM'000</b>
Buildings	354	413
Plant	664	846
	<b>1,018</b>	<b>1,259</b>



## 25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(b) Assets acquired under finance lease agreements

Included in property, plant and equipment of the Group are the net book values of the following assets acquired under finance lease agreements:

	The Group	
	2009 RM'000	2008 RM'000
Plant, machinery, equipment and vehicles	32,166	99,027

(c) Net book values of assets pledged as security for term loans of certain subsidiaries (Note 18):

	The Group	
	2009 RM'000	2008 RM'000
Freehold land	205	230
Plant, machinery, equipment and vehicles	1,585	12,986
Office equipment, furniture and fittings and renovations	344	327
	2,134	13,543

(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:

		The Group	
	Note	2009 RM'000	2008 RM'000
Included in the aggregate costs incurred to-date within amounts due from/(to) customers on construction contracts	44	32,131	22,987
Capitalised as plantation development expenditure	36(b)	849	537

## 26 LEASEHOLD LAND

		The Group	
	Note	2009 RM'000	2008 RM'000
<b>Cost</b>			
At 1 April		330,334	227,556
Acquisition of subsidiaries	46(b)	—	132,593
Disposal of a subsidiary	47(b)	—	(12,955)
Additions		37,371	29,967
Disposals		—	(40,471)
Transferred to assets held for sale	41	(21,464)	(6,426)
Exchange differences arising from translation of assets of foreign entities		634	70
At 31 March		346,875	330,334
<b>Accumulated amortisation</b>			
At 1 April		20,666	16,703
Disposal of a subsidiary	47(b)	—	(726)
Charge for the financial year	5(a)	5,412	4,868
Disposals		—	(179)
Exchange differences		(2)	—
At 31 March		26,076	20,666
<b>Net book value</b>			
At 31 March		320,799	309,668

## 26 LEASEHOLD LAND (cont'd)

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.

As at the end of the preceding financial year, the title deeds to the leasehold land of certain subsidiaries with net book values of RM21,463,573 were being processed by the relevant authorities and have yet to be issued to the respective subsidiaries. During the financial year, these assets have been transferred to assets held for sale (Note 41).

During the financial year, amortisation expenses of RM184,000 (2008: RM240,000) have been included in 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
<b>The Group</b>					
<b>2009</b>					
<b>Net book value</b>					
At 1 April 2008		9,607	5,927	19,955	35,489
Transferred from property development costs	35(b)	–	–	49,573	49,573
Transferred from property, plant and equipment	25	2,418	23,843	1,276	27,537
Additions		1,653	–	52,015	53,668
Disposals		–	–	(301)	(301)
Depreciation charges for the year	5(a)	–	(517)	(1,367)	(1,884)
Impairment	5(a)	–	–	(561)	(561)
<b>At 31 March 2009</b>		<b>13,678</b>	<b>29,253</b>	<b>120,590</b>	<b>163,521</b>
<b>2008</b>					
<b>Net book value</b>					
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	5(a)	–	(532)	(1,186)	(1,718)
Transferred to assets held for sale	41	(14,545)	–	–	(14,545)
<b>At 31 March 2008</b>		<b>9,607</b>	<b>5,927</b>	<b>19,955</b>	<b>35,489</b>
<b>At 31 March 2009:</b>					
Cost		13,678	32,243	123,897	169,818
Accumulated depreciation		–	(2,458)	(1,560)	(4,018)
Accumulated impairment		–	(532)	(1,747)	(2,279)
<b>Net book value</b>		<b>13,678</b>	<b>29,253</b>	<b>120,590</b>	<b>163,521</b>
<b>At 31 March 2008:</b>					
Cost		9,607	7,348	21,375	38,330
Accumulated depreciation		–	(889)	(234)	(1,123)
Accumulated impairment		–	(532)	(1,186)	(1,718)
<b>Net book value</b>		<b>9,607</b>	<b>5,927</b>	<b>19,955</b>	<b>35,489</b>

## 27 INVESTMENT PROPERTIES (cont'd)

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 RM178,500,000 (2008: RM40,450,000) 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.

	Note	Freehold buildings RM'000	Total RM'000
<b>The Company</b>			
<b>Net book value</b>			
At 1 April 2008		—	—
Transferred from property, plant and equipment	25	5,423	5,423
Depreciation charges for the year	5(a)	(129)	(129)
<b>At 31 March 2009</b>		<b>5,294</b>	<b>5,294</b>
<b>2009:</b>			
Cost		6,475	6,475
Accumulated depreciation		(1,181)	(1,181)
<b>Net book value</b>		<b>5,294</b>	<b>5,294</b>

## 28 CONCESSION ASSETS

	Note	The Group	
		2009 RM'000	2008 RM'000
<b>Cost</b>			
At 1 April		2,249,751	493,377
Arising from the acquisition of subsidiaries	46(b)	—	1,707,339
Additions during the financial year		100,593	177,530
Derecognised due to previous year's equity accounting of a jointly controlled entity which was consolidated in the previous year		—	(132,812)
Exchange translation differences		(58,485)	4,317
<b>At 31 March</b>		<b>2,291,859</b>	<b>2,249,751</b>
<b>Accumulated amortisation</b>			
At 1 April		(64,948)	(18,992)
Current amortisation	5(a)	(55,350)	(46,188)
Exchange translation differences		3,708	232
<b>At 31 March</b>		<b>(116,590)</b>	<b>(64,948)</b>
		<b>2,175,269</b>	<b>2,184,803</b>

The concession assets in India with a net carrying value of RM540,805,000 (2008: RM510,744,000) are pledged as security for Term Loan 1 (Note 18).

Interest expenses of RM16,827,000 (2008: RM19,164,000) (Note 9) have been capitalised and included in additions during the financial year.



**29 SUBSIDIARIES**

	Note	The Company	
		2009 RM'000	2008 RM'000
<b>At cost:</b>			
Quoted shares:			
- in Malaysia		1,079,566	298,471
Unquoted Redeemable Convertible Unsecured Loan Stocks ("RCULS")	(a)	400,000	–
Unquoted shares:			
- in Malaysia	(b)	3,179,955	2,674,689
- outside Malaysia		6,436	6,436
		<b>4,665,957</b>	<b>2,979,596</b>
Less: Accumulated impairment			
Unquoted RCULS		(11,880)	–
Unquoted shares			
- in Malaysia		(942,761)	(942,761)
- outside Malaysia		(4,170)	(4,170)
		<b>(958,811)</b>	<b>(946,931)</b>
		<b>3,707,146</b>	<b>2,032,665</b>
<b>Market value</b>			
Quoted shares:			
- in Malaysia		856,346	1,057,695

- (a) On 20 November 2008, IJM Land Berhad ("IJMLB"), a subsidiary of the Company, issued RM400 million nominal value of 10-year 3% coupon RCULS to the Company. The terms of the RCULS are as follows:
- (i) The nominal value of the RCULS is RM400 million, with a coupon rate of 3% per annum and a tenure of 10 years. The RCULS will mature on 19 November 2018.
  - (ii) The RCULS is convertible at any time into new IJMLB shares from the date of issuance of the RCULS up to the date of maturity at a conversion price of RM1.74 per share and conversion rate of 1 RCULS for 1 new ordinary shares of RM1.00 each in IJMLB.
  - (iii) The RCULS is redeemable after the 5th anniversary from the date of issuance at 100% of its nominal value.
  - (iv) On the date of maturity, all outstanding RCULS would be redeemed in full by IJMLB at nominal value.
- (b) On 10 December 2008, the entire issued and paid-up capital of Industrial Concrete Products Berhad ("ICP"), a subsidiary of the Company, was delisted from the Main Board of Bursa Malaysia Securities Berhad following the acquisition of additional 36.90% equity interest in ICP by the Company as disclosed in Note 46(a)(iii). Accordingly, the cost of investment in ICP was re-classified from quoted shares to unquoted shares in Malaysia.
- (c) In the preceding financial year, the Company recognised an impairment on the cost of investment in subsidiaries, of which RM940,860,000 was in relation 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 had 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 was recognised on the carrying values of subsidiaries which are not supported by the VIU calculations. Details of the impairment test in the preceding financial year are disclosed in Note 45 on the impairment test for goodwill arising from the acquisition of RBH.
- (d) 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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
(a) Associates other than Grupo Concesionario del Oeste S.A ("Grupo")	355,914	334,216	43,412	56,846
(b) Grupo	59,349	63,370	44,294	44,294
	415,263	397,586	87,706	101,140
Represented by: Group's share of net assets	415,263	397,586		
<u>Market value</u>				
Quoted shares:				
- in Malaysia	25,663	50,107	25,663	50,107
- outside Malaysia (Grupo)	18,987	29,291	18,987	29,291
	44,650	79,398	44,650	79,398

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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
(a) Associates other than Grupo:				
Quoted shares, at cost:				
- in Malaysia	50,664	50,664	50,664	50,664
Unquoted shares, at cost:				
- in Malaysia	91,486	87,946	42,437	42,437
- outside Malaysia	191,536	157,255	1,776	1,765
	333,686	295,865	94,877	94,866
Share of post-acquisition retained profits	112,436	83,105	–	–
Share of post-acquisition reserves	(20,835)	9,164	–	–
	425,287	388,134	94,877	94,866
Less: Accumulated impairment	(69,373)	(53,918)	(51,465)	(38,020)
	355,914	334,216	43,412	56,846
(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	17,055	21,076	–	–
Less: Accumulated impairment	(47,000)	(47,000)	(45,000)	(45,000)
	59,349	63,370	44,294	44,294

The renegotiation of the Concession Agreement with the Argentine Government had been ratified vide the Presidential Decree Nr 298/06 and Nr 2322/08. 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. The renegotiation of the concession contract is expected to be finalised by 30 June 2009.

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 obligations beyond these amounts. The Group's share of such losses is as follows:

	The Group	
	2009 RM'000	2008 RM'000
Current year share of losses	(4,001)	(280)
Cumulative share of losses	(18,937)	(14,936)

- (d) The Group's share of assets and liabilities of the associates are as follows:

	The Group	
	2009 RM'000	2008 RM'000
Non-current assets	691,389	701,559
Current assets	311,034	777,839
Non-current liabilities	(369,804)	(616,673)
Current liabilities	(220,692)	(468,320)
Net assets	411,927	394,405
Premium on acquisition	3,336	3,181
	415,263	397,586

The Group's share of the revenue and expenses of the associates are as follows:

	The Group	
	2009 RM'000	2008 RM'000
Revenue	355,843	327,398
Expenses including taxation	(336,797)	(312,760)
Net profit for the financial year	19,046	14,638

**31 JOINTLY CONTROLLED ENTITIES**

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Share of net assets of jointly controlled entities	229,147	177,402	–	–
Amounts owing by jointly controlled entities	597,834	510,755	119,646	101,733
Less: Allowance for doubtful debts	(9,000)	(9,000)	–	–
	588,834	501,755	119,646	101,733
	817,981	679,157	119,646	101,733



### 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
	2009	2008	
	%	%	
Astaka Tegas Sdn Bhd	50	50	Property development
Elegan Pesona Sdn Bhd	50	50	Property development
Ambang Usaha Sdn Bhd	50	50	Construction
LCL-IJMII International Interiors Private Limited	–	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
Hafeera-IJM Joint Venture	50	–	Construction
IJMC-Norwest Joint Venture	70	–	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	70	Construction
ISZL Consortium	25	25	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 IJM Palm Oil Limited (formerly known as Godrej Gokarna Oil Palm Limited)	51	51	Trading of oil palm fresh fruit bunches and milling
Perdana Highway Operations Private Ltd	49	49	Dormant
BSC-RBM-PATI JV	38	38	Construction
RBM-PATI JV	75	75	Construction
Trichy Tollway Private Limited	50	50	Highway development
Lebuhraya Kajang Seremban Sdn Bhd	50	50	Toll road operations
Larut Leisure Enterprise (Hong Kong) Limited	50	50	Investment holding
Vijayawada Tollway Pte Ltd	50	–	Highway development

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

## 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	
	2009 RM'000	2008 RM'000
Non-current assets	1,020,761	705,528
Current assets	588,192	595,471
Non-current liabilities	(796,204)	(738,734)
Current liabilities	(583,602)	(384,863)
Net assets	229,147	177,402

The Group's share of the revenue and expenses of the jointly controlled entities are as follows:

	The Group	
	2009 RM'000	2008 RM'000
Revenue	348,169	123,475
Expenses including taxation	(345,011)	(119,618)
Net profit for the financial year	3,158	3,857

## 32 LONG TERM INVESTMENTS

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Cost</b>				
Quoted shares:				
- in Malaysia	18,042	18,110	—	—
Unquoted shares:				
- in Malaysia	36,385	48,385	6,500	6,500
- outside Malaysia	264	264	260	260
	36,649	48,649	6,760	6,760
Quoted corporate bonds:				
- in Malaysia	—	55,267	—	—
Transferable club membership	234	234	—	—
	54,925	122,260	6,760	6,760
<b>Allowance for diminution in value</b>				
Quoted shares	(16,371)	(15,612)	—	—
Unquoted shares:				
- in Malaysia	(20,075)	(20,075)	(4,450)	(4,450)
- outside Malaysia	(264)	(260)	(260)	(260)
Transferable club membership	(80)	(80)	—	—
	(36,790)	(36,027)	(4,710)	(4,710)
	18,135	86,233	2,050	2,050
<b>Market value</b>				
Quoted shares:				
- in Malaysia	1,747	2,498	—	—
Quoted corporate bonds:				
- in Malaysia	—	55,962	—	—
	1,747	58,460	—	—

The currency exposure profile of investments outside Malaysia is as follows:

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Indian Rupee	—	4	—	—

### 33 LONG TERM RECEIVABLES

	Note	The Group	
		2009 RM'000	2008 RM'000
Lease receivables	(a)	23,294	94,039
Less: Transferred to assets held for sale (Note 41)		—	(72,029)
		23,294	22,010
Less: Amount receivable within 12 months (included in trade and other receivables - Note 38)		(2,527)	(2,527)
		20,767	19,483
Receivable for construction of the Kementerian Kerja Raya Office Blocks	(b)	10,902	18,570
Less:			
- Amount receivables within 12 months (included in trade and other receivables - Note 38)		(7,675)	(7,668)
		3,227	10,902
Deposits for leasehold land	(c)	48,992	45,506
		72,986	75,891

(a) Lease receivables

	The Group	
	2009 RM'000	2008 RM'000
Lease receivables	46,340	47,340
Less: Unearned interest income	(23,046)	(25,330)
	23,294	22,010
Lease receivables		
- Receivable within 1 year	2,527	2,527
- Receivable between 1 and 5 years	11,424	10,822
- Receivable after 5 years	9,343	8,661
	23,294	22,010

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 had been reclassified as assets held for sale (Note 41) as at the end of the preceding financial year.

(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.

- (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) 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.



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

## 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
<b>The Group</b>						
<b>2009</b>						
<b>Cost</b>						
At 1 April 2008	1,018,150	9,850	15,796	202	287	1,044,285
Additions	–	–	3,071	–	–	3,071
<b>At 31 March 2009</b>	<b>1,018,150</b>	<b>9,850</b>	<b>18,867</b>	<b>202</b>	<b>287</b>	<b>1,047,356</b>
<b>Accumulated amortisation</b>						
At 1 April 2008	–	(3,283)	(8,913)	(202)	(130)	(12,528)
Current amortisation	–	(3,283)	(3,234)	–	(157)	(6,674)
<b>At 31 March 2009</b>	<b>–</b>	<b>(6,566)</b>	<b>(12,147)</b>	<b>(202)</b>	<b>(287)</b>	<b>(19,202)</b>
<b>Accumulated impairment</b>						
At 1 April 2008	(945,076)	–	–	–	–	(945,076)
Impairment of goodwill during the financial year	–	–	–	–	–	–
<b>At 31 March 2009</b>	<b>(945,076)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(945,076)</b>
	73,074	3,284	6,720	–	–	83,078
<b>2008</b>						
<b>Cost</b>						
At 1 April 2007	64,314	–	12,153	202	287	76,956
Acquisition of subsidiaries (Note 46(b)(i))	953,992	9,850	–	–	–	963,842
Additions	–	–	3,655	–	–	3,655
Written off	–	–	(12)	–	–	(12)
Disposal of a subsidiary (Note 47(b))	(156)	–	–	–	–	(156)
<b>At 31 March 2008</b>	<b>1,018,150</b>	<b>9,850</b>	<b>15,796</b>	<b>202</b>	<b>287</b>	<b>1,044,285</b>
<b>Accumulated amortisation</b>						
At 1 April 2007	–	–	(5,833)	(155)	(83)	(6,071)
Current amortisation	–	(3,283)	(3,092)	(47)	(47)	(6,469)
Written off	–	–	12	–	–	12
<b>At 31 March 2008</b>	<b>–</b>	<b>(3,283)</b>	<b>(8,913)</b>	<b>(202)</b>	<b>(130)</b>	<b>(12,528)</b>
<b>Accumulated impairment</b>						
At 1 April 2007	(4,216)	–	–	–	–	(4,216)
Impairment of goodwill during the financial year	(940,860)	–	–	–	–	(940,860)
<b>At 31 March 2008</b>	<b>(945,076)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(945,076)</b>
	73,074	6,567	6,883	–	157	86,681

### 34 INTANGIBLE ASSETS (cont'd)

Amortisation for the current financial year was included in the following income statement line items:

- Cost of sales
- Other operating expenses

The Group	
2009 RM'000	2008 RM'000
3,234	3,139
3,440	3,330
<b>6,674</b>	<b>6,469</b>

### 35 PROPERTY DEVELOPMENT

(a) Land held for property development

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Freehold land, at cost	537,619	438,988	281	281
Leasehold land, at cost	83,241	95,983	—	—
Leasehold land, at valuation	63,465	63,465	—	—
Development costs	77,906	43,505	—	—
Accumulated impairment	(27,998)	(3,050)	—	—
	<b>734,233</b>	<b>638,891</b>	<b>281</b>	<b>281</b>
At 1 April	638,891	319,037	281	281
Arising from the acquisition of subsidiaries (Note 46)	13,000	237,169	—	—
Additions during the year	74,478	96,407	—	—
Transferred from/(to) property development costs (Note 35(b)):				
- Land cost	7,354	(6,915)	—	—
- Development costs	9,709	16,712	—	—
	<b>17,063</b>	<b>9,797</b>	<b>—</b>	<b>—</b>
Disposals during the year	(6,550)	(20,469)	—	—
Impairment during the year (Note 5(a))	(2,649)	(3,050)	—	—
At 31 March	<b>734,233</b>	<b>638,891</b>	<b>281</b>	<b>281</b>

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.

The revalued amounts are retained as surrogate costs as allowed under transitional provisions of FRS 201.

The carrying values of freehold land and leasehold land amounting to RM44,263,000 and RM3,371,000 respectively are pledged as security for Term Loan 9 of a subsidiary (Note 18).

**35 PROPERTY DEVELOPMENT** (cont'd)

(b) Property development costs

	Note	The Group	
		2009 RM'000	2008 RM'000
At 1 April			
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		(2,346)	–
		<b>1,667,188</b>	685,488
Less: Completed development properties:			
Freehold land – at cost		(76,581)	(16,487)
Leasehold land – at cost		(43,323)	(23,354)
Development costs		(413,810)	(393,393)
Accumulated costs charged to income statement		512,801	361,255
Completed units transferred to building stocks		20,913	71,979
		<b>–</b>	–
		<b>1,667,188</b>	685,488
Arising from the acquisition of subsidiaries:	46(b)		
- Land cost		–	735,567
- Development costs		–	166,068
		<b>–</b>	901,635
Costs incurred during the financial year:			
- Purchase of land		71,109	25,819
- Development costs		710,685	761,341
		<b>781,794</b>	787,160
Disposal of land		–	(10,401)
Transferred (to)/from land held for property development:	35(a)		
- Land cost		(7,354)	6,915
- Development costs		(9,709)	(16,712)
		<b>(17,063)</b>	(9,797)
Costs charged to income statement		(614,778)	(696,475)
Completed units transferred to inventories		(51,384)	(30,325)
Exchange differences		(16,454)	8,530
Development costs transferred to investment properties	27	(49,573)	–
Land transferred from property, plant and equipment	25	–	33,719
Impairment during the year	5(a)	–	(2,346)
At 31 March		<b>1,699,730</b>	1,667,188
At 31 March:			
Freehold land – at cost		639,482	429,288
Leasehold land – at cost		422,749	377,702
Leasehold land – at valuation		20,468	–
Development costs		2,472,375	2,254,797
Accumulated costs charged to income statement		(1,789,191)	(1,361,404)
Completed units transferred to building stocks		(63,807)	(30,849)
Accumulated impairment		(2,346)	(2,346)
		<b>1,699,730</b>	1,667,188



### 35 PROPERTY DEVELOPMENT (cont'd)

(b) Property development costs (cont'd)

Property development costs incurred during the financial year include the capitalisation of the following expenses:

		The Group	
	Note	2009 RM'000	2008 RM'000
Interest expenses	9	13,215	27,758
Employee benefits cost	6	472	1,045

The carrying values of freehold land and leasehold land amounting to RM192,194,000 (2008: RM72,997,000) and RM55,300,000 (2008: RM Nil) respectively are pledged as security for Term Loans 3, 4, 5, 7 and 9 (2008: Term Loans 3, 4, 5 and 25) of a subsidiary (Note 18).

### 36 PLANTATION DEVELOPMENT EXPENDITURE

	The Group	
	2009 RM'000	2008 RM'000
<b>Cost</b>		
At 1 April	248,165	239,767
Additions during the year	11,994	8,398
Acquisition of subsidiaries (Note 46(a)(ii))	2,080	–
At 31 March	262,239	248,165
<b>Valuation</b>		
At 1 April / At 31 March	168,733	168,733
At 31 March	430,972	416,898

- (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 (2008: RM64,116,744).

- (b) Plantation development expenditure capitalised during the financial year include the following:

		The Group	
	Note	2009 RM'000	2008 RM'000
Depreciation of property, plant and equipment	25	849	537
Amortisation of leasehold land	26	184	240
Finance cost	9	35	1,057
Employee benefits cost	6	4,077	3,019

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

## 37 INVENTORIES

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Cost</b>				
Raw materials:				
- Construction materials	40,309	22,934	15,627	1,261
- Other raw materials	87,104	73,848	—	—
Finished goods:				
- Completed buildings	81,732	116,399	—	—
- Quarry and manufactured products	66,754	54,277	—	—
- Plant and turf	—	32	—	—
- Compost	150	265	—	—
- Crude palm kernel oil	—	288	—	—
- Crude palm oil	3,908	18,651	—	—
- Palm kernel	1,081	1,487	—	—
Oil palm seeds	398	716	—	—
Oil palm nursery	8,158	1,315	—	—
Fertilisers and chemicals	5,196	3,867	—	—
Stores, spares & consumables	11,980	9,848	—	—
Food and beverages	—	268	—	—
Work-in-progress	605	760	—	—
Goods in transit	726	—	—	—
	<b>308,101</b>	<b>304,955</b>	<b>15,627</b>	<b>1,261</b>
<b>Net realisable value</b>				
Finished goods:				
- Completed buildings	67,074	26,901	4,105	4,105
- Crude palm oil	14,739	8,888	—	—
- Consumables	451	494	—	—
- Palm kernel	189	630	—	—
- Crude palm kernel oil	172	—	—	—
	<b>82,625</b>	<b>36,913</b>	<b>4,105</b>	<b>4,105</b>
	<b>390,726</b>	<b>341,868</b>	<b>19,732</b>	<b>5,366</b>

## 38 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade receivables	1,327,327	1,412,871	89,710	97,598
Less: Allowance for doubtful debts	(61,132)	(61,771)	(11,692)	(11,692)
	<b>1,266,195</b>	<b>1,351,100</b>	<b>78,018</b>	<b>85,906</b>
Trade and tender deposits	27,219	36,094	295	296
Trade advances	134,689	219,570	28,686	37,205
Less: Allowance for doubtful debts	(274)	(5,075)	(274)	(274)
	<b>134,415</b>	<b>214,495</b>	<b>28,412</b>	<b>36,931</b>
Accrued billings in respect of property development	124,020	156,117	—	—
Other receivables	192,350	124,382	—	—
Less: Allowance for doubtful debts	(7,363)	(2,309)	—	—
	<b>184,987</b>	<b>122,073</b>	<b>—</b>	<b>—</b>

### 38 TRADE AND OTHER RECEIVABLES (cont'd)

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Compensation receivable	89,033	—	—	—
Amounts due from customers on construction contracts (Note 44)	204,154	173,748	3,221	3,917
Amounts owing by subsidiaries	—	—	991,392	1,442,890
Amounts owing by associates	23,955	39,966	14,461	14,749
Less: Allowance for doubtful debts	(2,360)	(5,427)	(1,173)	(2,425)
	21,595	34,539	13,288	12,324
	2,051,618	2,088,166	1,114,626	1,582,264
Deposits and prepayments	52,230	52,475	7,532	9,454
	2,103,848	2,140,641	1,122,158	1,591,718

The currency exposure profile of trade and other receivables is as follows:

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Ringgit Malaysia	1,465,805	1,567,046	1,068,780	1,539,208
Indian Rupee	405,975	416,357	45,846	36,085
United States Dollar	3,552	2,758	—	—
UAE Dirham	14,833	31,115	—	—
Hongkong Dollar	15,760	13,775	—	—
Singapore Dollar	145,485	56,854	—	6,971
Others	208	261	—	—
	2,051,618	2,088,166	1,114,626	1,582,264

Credit terms of trade receivables range from payment in advance to 120 days (2008: range from payment in advance to 90 days).

The amounts owing by subsidiaries and associates are unsecured, bear interest at rates ranging from 5.0% to 8.0% (2008: 4.5% to 8.8%) per annum and repayable on demand.

Trade receivables include the current portion of the following items:

	The Group	
	2009 RM'000	2008 RM'000
Lease receivable (Note 33(a))	2,527	2,527
Amount due for construction of the Kementerian Kerja Raya Office Blocks (Note 33(b))	7,675	7,668

### 39 SHORT TERM INVESTMENTS

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Cost</b>				
Quoted shares				
- In Malaysia	10,021	10,021	10,021	10,021
Quoted corporate bonds:				
- In Malaysia	50,049	—	—	—
Unquoted shares				
- In Malaysia	233	839	233	839
Quoted warrants in Malaysia	48	47	48	47
Quoted unit trusts in Malaysia	20,713	64,088	10,000	20,197
	81,064	74,995	20,302	31,104

**39 SHORT TERM INVESTMENTS** (cont'd)

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Allowance for diminution in value of investments</b>				
- Quoted shares in Malaysia	(7,481)	(5,701)	(7,481)	(5,701)
- Unquoted shares in Malaysia	(233)	(839)	(233)	(839)
	(7,714)	(6,540)	(7,714)	(6,540)
	73,350	68,455	12,588	24,564
<b>Market value</b>				
Quoted shares:				
- In Malaysia	2,540	3,493	2,540	3,493
Quoted corporate bonds in Malaysia	50,247	—	—	—
Quoted warrants in Malaysia	48	874	48	874
Quoted unit trusts in Malaysia	20,713	64,088	10,000	20,197
	73,548	68,455	12,588	24,564

**40 DEPOSITS, CASH AND BANK BALANCES**

Note	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deposits with licensed banks (a)	558,383	339,683	62,324	87,908
Cash and bank balances	253,235	232,028	104,505	7,429
Housing Development Accounts (b)	134,036	94,826	—	—
	387,271	326,854	104,505	7,429
	945,654	666,537	166,829	95,337

- (a) Included in deposits with licensed banks are the deposits of Nilai Cipta Sdn Bhd, a subsidiary, amounting to RM54,569,000 (2008: RM35,588,000) 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 RM134,036,000 (2008: RM94,826,000) 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.

The currency exposure profile of the deposits with licensed banks is as follows:

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Ringgit Malaysia	551,633	331,695	62,324	87,908
Australian Dollar	2,070	88	—	—
UAE Dirham	546	479	—	—
Indian Rupee	4,134	5,258	—	—
New Taiwan Dollar	—	2,163	—	—
	558,383	339,683	62,324	87,908



#### 40 DEPOSITS, CASH AND BANK BALANCES (cont'd)

The currency exposure profile of cash and bank balances and Housing Development Accounts is as follows:

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Ringgit Malaysia	357,632	237,797	103,021	4,778
Indian Rupee	8,276	21,098	973	1,973
Hong Kong Dollar	127	—	—	—
Singapore Dollar	8,476	4,184	511	678
Australian Dollar	284	199	—	—
United States Dollar	6,893	62,853	—	—
Korean Won	482	—	—	—
UAE Dirham	1,639	723	—	—
Indonesia Rupiah	3,460	—	—	—
Others	2	—	—	—
	<b>387,271</b>	<b>326,854</b>	<b>104,505</b>	<b>7,429</b>

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	
	2009 %	2008 %	2009 %	2008 %
Deposits with licensed banks	2.33	3.08	1.70	3.38
Cash at bank held under Housing Development Accounts	1.29	2.35	—	—

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 365 days (2008: 1 and 458 days).

#### 41 ASSETS HELD FOR SALE

	Note	The Group	
		2009 RM'000	2008 RM'000
Property, plant and equipment (Note 25)	(a)	1,940	1,940
Leasehold land (Note 26)	(a)	6,426	6,426
Leasehold land (Note 26)	(b)	21,464	—
Investment property (Note 27)		—	14,545
Long term receivables (Note 33)		—	72,029
		<b>29,830</b>	<b>94,940</b>

- (a) The Directors of Kamad Quarry Sdn Bhd, a subsidiary of the Company, had approved the disposal of certain property, equipment and leasehold land. These assets satisfied the criteria in FRS 5 "Non-current Assets Held for Sale and Presentation of Discontinued Operations" and were therefore classified as "Assets Held for Sale" as at 31 March 2008. The sale and purchase agreements are in the process of being finalised.
- (b) Industrial Concrete Products Berhad, a subsidiary of the Company, had on 22 August 2008 entered into a sale and purchase agreement with Golden Jomalina Food Industries Sdn. Bhd. to dispose of the piece of vacant industrial land for a cash consideration of RM27.1 million. The title deed of the leasehold land is currently being processed by the relevant authorities.

**42 TRADE AND OTHER PAYABLES**

Note	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade payables	1,104,827	1,040,238	10,482	13,578
Progress billings in respect of property development	21,117	23,082	—	—
Amounts owing to subsidiaries	—	—	815,270	330,235
Amounts owing to associates	21,782	8,600	13,169	6,427
Amounts owing to jointly controlled entities	8,393	16,716	5,565	5,690
Government support loan	19 2,482	2,500	—	—
Hire purchase and lease creditors	20 5,929	15,354	—	—
Trade accruals	62,818	131,436	12,227	32,187
Other payables and accruals	595,193	451,668	11,764	12,075
Dividend payable	120	37	120	37
Retirement benefits payable	23 799	476	—	—
Amounts due to customers on construction contracts	44 191,897	126,695	9,176	2,840
	<b>2,015,357</b>	<b>1,816,802</b>	<b>877,773</b>	<b>403,069</b>

The currency exposure profile of trade and other payables is as follows:

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Ringgit Malaysia	1,685,121	1,110,470	811,249	356,656
Indian Rupee	283,788	319,276	55,907	9,055
Singapore Dollar	5,783	41,659	10,617	37,358
Australian Dollar	—	285	—	—
United States Dollar	9,710	318,735	—	—
UAE Dirham	26,546	26,308	—	—
Pakistan Rupee	4,406	—	—	—
Others	3	69	—	—
	<b>2,015,357</b>	<b>1,816,802</b>	<b>877,773</b>	<b>403,069</b>

The amounts owing to subsidiaries, associates and jointly controlled entities are unsecured, bear interest at rates ranging from 5.0% to 7.5% (2008: 5.5% to 8.75%) per annum and repayable on demand.

Credit terms of trade and other payables range from payments in advance to 180 days (2008: range from payments in advance to 180 days).

Trade payables include the current portion of the following items:

Note	The Group	
	2009 RM'000	2008 RM'000
Payables in connection with the acquisition of land for property development	22 —	31,666

## 43 BORROWINGS

	Note	The Group		The Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Secured</b>					
Bonds	16	157,316	35,812	–	–
Commercial Papers and Medium Term Notes	17	49,000	49,000	–	–
Term loans	18	282,443	329,102	–	–
Revolving credits		14,000	–	–	–
Bank overdrafts	48	41	54,804	–	–
		502,800	468,718	–	–
<b>Unsecured</b>					
Bonds	16	34,958	34,946	–	–
Commercial Papers and Medium Term Notes	17	231,004	135,124	150,000	–
Term loans	18	146,265	35,571	–	–
Bankers' acceptances		126,220	131,979	5,165	20,046
Revolving credits		324,204	27,726	263,297	–
Bank overdrafts	48	123,760	13,128	–	–
		986,411	378,474	418,462	20,046
		1,489,211	847,192	418,462	20,046

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 revolving credits of the Group are secured by way of Lien-Holder's Caveat upon issuance of sub-divided block titles from the relevant authorities with a minimum cover of 1.67 times the loan outstanding. The revolving credits were disbursed against corporate guarantee from IJMLB, a subsidiary of the Company. The corporate guarantee will be released once the Lien-Holder Caveat is formalised.

The currency exposure profile of the above bank borrowings is as follows:

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Ringgit Malaysia	987,369	566,415	400,165	20,046
Indian Rupee	313,284	237,793	–	–
United States Dollar	170,932	9,123	18,297	–
Chinese Renminbi	17,626	33,861	–	–
	1,489,211	847,192	418,462	20,046

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					
	Bankers' acceptance %	2009 Revolving credit %	Bank overdraft %	Bankers' acceptance %	2008 Revolving credit %	Bank overdraft %
Ringgit Malaysia	3.64	3.88	6.24	3.95	5.41	6.98
Indian Rupee	–	15.60	16.00	–	10.00	–
United States Dollar	–	1.95	–	–	–	–
Chinese Renminbi	–	–	5.10	–	–	6.90

#### 44 AMOUNTS DUE FROM / (TO) CUSTOMERS ON CONSTRUCTION CONTRACTS

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Aggregate costs incurred to-date	8,437,508	7,676,811	706,604	846,484
Attributable profits less recognised losses	721,162	673,853	45,461	221,640
	9,158,670	8,350,664	752,065	1,068,124
Less: Progress billings on contracts	(9,146,413)	(8,303,611)	(758,020)	(1,067,047)
	12,257	47,053	(5,955)	1,077
Amounts due from customers on construction contracts (included in trade and other receivables - Note 38)	204,154	173,748	3,221	3,917
Amounts due to customers on construction contracts (included in trade and other payables - Note 42)	(191,897)	(126,695)	(9,176)	(2,840)
	12,257	47,053	(5,955)	1,077
Advances received on contracts (included in trade payables)	71,126	106,079	—	—
Retention sums on contracts (included in trade receivables)	179,676	151,206	20,180	22,040

During the financial year, the following expenses have been included in the aggregate costs incurred to-date of the Group:

	Note	The Group	
		2009 RM'000	2008 RM'000
Employee benefits cost	6	25,637	26,952
Finance cost	9	35,516	2,875
Depreciation of property, plant and equipment	25	32,131	22,987

Amounts due from customers on construction contracts amounting to RM113,858,000 (2008: RM156,013,000) are pledged as security for Term Loan 1 (Note 18) and bank overdrafts (Note 43) of certain subsidiaries.

Amounts due from customers on construction contracts amounting to RM57,947,000 (2008: RM Nil) is secured in the form of an irrevocable power of attorney on the land and construction work held by a stakeholder.

#### 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
<b>2009</b>						
At 1 April 2008 /						
At 31 March 2009	56,026	13,132	—	—	3,916	73,074



## 45 IMPAIRMENT OF ASSETS (cont'd)

### Impairment tests for goodwill (cont'd)

The carrying amounts of goodwill allocated to the CGUs are as follows: (cont'd)

	Manufacturing and quarrying RM'000	Construction RM'000	Property development RM'000	Infrastructure RM'000	Others (individually insignificant) RM'000	Total RM'000
<b>2008</b>						
At 1 April 2007	56,026	–	–	–	4,072	60,098
Arising from acquisition of subsidiaries (Note 46(b)(i))	–	13,132	336,326	604,534	–	953,992
	56,026	13,132	336,326	604,534	4,072	1,014,090
Impairment during the year	–	–	(336,326)	(604,534)	–	(940,860)
Disposal of a subsidiary (Note 47(b))	–	–	–	–	(156)	(156)
<b>At 31 March 2008</b>	<b>56,026</b>	<b>13,132</b>	<b>–</b>	<b>–</b>	<b>3,916</b>	<b>73,074</b>

(a) Impairment test for the current financial year

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	5%	13.1%
Construction	Discounted cash flows of the construction order book	Not applicable	10.0%

The discount rate used reflects the specific risks relating to the CGU.

(b) Impairment test for the preceding financial year

In the preceding financial year, the Group recognised an impairment 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 was 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.

In performing the impairment tests for goodwill, the recoverable amounts of the respective CGUs were 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.

#### 46 ACQUISITION OF SUBSIDIARIES

(a) During the current financial year, the Group acquired the following subsidiaries/additional interest in subsidiaries:

- (i) Worldwide Ventures Sdn Bhd ("WVSB"), a subsidiary of the Company, had on 10 July 2008 entered into an Agreement for Sale and Purchase of Shares with Island Gold Properties Berhad to acquire 500,000 ordinary shares of RM1 each, representing 50% of the issued and paid up capital of Island Golf View Sdn Bhd ("IGV"), an associate, for a total cash consideration of RM500,000, thus acquiring control over IGV.

Following the completion of the acquisition, IGV became a wholly-owned subsidiary of WVSB.

Details of net assets acquired are as follows:

	Note	Acquiree's carrying value RM'000	Fair value RM'000
<b>Identifiable assets and liabilities</b>			
<b>Non-current assets</b>			
Land held for property development	35(a)	11,468	13,000
		11,468	13,000
<b>Current assets</b>			
Receivables		30	30
Cash and bank balances		8	8
		38	38
<b>Non-current liabilities</b>			
Deferred tax liabilities	21	–	(383)
Trade and other payables		(11,163)	(11,163)
		(11,163)	(11,546)
<b>Current liabilities</b>			
Payables		(258)	(258)
		(258)	(258)
Identifiable net assets		85	1,234
Less: 50% of fair value of total net assets previously held as an associate			(617)
Identifiable net assets acquired			617
Negative goodwill			(117)
Purchase consideration			500

Details of cash flow arising from the acquisition of the additional 50% equity interest in IGV are as follows:

	Group RM'000
Total purchase consideration	(500)
Less: Cash and cash equivalents of subsidiary acquired	8
Cash outflow to the Group on acquisition	(492)

- (ii) On 7 July 2008, Minat Teguh Sdn Bhd, a subsidiary of the Company, had subscribed 95 shares of Rupiah 1 million each, representing 95% of the issued and paid up capital of PT Primabahagia Permai, for a total cash consideration of Rupiah 95 million (translated to RM37,000 based on an exchange rate of 1 rupiah equivalent to RM0.00039).

On 7 July 2008, Gunaria Sdn Bhd, a subsidiary of the company, had subscribed 190 shares of Rupiah 1 million each, representing 95% of the issued and paid up capital of PT Sinergi Agro Industri, for a total cash consideration of Rupiah 190 million (translated to RM72,000 based on an exchange rate of 1 rupiah equivalent to RM0.00038).

#### 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 net assets acquired are as follows:

	Note	Acquiree's carrying value RM'000	Fair value RM'000
<b>Identifiable assets and liabilities</b>			
<b>Non-current assets</b>			
Property, plant and equipment	25	2,897	4,592
Plantation development expenditure	36	2,080	2,080
Deferred tax assets	21	715	715
		5,692	7,387
<b>Current assets</b>			
Other receivables		25,467	25,467
Inventories		2,864	2,864
Cash and bank balances		7,054	7,054
		35,385	35,385
<b>Current liabilities</b>			
Payables		(42,592)	(42,592)
		(1,515)	180
Identifiable net (liabilities)/assets			
Less: 5% of fair value of total net assets held by minority interests			(9)
Identifiable net assets acquired			171
Goodwill			–
Purchase consideration			171

Details of cash flows arising from the acquisition were as follows:

	Group RM'000
Total purchase consideration	(171)
Less: Cash and cash equivalents of a subsidiary acquired	7,054
Cash inflow to the Group on acquisition	6,883

The acquired business contributed revenue of RM Nil and net losses of RM2,369,000 to the Group for the period from 7 July 2008, date of completion of acquisition, to 31 March 2009.

(iii) During the financial year, the Company acquired an additional 136,366,406 ordinary shares of RM0.50 each, representing 36.90% of the issued and paid up capital of Industrial Concrete Products Berhad ("ICP") from the existing shareholders for a total purchase consideration of RM252.6 million, which was satisfied by way of RM35.5 million cash and the issuance of 76,831,052 and 4,988,797 ordinary shares of RM1.00 each of the Company on 1 December 2008 and 15 January 2009 respectively, at an issue price of RM2.60 and RM3.48 per share respectively.

Following the completion of the acquisition, ICP became a 100%-owned subsidiary of the Company and the entire issued and paid-up share capital of ICP was delisted from the Main Board of Bursa Malaysia Securities Berhad on 10 December 2008.

The additional interest in ICP has been accounted for as transactions with minority interests. The difference between the consideration paid and the relevant share of the carrying value of net assets of ICP amounting to RM50.6 million is deducted from equity.

(iv) On 12 September 2008, IJM Land Berhad ("IJMLB"), a then 69.96%-owned subsidiary of the Company, acquired an additional 30% equity interest in RB Land Sdn Bhd ("RBLSB") from Reco Homebuilder (M) Sdn Bhd ("Reco") for a purchase consideration of RM161 million, which was satisfied by way of the issuance of 80,500,000 IJMLB shares to Reco at an issue price of RM2.00 per IJMLB share.

Following the completion of the acquisition, RBLSB became a wholly-owned subsidiary of IJMLB.

#### 46 ACQUISITION OF SUBSIDIARIES (cont'd)

- (a) During the current financial year, the Group acquired the following subsidiaries/additional interest in subsidiaries: (cont'd)

- (iv) The additional interest in RBLSB has been accounted for as transactions with minority interests. The difference between the consideration paid and the relevant share of the carrying value of net assets of RBLSB amounting to RM40.4 million is deducted from equity.

The issuance of IJMLB shares to Reco resulted in a reduction of IJM effective interest in IJMLB from 69.96% to 61.3%. Subsequently, on 16 September 2008, IJM subscribed to the excess IJMLB Rights Shares with Warrants not taken up by the minority shareholders of IJMLB pursuant to a written undertaking given by IJM, which resulted in an accretion of IJM effective interest in IJMLB from 61.3% to 76.5%.

The net accretion in IJM Group's interest in IJMLB has been accounted for as transactions with minority interests. The difference between the consideration paid and the relevant share of the carrying value of net assets of IJMLB amounting to RM42.8 million is credited to equity.

- (v) On 13 August 2008, IJM Construction Sdn Bhd ("IJMC"), a wholly-owned subsidiary of the Company, had entered into a Sale and Purchase Agreement with the existing shareholders to acquire 2,010,000 ordinary shares of RM1 each, representing 20.1% of the issued and paid up capital of Prebore Piling & Engineering Sdn Bhd ("PPE"), for a total cash consideration of RM250,000.

Following the completion of the acquisition, PPE became a wholly-owned subsidiary of IJMC.

The additional interest in PPE has been accounted for as transactions with minority interests. The difference between the consideration paid and the relevant share of the carrying value of net assets of PPE amounting to RM1.5 million is deducted from equity.

- (vi) On 7 August 2008, IJM Properties Sdn Bhd ("IJMPRP"), a subsidiary of the Company, had entered into a Subscription and Shareholders' Agreement with the existing shareholders, to subscribe for 140,000 ordinary shares of RM1 each in Cypress Potential Sdn Bhd ("Cypress Potential"), representing 70% of the issued and paid-up share capital of Cypress Potential, for a total consideration of RM140,000.

- (vii) On 15 April 2008, the Company had incorporated IJM Vijayawada (Mauritius) Ltd ("IJMV") in the Republic of Mauritius as a wholly-owned subsidiary of IJM Investments (M) Ltd, a wholly-owned subsidiary of the Company. The issued and paid up capital of IJMV is USD 1 comprising 1 share of USD 1.

Acquisitions (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 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 1 new IJM Share for every 2 existing RBH Shares held.

The acquisition was completed on 2 April 2007 upon the issuance of IJM shares on the basis of 1 new ordinary share of RM1.00 each in IJM for every 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 were 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 were determined by discounting the future contractual cash flows.

The fair values of the net assets at the date of acquisition of RBH were recognised as costs in the Group's financial statements.



#### 46 ACQUISITION OF SUBSIDIARIES (cont'd)

(b) In the preceding financial year, the Group acquired the following subsidiaries/additional interest in subsidiaries: (cont'd)

(i) Details of net assets acquired in the preceding financial year were as follows: (cont'd)

	Note	Acquiree's carrying value RM'000	Fair value RM'000
<b>Identifiable assets and liabilities</b>			
<b>Non-current assets:</b>			
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)
		<u>2,247,955</u>	<u>2,466,048</u>
<b>Current assets:</b>			
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
		<u>1,589,973</u>	<u>1,688,946</u>
<b>Non-current liabilities:</b>			
Trade and other payables		(483,288)	(363,442)
Bonds	16	(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)
		<u>(1,765,003)</u>	<u>(1,827,333)</u>
<b>Current liabilities:</b>			
Retirement benefits	23	(602)	(602)
Payables		(340,778)	(316,008)
Current tax liabilities		(10,709)	(10,709)
Short term borrowings		(246,917)	(246,917)
		<u>(599,006)</u>	<u>(574,236)</u>
Net assets		1,473,919	1,753,425
Less: Minority interest		(284,799)	(320,111)
Identifiable net assets acquired		<u>1,189,120</u>	<u>1,433,314</u>
Goodwill	34		953,992
Purchase consideration			<u>2,387,306</u>

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 of RM940,860,000 has been recognised in the income statement of the Group in the preceding financial year (Note 45(b)).

The remaining goodwill of RM13,132,000 is attributable to the workforce of the acquired subsidiary and the expected synergies from the acquisition.

**46 ACQUISITION OF SUBSIDIARIES** (cont'd)

- (b) In the preceding financial year, the Group acquired the following subsidiaries/additional interest in subsidiaries: (cont'd)

Details of cash flows arising from the acquisition in the preceding financial year were as follows:

	<b>Group RM'000</b>
Total purchase consideration	(2,387,306)
Purchase consideration discharged by issuance of shares	2,375,597
Expenses directly attributable to the acquisition, paid in cash	(11,709)
Less: Cash and cash equivalents of subsidiary acquired*	(314,792)
Cash inflow to the Group on acquisition	303,083
Cash outflow to the Company on acquisition	(11,709)
*Short term deposits	191,876
Cash and bank balances	102,305
Short term investment	20,911
	315,092
Less: Restricted deposits with a licensed bank	(300)
Cash and cash equivalents of subsidiary acquired	314,792

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.

- (ii) IJM Properties Sdn Bhd ("IJMPRP"), a 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 in the preceding financial year were as follows:

	<b>Note</b>	<b>Acquiree's carrying value RM'000</b>	<b>Fair value RM'000</b>
<b>Identifiable assets and liabilities</b>			
<b>Non-current assets</b>			
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
		42,147	90,722
<b>Current assets</b>			
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
		59,899	68,328
<b>Non-current liability</b>			
Deferred tax liabilities	21	–	(5,105)
<b>Current liabilities</b>			
Payables		(102,537)	(102,537)
Borrowings		(6,000)	(6,000)
Bank overdraft		(483)	(483)
		(109,020)	(109,020)

## 46 ACQUISITION OF SUBSIDIARIES (cont'd)

- (b) In the preceding financial year, the Group acquired the following subsidiaries/additional interest in subsidiaries: (cont'd)
- (ii) Details of net assets acquired in the preceding financial year were as follows: (cont'd)

Identifiable assets and liabilities	Acquiree's carrying value RM'000	Fair value RM'000
Net assets	(6,974)	44,925
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		13,478
Negative goodwill		(2,678)
Purchase consideration		10,800

Details of cash flow arising from the acquisition of additional 30% equity interest in WWSB in the preceding financial year were 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	(10,952)

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.

- (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 ("MMUJ") from Benua Bitara Sdn Bhd for a total cash consideration of RM1. Following the completion of the acquisitions, MMUJ became a wholly-owned subsidiary of IJMP.
- (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.

Acquisitions (iv), (v), (vi) and (vii) 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

- (a) On 5 September 2008, the Company has completed the disposal of its entire 100,000,000 ordinary shares of RM1 each, representing 100% of the issued and paid up share capital of IJM Properties Sdn Bhd ("IJMPRP") to IJM Land Berhad ("IJMLB"), a then 69.96%-owned subsidiary of the Company, for a total cash consideration of RM354 million. This has resulted in a deemed dilution of the Group's interest in IJMPRP from 100% to 69.96%.

The deemed dilution of the Group's interest in IJMPRP has been accounted for as transactions with minority interests. The difference between the consideration received and the relevant share of the carrying value of net assets of IJMPRP amounting to RM977,500 is credited to equity.

IJM Group's interest in IJMLB has subsequently increased to 76.5% as a result of the subscription of the excess IJMLB Rights Shares with Warrants not taken up by the minority shareholders of IJMLB as disclosed in Note 46(a)(iv).

- (b) In the preceding financial year, 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 was as follows:

	<b>At date of disposal RM'000</b>
Property, plant and equipment (Note 25)	40,162
Leasehold land (Note 26)	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 (Note 34)	156
	<hr/> 51,173
Net disposal proceeds	(73,937)
Gain on disposal to the Group	<hr/> (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	<hr/> 73,139
Cash and cash equivalents of subsidiary disposed of	(4,012)
Cash inflow of the Group on disposal	<hr/> 69,127
Cash inflow of the Company on disposal	<hr/> 73,139



## 48 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	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deposits with licensed banks	40	558,383	339,683	62,324	87,908
Cash and bank balances	40	387,271	326,854	104,505	7,429
Bank overdrafts	43				
- Secured		(41)	(54,804)	—	—
- Unsecured		(123,760)	(13,128)	—	—
		(123,801)	(67,932)	—	—
Short term investments	39	20,713	64,088	10,000	20,197
		842,566	662,693	176,829	115,534
Less:					
Restricted deposits with licensed banks	40	(54,869)	(35,888)	—	—
		787,697	626,805	176,829	115,534

## 49 SIGNIFICANT NON-CASH TRANSACTION

- (a) During the financial year, the Company acquired an additional 36.90% equity interest in Industrial Concrete Products Berhad for a total purchase consideration of RM252.6million, of which RM217.1 million was discharged by issuance of shares as explained in Note 46(a)(iii).
- (b) During the financial year, the Company declared and paid a tax exempt dividend in-specie of 85,763,142 IJM Land Berhad's ("IJMLB") warrants on the basis of 1 IJMLB's warrant for every 10 IJM shares held at 4.99 sen per share as explained in Note 12.
- (c) During the financial year, the Group acquired an additional 30% equity interest in RB Land Sdn Bhd for a total purchase consideration of RM161.0 million, which was entirely discharged by issuance of shares as explained in Note 46(a)(iv).
- (d) In the preceding financial 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(b)(i).

## 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.

**50 FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES** (cont'd)

(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 2.44% (2008: 6.13%) per annum (Note 18). After the interest rate swaps, the Group's weighted average effective interest rate during the financial year is 5.01% (2008: 5.05%) per annum.

The remaining terms, notional principal amounts and fair values of the outstanding interest rate swap contracts of the Group at the balance sheet date, which are denominated in United States Dollars, were as follows:

Duration	Floating rate	Fixed rate	Amount in foreign currency USD'000	Amount in RM equivalent '000	Fair value gain/(loss) RM'000
22.03.06 - 22.02.10	12-month LIBOR + 1.25%	6.45%	1,235	4,519	(102)
31.05.06 - 29.07.12	6-month LIBOR + 0.7%	5.00%	40,000	146,380	(7,656)
02.06.05 - 29.07.12	6-month LIBOR + 0.7%	4.95%	20,000	73,190	(3,755)
29.07.05 - 29.07.12	6-month LIBOR + 0.7%	5.00%	40,000	146,380	(7,319)

(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 2009					
(i) Long term investments	32				
- Quoted shares		1,671	1,747	-	-
- Unquoted shares		16,310	Note (aa)	2,050	Note (aa)
		<hr/> 17,981		<hr/> 2,050	
(ii) Short term investments	39				
- Quoted corporate bonds		50,049	50,247	-	-
- Quoted shares		2,540	2,540	2,540	2,540
- Quoted warrants		48	48	48	48
- Quoted unit trusts		20,713	20,713	10,000	10,000
		<hr/> 73,350		<hr/> 12,588	
(iii) Long term receivables	33				
- Receivables for construction of the Kementerian Kerja Raya Office Block		3,227	3,062	-	-

(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)

Off-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
<b>Financial Assets</b>					
<b>At 31 March 2008</b>					
(i) Long term investments	32				
- Quoted corporate bonds		55,267	55,962	—	—
- Quoted shares		2,498	2,498	—	—
- Unquoted shares		28,314	Note (aa)	2,050	Note (aa)
		<u>86,079</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	—	—

(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.

		The Group		The Company	
	Note	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
<b>Financial Liabilities</b>					
<b>At 31 March 2009</b>					
(i) Bonds	16	652,704	561,386	—	—
(ii) Medium term notes	17	233,380	232,511	150,000	151,294
(iii) Term loans	18	1,073,621	1,075,682	—	—
(iv) Government support loans	19	280,175	350,151	—	—
(v) Advances from the State Government	22(b)	28,000	22,825	—	—
(vi) Land premium payable to State Government	22(c)	18,100	15,754	—	—
<b>At 31 March 2008</b>					
(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	—	—

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.

## 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 30 July 2008 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 Albhukhary ("YA")
- (vii) IJM Land Berhad (formerly known as RB Land Holdings Berhad) and its subsidiaries ("IJM Land Group")
- (viii) Kumpulan Europlus Berhad ("KEB Group") and Talam Corporation Berhad ("Talam Group")

### The Group

- (a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties.

	2009 RM'000	2008 RM'000
(aa) <u>Associates</u>		
(i) Sales/progress billings in respect of construction contract:		
- Swarna Tollway Pte Ltd	3,615	3,902
(ii) Advances to:		
- Hexacon Construction Pte Ltd	500	260
- Kumpulan Europlus Bhd	726	3,000
(iii) Advances from:		
- OSW Properties Pty Ltd	223	7,408
- Emas Utilities Corporation Sdn Bhd	7,133	135
(iv) Purchase of fertilisers and chemicals:		
- Loongsyn Sdn Bhd	31,797	16,067
(ab) <u>Jointly controlled entities</u>		
(i) Progress billings in respect of construction contracts by:		
- IJM Construction-Perkasa Sutera Joint Venture	45,682	49,795
- Lebuhraya Kajang Seremban Sdn Bhd	235,455	388,764
(ii) Project management fees charged by:		
- IJM Management Services-Giat Bernas Joint Venture	1,820	1,596
(iii) Interests charged to:		
- Sierra Selayang Sdn Bhd	1,281	1,316
- IJM Properties-JA Manan Joint Venture	2,635	2,252
- Radiant Pillar Sdn Bhd	3,438	5,877
- Valencia Terrace Sdn Bhd	2,812	3,387
- Good Debut Sdn Bhd	1,525	2,269
- Cekap Tropikal Sdn Bhd	3,328	2,176
- Sierra Ukay Sdn Bhd	1,176	1,242
- Larut Leisure Enterprise (HK) Ltd	3,331	-
- IJM Biofuel Sdn Bhd	2,279	-



## 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)

	2009 RM'000	2008 RM'000
(iv) Advances to/(repayment from):		
- IJM Properties-JA Manan Joint Venture	(1,034)	2,758
- Radiant Pillar Sdn Bhd	(19,919)	15,712
- IJM-Gayatri Joint Venture	2,527	1,192
- Sierra Ukay Sdn Bhd	14,069	10,016
- Sierra Selayang Sdn Bhd	27	7
- Elegan Pesona Sdn Bhd	(13,209)	17,563
- Good Debut Sdn Bhd	(18,903)	6,717
- Valencia Terrace Sdn Bhd	(23,211)	13,392
- Cekap Tropikal Sdn Bhd	5,806	23,637
- Larut Leisure Enterprise (HK) Ltd	29,375	46,654
- Godrej Gokarna Oil Palm Limited	25,573	-

### The Company

- (a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties.

	2009 RM'000	2008 RM'000
(aa) <u>Subsidiaries</u>		
(i) Interest charged to:		
- IJM Construction Sdn Bhd	8,294	16,794
- IJM Properties Sdn Bhd	32,370	50,259
- Jelutong Development Sdn Bhd	15,535	13,095
- Suria Bistari Sdn Bhd	3,441	2,452
- Worldwide Ventures Sdn Bhd	1,009	5,111
- IJM Construction (Middle East) LLC	887	1,193
- Industrial Concrete Products Bhd	9	-
(ii) Interest charged by:		
- Jurutama Sdn Bhd	-	8,473
- Nilai Cipta Sdn Bhd	2,583	2,643
- Strong Mixed Concrete Sdn Bhd	99	-
- Malaysian Rock Products Sdn Bhd	270	-
(iii) Management fees charged to:		
- IJM Construction (Middle East) LLC	1,622	1,337

**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)

	2009 RM'000	2008 RM'000
(aa) <u>Subsidiaries</u> (cont'd)		
(iv) Advances to:		
- IJM Properties Sdn Bhd	—	181,809
- Suria Bistari Development Sdn Bhd	60,310	—
- Jelutong Development Sdn Bhd	—	91,316
- Jurutama Sdn Bhd	—	128,418
- New Pantai Expressway Sdn Bhd	25,535	—
- IJM Investments (L) Ltd	13,518	—
- IJM Investments (M) Ltd	66,128	—
(v) Repayment of advances from:		
- IJM Overseas Ventures Sdn Bhd	—	173,636
- IJM Australia Pty Limited	—	14,555
- IJM Investment (M) Limited	—	22,027
- IJM International Limited	29,610	48,952
- IJM Construction Sdn Bhd	130,863	237,982
- IJMII (Mauritius) Limited	15,406	54,533
- Suria Bistari Development Sdn Bhd	—	70,587
- Road Builder (M) Holdings Bhd	475,073	—
- IJM Properties Sdn Bhd	419,240	—
- Jelutong Development Sdn Bhd	3,380	—
- Worldwide Ventures Sdn Bhd	48,441	—
(bb) <u>Associates</u>		
(i) Interest charged to:		
- DML-MRP Resources (M) Sdn Bhd	90	—
- Kumpulan Europlus Bhd	726	—
(ii) Interest charged by:		
- Hexacon Construction Pte Ltd	88	—
(iii) Advances to:		
- Hexacon Construction Pte Ltd	500	260
- Kumpulan Europlus Bhd	—	3,000
(iv) Net repayment of advances from:		
- Emas Utilities Corporation Sdn Bhd	7,133	135
- CIDB Inventures Sdn Bhd	—	2,760

- (b) Key management compensation during the financial year:

Key management personnel comprises the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Wages, salaries and bonus	10,429	8,806	4,579	3,482
Defined contribution retirement plan	1,744	1,405	837	636
Other employee benefits	490	863	206	346
	12,663	11,074	5,622	4,464

## 51 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

### (b) Key management compensation during the financial year: (cont'd)

Certain key management of the Company have been granted options under the ESOS on the same terms and conditions as those offered to other employees of the Group (see Note 14(A)(b)) as follows:

Grant Date	Expiry Date	Exercise Price RM/option	Number of options over ordinary shares of RM 1 each					Balance at 31.3.2009 '000
			Balance at 1.4.2008 '000	Granted '000	Exercised '000	Terminated '000	Lapsed upon expiry on 10.11.2008 '000	
8 January 2004	10 November 2008	3.99/3.96*/3.93** 3.91***/3.88****	—	—	—	—	—	—
7 April 2004	10 November 2008	4.47/4.44*/4.41** 4.39***/4.36****	240	—	—	—	(240)	—
30 April 2004	10 November 2008	4.39/4.36*/4.33** 4.31***/4.28****	310	—	—	—	(310)	—
30 August 2005	10 November 2008	4.40/4.37** 4.35***/4.32****	35	—	—	—	(35)	—
26 October 2005	10 November 2008	4.23/4.20** 4.18***/4.15****	—	—	—	—	—	—
			585	—	—	—	(585)	—

The exercise price of the ESOS had been adjusted on 30 April 2005 (\*), 1 August 2006 (\*\*), 1 August 2007 (\*\*\*) and 19 August 2008 (\*\*\*\*) respectively pursuant to Bye-Law 14 of the ESOS Bye-Laws (See Note 14(A)(b)).

Certain key management of the Company have been allotted warrants under the Warrants 2005/2010 (See Note 14(A)(c)) as follows:

Expiry Date	Exercise Price RM/Warrant	Number of Warrants			Balance at 31.3.2009 '000
		Balance at 1.4.2008 '000	Disposed '000	Exercised '000	
22 August 2010	4.80/4.77*	571	(131)	—	440

The exercise price of the Warrants 2005/2010 had been adjusted on 19 August 2008(\*) pursuant to the provisions of the Deed Poll dated 22 June 2005 constituting the Warrants 2005/2010.

## 52 COMMITMENTS

### (a) Capital commitments

	The Group	
	2009 RM'000	2008 RM'000
Approved and contracted for	635,875	717,235
Approved but not contracted for	167,179	133,510
	803,054	850,745
Analysed as follows:		
Purchases of property, plant and equipment	399,086	220,532
Purchases of development land	43,142	109,554
Participation in a concession	219,000	239,000
Concession assets	63,132	112,107
Share of capital commitments of jointly controlled entities	50,694	153,886
Investment property	28,000	15,666
	803,054	850,745

**52 COMMITMENTS** (cont'd)

(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.

	<b>The Group</b>	
	<b>2009 RM'000</b>	<b>2008 RM'000</b>
Future minimum lease payments:		
- payable within 1 year	3,192	3,114
- payable between 1 and 2 years	3,426	3,192
- payable between 2 and 3 years	3,426	3,426
- payable between 3 and 4 years	3,512	3,426
- payable between 4 and 5 years	3,769	3,512
- payable after 5 years	64,312	68,081
	<b>81,637</b>	<b>84,751</b>

**53 CONTINGENT LIABILITIES (UNSECURED)**

	<b>The Group</b>		<b>The Company</b>	
	<b>2009 RM'000</b>	<b>2008 RM'000</b>	<b>2009 RM'000</b>	<b>2008 RM'000</b>
Bank borrowings of subsidiaries guaranteed by the Company	—	—	579,124	479,303
Bank borrowings of associates guaranteed by the Company/Group	7,200	8,070	7,200	8,070
Share certificates of investment in an associate pledged for term loan facility granted to an associate	47,822	44,391	—	—
Performance guarantees in respect of the contract performance of concession agreements	—	—	11,743	13,211
Contingent equity support for investment in subsidiaries	—	—	112,882	126,521
Stamp duty matters under appeal	2,362	2,647	—	—
	<b>57,384</b>	<b>55,108</b>	<b>710,949</b>	<b>627,105</b>

**54 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

- (a) The Company had on 25 July 2007 announced that the proposed rationalisation of the Group's Property Division into IJM Land Berhad ("IJMLB") involving the following transactions:
- Disposal by the Company of 100% equity interest in IJM Properties Sdn Bhd ("IJMPRP") to IJMLB, for a total cash consideration of RM354 million, which was completed on 5 September 2008 (Note 47(a));
  - Disposal by Road Builder (M) Sdn Bhd ("RBM"), a subsidiary of the Company of 100% equity interest in RB Development Sdn Bhd ("RBD") to IJMLB, for a cash consideration of RM4.7 million, which was completed on 19 September 2008;
  - Disposal by RBM of a piece of 99-year leasehold land held under PT 4308, HSD 7083, Bandar Mentakab, District of Temerloh, Pahang Darul Makmur, together with the building erected thereon known as "Bukit Bendera Resort" to IJMLB, for a cash consideration of RM7 million, which was completed on 19 September 2008;
  - Acquisition of 21,432,000 shares and 82,923 redeemable preference shares, representing 30% equity interest in RB Land Sdn Bhd ("RBLSB"), by way of issuance of 80,500,000 IJMLB shares to Reco Homebuilder (M) Sdn Bhd, which was completed on 12 September 2008 (Note 46 (a)(iv)); and



#### 54 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

- (a) The Company had on 25 July 2007 announced that the proposed rationalisation of the Group's Property Division into IJM Land Berhad ("IJMLB") involving the following transactions: (cont'd)
- (v) Renounceable rights issue of 454,549,285 new Ordinary Shares of RM1 each ("Rights Share") with 227,274,642 Warrants ("IJM Land Warrants") at an issue price of RM1.35 per Rights Share on the basis of 4 Rights Share and 2 IJM Land Warrants for every 5 existing ordinary shares held in IJM Land, which was completed on 16 September 2008 ("IJM Land Rights Issue with Warrants").

As part of the settlement of inter-company amount owing by IJMGRP to the Company, the Company has on 20 November 2008 subscribed for the restricted issue of RM400 million nominal value of 10-year 3% coupon redeemable convertible unsecured loan stocks issued by IJMLB (Note 29(a)).

- (b) The Company had on 25 July 2007 announced that the proposed dividend in-specie of up to 88,469,272 IJM Land Warrants to be subscribed by IJM pursuant to the proposed IJM Land Rights Issue with Warrants, on the basis of 1 IJM Land Warrant for every 10 IJM shares held. This proposal has been approved by the Securities Commission vide its letter dated 10 April 2008 and by the shareholders on 16 June 2008. This proposal was subsequently completed on 16 September 2008 following the listing and quotation of IJM Land Warrants.
- (c) On 19 December 2007, the Company announced the proposed capital repayment entailing a cash payment of RM0.50 for every 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 was subsequently withdrawn on 16 October 2008 as the requisite consent of the lenders was not obtained.
- (d) On 14 May 2008, IJM Properties Sdn Bhd ("IJMGRP"), 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 disposal was completed on 8 August 2008.
- (e) On 1 August 2008, IJM Properties Sdn Bhd, a subsidiary of the Company, has entered into a Share Purchase Agreement with Wawasan QI Properties Sdn Bhd, to dispose its entire interest in Kami Builders Sdn Bhd comprising 1,000,000 ordinary shares of RM1 each and 30,000 preference shares of RM1 each for a total cash consideration of RM20,172,615.

The Proposed Disposal is expected to be completed by the first quarter of 2010.

- (f) On 5 September 2008, the Company announced the proposed voluntary general offer to acquire the remaining ordinary shares of RM0.50 each in Industrial Concrete Products Berhad ("ICP") which are not already owned by the Company and any such number of new ordinary shares of RM0.50 each in ICP that may be issued pursuant to the exercise of any outstanding options granted under ICP's employee share option scheme ("offer"). The offer became wholly unconditional on 24 November 2008 after all necessary approvals were obtained. Subsequently on 1 December 2008 and 15 January 2009, the Company issued 76,831,052 and 4,988,797 ordinary shares of RM1.00 each respectively at an issue price of RM2.60 and RM3.48 per share respectively to acquire the 36.90% equity interest in ICP (Note 46(a)(iii)).

Bursa Malaysia Securities Berhad ("Bursa Securities") has vide its letter dated 4 December 2008 advised ICP that the entire issued and paid-up share capital of ICP is removed from the Official List of Bursa Securities on 10 December 2008 pursuant to paragraph 8.15(5) of the Listing Requirements of Bursa Securities.

- (g) During the financial year, the Government had announced the abolishment of the collection of toll with effect from 14 February 2009, at the PJS2 Toll Plaza for Kuala Lumpur bound road users on the New Pantai Expressway Sdn Bhd ("NPE"), a subsidiary of the Company. The compensation to be paid by the Government to NPE, and the terms thereof, for the abolishment have yet to be finalised pending the signing of a supplemental concession agreement.
- (h) During the financial year, the Government had announced the abolishment of the collection of toll at the Salak Jaya Toll Plaza of Besraya (M) Sdn Bhd ("Besraya"), a subsidiary of the Company from 24 February 2009. The compensation to be paid by the Government to Besraya, and the terms thereof, for the abolishment, including the lengthening of the Tollway and the restructuring of the toll rate have yet to be finalised between the Government and Besraya, pending the signing of a supplemental concession agreement.

## 55 SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

- (a) On 8 May 2008, AmInvestment Bank had on the Company's behalf, announced the proposed offer for sale of 60,000,000 IJM Land Warrants to eligible employees of IJM and its subsidiaries ("IJM Group") at an offer price of RM0.39 per IJM Land Warrant. The Company has obtained the approval of the Securities Commission ("SC") vide its letters dated 10 April 2008 and 21 May 2008. Further, the shareholders had approved the Offer to Eligible Employees during the Extraordinary General Meeting held on 16 June 2008.

On 25 September 2008, AmInvestment Bank had, on Company's behalf, announced the proposed variation to the offer price of RM0.39 for each IJM Land Warrant to be sold under the Offer to Eligible Employees to an offer price determined based on the 5-day weighted average market price of IJM Land Warrants up to and including the price-fixing date, with a discount of not more than 10% ("Variation to the Offer Price"). Shareholders had on 4 November 2008 approved the Variation to the Offer Price.

In implementing the Offer to Eligible Employees, the SC had vide its letter dated 10 April 2009, approved a further extension of time of six months until 9 October 2009.

On 22 April 2009, the Company has announced that the offer price for the Offer to Eligible Employees had been fixed at RM0.302, which represents a discount of approximately 9.7% to the 5-day weighted average market price of IJM Land Warrants up to and including 21 April 2009 of RM0.3345.

The prospectus was subsequently issued to eligible employees on 7 May 2009 with acceptance and payment to be made by 15 May 2009.

- (b) On 26 May 2009, the Company proposes to implement a bonus issue to be credited as fully paid-up on the basis of 2 bonus shares for every 5 existing IJM shares held by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of the business on an entitlement date to be determined and announced later.

## 56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2009

### SUBSIDIARIES

Name	Country of incorporation	Effective equity interest		Principal activities
		2009 %	2008 %	
Held by the Company				
GR Commerce Sdn Bhd	Malaysia	100	100	Dormant
Industrial Concrete Products Berhad *	Malaysia	100	64	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	Property development and investment holding
IJM Argentina Sociedad Anomina *	Argentina	100	100	Investment holding
IJM Australia Pty Limited#	Australia	80	80	Engineering and construction consultancy and property development
IJM Investments (M) Limited#	Republic of Mauritius	100	100	Investment holding
IJM International (BVI) Pty Ltd ^	British Virgin Islands	100	100	Investment holding
IJM International Limited *	Hong Kong	100	100	Investment holding
IJM Investments (L) Ltd^	Federal Territory of Labuan	100	100	Investment holding
IJM Overseas Ventures Sdn Bhd	Malaysia	100	100	Investment holding
Kamad Quarry Sdn Bhd	Malaysia	100	100	Quarrying, manufacture and sale of premix products and road pavement construction

## 56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2009 (cont'd)

### **SUBSIDIARIES** (cont'd)

Name	Country of incorporation	Effective equity interest 2009 %	2008 %	Principal activities
<b>Held by the Company</b> (cont'd)				
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
IJM Construction (Middle East) Limited Liability Company *	Dubai, United Arab Emirates	100	100	Construction
Road Builder (M) Holdings Bhd	Malaysia	100	100	Investment holding
IJM Land Berhad (formerly known as RB Land Holdings Berhad) @@	Malaysia	76.5	–	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
RB Resorts Sdn Bhd @@	Malaysia	100	–	Investment holding
RB Highway Services Sdn Bhd @@	Malaysia	100	–	Provision of toll operation and maintenance services
Makmur Venture Sdn Bhd @@	Malaysia	100	–	Investment holding
<b>Held by RB Resorts Sdn Bhd</b>				
Don Sahong Project Management Sdn Bhd (formerly known as Prima Rampai Sdn Bhd)	Malaysia	100	100	Ceased operation
<b>Held by Industrial Concrete Products Berhad</b>				
Arca Permata (M) Sdn Bhd *	Malaysia	100	64	Dormant
Concrete Mould Engineering Sdn Bhd *	Malaysia	100	64	Dormant
Durabon Sdn Bhd *	Malaysia	100	64	Processing of steel bars
Expedient Resources Sdn Bhd *	Malaysia	100	64	Manufacturing of rubber products
ICP Investments (L) Limited ^	Malaysia	100	64	Special purpose vehicle for financing and investment holding
ICP Jiangmen Co. Ltd. *	People's Republic of China	79	50	Production and sale of concrete products
ICP Marketing Sdn Bhd *	Malaysia	100	64	Trading of building materials, plant and machinery and investment holding
Malaysian Rock Products Sdn Bhd *	Malaysia	100	64	Quarrying, sale of rock products and investment holding
Ubon Steel Sdn Bhd *	Malaysia	100	64	Trading of steel bars

**56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2009** (cont'd)

**SUBSIDIARIES** (cont'd)

Name	Country of incorporation	Effective equity interest 2009 %	Effective equity interest 2008 %	Principal activities
<b>Held by Expedient Resources Sdn Bhd</b>				
Tadmansori Rubber Industries Sdn Bhd *	Malaysia	100	64	Trading of rubber products
<b>Held by ICP Investments (L) Limited</b>				
ICPB (Mauritius) Limited *	Mauritius	100	64	Investment holding
<b>Held by ICPB (Mauritius) Limited</b>				
IJM Steel Products Private Limited *	India	100	64	Production and supply of steel welded mesh
IJM Concrete Products Private Limited *	India	100	64	Production and supply of ready mixed concrete
<b>Held by Malaysian Rock Products Sdn Bhd</b>				
Aggregate Marketing Sdn Bhd *	Malaysia	100	64	Sale of rock products
Azam Ekuiti Sdn Bhd *	Malaysia	100	64	Leaseholder of quarry land
Bohayan Industries Sdn Bhd *	Malaysia	70	44	Dormant
Damansara Rock Products Sdn Bhd *	Malaysia	100	64	Dormant
Global Rock Marketing Sdn Bhd *	Malaysia	100	64	Sale of rock products
Kuang Rock Products Sdn Bhd *	Malaysia	100	64	Quarrying and sale of rock products
Oriental Empire Sdn Bhd *	Malaysia	100	64	Leaseholder of quarry land
Scaffold Master Sdn Bhd *	Malaysia	100	64	Sale and rental of steel scaffolding
Strong Mixed Concrete Sdn Bhd *	Malaysia	100	64	Production and supply of ready-mixed concrete
Warga Sepakat Sdn Bhd *	Malaysia	100	64	Dormant
IJM Concrete Private Limited *	Dubai	60	38	Investment holding
IJM Concrete Products Pakistan Private Limited *	Pakistan	60	–	Production and supply of ready-mixed concrete
IJM Concrete Pakistan Private Limited *	Pakistan	60	–	Dormant
<b>Held by IJM Concrete Private Limited</b>				
IJM Concrete Pakistan *	Pakistan	60	38	Production and supply of ready-mixed concrete
<b>Held by IJM Construction Sdn Bhd</b>				
IJM Building Systems Sdn Bhd	Malaysia	100	100	Prefabricated building construction
Jurutama Sdn Bhd	Malaysia	100	100	Civil and building construction and property development
Prebore Piling & Engineering Sdn Bhd	Malaysia	100	80	Piling, engineering and other construction works
Insitu Envirotech Pte Ltd *	Singapore	100	100	Investment holding



**56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2009** (cont'd)

**SUBSIDIARIES** (cont'd)

Name	Country of incorporation	Effective equity interest 2009 %	2008 %	Principal activities
<b>Held by IJM Construction Sdn Bhd</b> (cont'd)				
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	100	Civil and building construction
RB Construction Sdn Bhd @@	Malaysia	100	–	Building and civil construction
Road Builder (M) Sdn Bhd @@	Malaysia	100	–	Building and civil construction
<b>Held by Insitu Envirotech Pte Ltd</b>				
Insitu Envirotech (S.E.Asia) Pte Ltd *	Singapore	100	100	Design, installation and rehabilitation of pipes, conduits and vertical shafts
<b>Held by IJM Investments J.A. Limited</b>				
IJM Gulf Limited *	Dubai, United Arab Emirates	60	60	Civil and building construction
Karachi Expressway J.A. Limited *	Dubai, United Arab Emirates	100	100	Investment holding and construction
Im Technologies Pakistan (Private) Limited *	Pakistan	60	–	Civil and building construction
<b>Held by IJM Gulf Limited</b>				
IJM Gulf Pakistan (Pvt) Ltd	Dubai, United Arab Emirates	60	60	Civil and building construction
<b>Held by Road Builder (M) Sdn Bhd</b>				
Commerce House Sdn Bhd	Malaysia	100	100	Trading in construction materials
RB Development Sdn Bhd	Malaysia	–	100	Property development
Bukit Bendera Resort Sdn Bhd	Malaysia	100	100	Hotel operation and club management
Road Builder (Mauritius) Limited *	Republic of Mauritius	100	100	Investment holding
Imbangan Pintar Sdn Bhd	Malaysia	100	100	Investment holding
Coastal Specialist Sdn Bhd	Malaysia	100	100	Dormant
Kuari Sungai Batu Sdn Bhd	Malaysia	100	100	Ceased operation
Bukit Bendera Enterprise Berhad	Malaysia	100	100	Ceased operation
<b>Held by Road Builder (Mauritius) Limited</b>				
Road Builder (India) Private Limited *	India	100	100	Dormant
RBM Construction (India) Private Limited *	India	100	100	Dormant
<b>Held by Imbangan Pintar Sdn Bhd</b>				
Saluran Teguh Sdn Bhd	Malaysia	60	60	Dormant

**56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2009** (cont'd)

**SUBSIDIARIES** (cont'd)

Name	Country of incorporation	Effective equity interest 2009 %	2008 %	Principal activities
<b>Held by IJM Investments (M) Limited</b>				
ITEMCEE 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
IJM Vijayawada (Mauritius) Ltd #	Republic of Mauritius	100	–	Investment holding
<b>Held by IJMII (Mauritius) Limited</b>				
IJM (India) Infrastructure Limited #	India	97	97	Construction
<b>Held by IJM Rewa (Mauritius) Limited</b>				
Rewa Tollway Private Limited #	India	100	100	Infrastructure development
<b>Held by IJM (India) Infrastructure Limited</b>				
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
<b>Held by IJM Rajasthan (Mauritius) Limited</b>				
Jaipur-Mahua Tollway Private Limited #	India	100	100	Highway development
<b>Held by Styrobilt Sdn Bhd</b>				
IJM Plantations Berhad * (of which 16% is held directly by the Company)	Malaysia	55	54	Cultivation of oil palm and investment holding
<b>Held by IJM Plantations Berhad</b>				
Berakan Maju Sdn. Bhd. *	Malaysia	55	54	Cultivation of oil palm
Desa Talisai Sdn. Bhd. *	Malaysia	55	54	Cultivation of oil palm
Dynasive Enterprise Sdn. Bhd. *	Malaysia	55	54	Investment holding

## 56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2009 (cont'd)

### **SUBSIDIARIES** (cont'd)

Name	Country of incorporation	Effective equity interest		Principal activities
		2009 %	2008 %	
Held by IJM Plantations Berhad (cont'd)				
Excellent Challenger (M) Sdn. Bhd. *	Malaysia	55	54	Cultivation of oil palm
Gunaria Sdn. Bhd. *	Malaysia	55	54	Investment holding
IJM Agri Services Sdn. Bhd. *	Malaysia	55	54	Provision of agricultural management services to plantations
IJM Edible Oils Sdn. Bhd. *	Malaysia	55	54	Palm kernel milling
Minat Teguh Sdn. Bhd. *	Malaysia	55	54	Investment holding
Mowtas Bulkurs Sdn. Bhd. *	Malaysia	55	54	Multi-user bulking terminal
Rakanan Jaya Sdn. Bhd. *	Malaysia	55	54	Cultivation of oil palm
Ratus Sempurna Sdn. Bhd. *	Malaysia	55	54	Property holding
Sabang Mills Sdn. Bhd. *	Malaysia	55	54	Palm oil milling
Sijas Plantations Sdn. Bhd. *	Malaysia	55	54	Cultivation of oil palm
Ampas Maju Sdn. Bhd. *	Malaysia	55	54	Cultivation of oil palm
Gapas Mewah Sdn. Bhd. *	Malaysia	55	54	Cultivation of oil palm
Golden Grip Sdn. Bhd. *	Malaysia	55	54	Cultivation of oil palm
Kulim Mewah Sdn. Bhd. *	Malaysia	55	54	Cultivation of oil palm
Laserline Sdn. Bhd. *	Malaysia	55	54	Cultivation of oil palm
Macmillion Group Sdn. Bhd. *	Malaysia	55	54	Dormant
Rantajasa Sdn. Bhd. *	Malaysia	55	54	Cultivation of oil palm
Sri Kilau Sdn. Bhd. *	Malaysia	55	54	Cultivation of oil palm
Isu Mutiara Sdn. Bhd. *	Malaysia	55	54	Investment holding
Akrab Perkasa Sdn. Bhd. *	Malaysia	55	54	Palm oil milling
Desa Talisai Palm Oil Mill Sdn. Bhd. *	Malaysia	55	54	Palm oil milling
IJMP Investments (L) Limited ^	Malaysia	55	54	Dormant
IJMP Investments (M) Limited ^	Republic of Mauritius	55	54	Investment holding
Mowtas Multi-User Jetty Sdn Bhd *	Malaysia	55	54	Logistics, port and jetty operations, warehousing and shipping
Held by Desa Talisai Sdn. Bhd				
Cahaya Adil Sdn. Bhd. *	Malaysia	55	54	Investment holding
Firdana Corporation Sdn. Bhd. *	Malaysia	55	54	Investment holding
Gerbang Selasih Sdn. Bhd. *	Malaysia	55	54	Investment holding
Sihat Maju Sdn. Bhd. *	Malaysia	55	54	Investment holding
Held by IJMP Investments (M) Limited				
IJM Plantations (Mauritius) Limited *	Republic of Mauritius	55	54	Investment holding
Held by Gunaria Sdn Bhd				
PT Sinergi Agro Industri *	Indonesia	52	—	Cultivation of oil palm
Held by Minat Teguh Sdn. Bhd.				
PT Primabahagia Permai *	Indonesia	52	—	Cultivation of oil palm

**56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2009** (cont'd)

**SUBSIDIARIES** (cont'd)

Name	Country of incorporation	Effective equity interest 2009 %	2008 %	Principal activities
<b>Held by Road Builder (M) Holdings Bhd</b>				
IJM Land Berhad (formerly known as 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	100	Toll road operation
RB Construction Sdn Bhd	Malaysia	–	100	Building and civil construction
Essmarine Terminal Sdn Bhd	Malaysia	100	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	100	Investment holding
RB Port Sdn Bhd	Malaysia	100	100	Investment holding
RB Plantations Sdn Bhd	Malaysia	100	100	Property investment
Lebuh raya S'lesa Sdn Bhd	Malaysia	100	100	Dormant
RB Resorts Sdn Bhd	Malaysia	–	100	Investment holding
HMS Resource Sdn Bhd	Malaysia	100	100	Investment holding
New Pantai Expressway Sdn Bhd	Malaysia	100	100	Design, construction, management, operation and maintenance of New Pantai Highway
NPE Property Development Sdn Bhd	Malaysia	100	100	Property development
Kuantan Port Consortium Sdn Bhd	Malaysia	100	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	100	Investment holding
<b>Held by Arena Wiramas Sdn Bhd</b>				
Sensasi Wawasan Jaya Sdn Bhd	Malaysia	100	100	Property investment
Pilihan Alam Jaya Sdn Bhd	Malaysia	100	100	Property investment
<b>Held by RB Port Sdn Bhd</b>				
Sukma Samudra Sdn Bhd	Malaysia	100	100	Port management
<b>Held by Kuantan Port Consortium Sdn Bhd</b>				
KP Port Services Sdn Bhd	Malaysia	100	100	Port supporting services
KPN Services Sdn Bhd	Malaysia	100	100	Providing nitrogen purging and pigging services
<b>Held by IJM Land Berhad (formerly known as RB Land Holdings Berhad)</b>				
ERMS Berhad	Malaysia	76.5	70	Hotel and recreation club
RB Land Sdn Bhd	Malaysia	76.5	49	Property development and construction activities



56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2009 (cont'd)

**SUBSIDIARIES** (cont'd)

Name	Country of incorporation	Effective equity interest 2009 %	2008 %	Principal activities
<b>Held by IJM Land Berhad (formerly known as RB Land Holdings Berhad)</b> (cont'd)				
Econstates Management Services Sdn Bhd	Malaysia	76.5	70	Dormant
Delta Awana Sdn Bhd	Malaysia	76.5	70	Property investment
Emko Properties Sdn Bhd	Malaysia	76.5	70	Property development
IJM Properties Sdn Bhd@	Malaysia	76.5	–	Property development and investment holding
RB Development Sdn Bhd@@@	Malaysia	76.5	–	Property development
<b>Held by ERMS Berhad</b>				
Holiday Villa Management Sdn Bhd	Malaysia	76.5	70	Dormant
<b>Held by Emko Properties Sdn Bhd</b>				
Emko Management Services Sdn Bhd	Malaysia	76.5	70	Property management operation
Tulip Avenue Sdn Bhd	Malaysia	76.5	70	Dormant
<b>Held by RB Land Sdn Bhd</b>				
Shah Alam 2 Sdn Bhd	Malaysia	76.5	55	Property development
Seremban Two Property Management Sdn Bhd	Malaysia	76.5	49	Property management
Seremban Two Landscape Sdn Bhd	Malaysia	61	39	Landscaping services
Seremban Two Driving Range Sdn Bhd	Malaysia	57	37	Dormant
Seremban Two Holdings Sdn Bhd	Malaysia	76.5	49	Property development
Seremban Two Properties Sdn Bhd	Malaysia	76.5	49	Property development
RB Property Management Sdn Bhd	Malaysia	76.5	49	Property development
Ikatan Flora Sdn Bhd	Malaysia	76.5	49	Property development
Casa Warna Sdn Bhd	Malaysia	76.5	49	Property management
Serenity Ace Sdn Bhd	Malaysia	76.5	49	Property development
Aras Varia Sdn Bhd	Malaysia	76.5	49	Property development
Dian Warna Sdn Bhd	Malaysia	76.5	49	Property development
Titian Teges Sdn Bhd	Malaysia	76.5	49	Property development
Murni Lapisan Sdn Bhd	Malaysia	76.5	49	Dormant
Tarikan Abadi Sdn Bhd	Malaysia	76.5	49	Property development
Unggul Senja Sdn Bhd	Malaysia	76.5	49	Property development
<b>Held by IJM Properties Sdn Bhd</b>				
Aqua Aspect Sdn Bhd	Malaysia	61	80	Property development
Chen Yu Land Sdn Bhd	Malaysia	76.5	100	Property development
IJM Management Services Sdn Bhd	Malaysia	76.5	100	Project and construction management services
Jalinan Masyhur Sdn Bhd	Malaysia	39	51	Property development
Jelutong Development Sdn Bhd	Malaysia	61	80	Property development

**56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2009** (cont'd)

**SUBSIDIARIES** (cont'd)

Name	Country of incorporation	Effective equity interest 2009 %	2008 %	Principal activities
<b>Held by IJM Properties Sdn Bhd</b> (cont'd)				
Liberty Heritage (M) Sdn Bhd	Malaysia	76.5	100	Property management and car parking services
Maxharta Sdn Bhd	Malaysia	76.5	100	Property development, civil and building construction
NS Central Market Sdn Bhd	Malaysia	54	70	Property development
Sinaran Intisari (M) Sdn Bhd	Malaysia	39	51	Property development
Suria Bistari Development Sdn Bhd	Malaysia	39	51	Property development
Wedec Sdn Bhd	Malaysia	76.5	100	Interior fit-out services, upgrades and renovation works
Manda'rina (M) Sdn Bhd	Malaysia	76.5	100	Property development
IJMP-MK Joint Venture	Malaysia	54	70	Property development
Worldwide Ventures Sdn Bhd	Malaysia	66	86	Property development and investment holding
Glamour Development Sdn Bhd *	Malaysia	76.5	100	Dormant
Kami Builders Sdn Bhd	Malaysia	76.5	100	Civil construction and property development
Cypress Potential Sdn Bhd	Malaysia	54	–	Property development
<b>Held by Worldwide Ventures Sdn Bhd</b>				
Island Golf View Sdn Bhd @@@	Malaysia	66	–	Property development
PIETC Sdn Bhd	Malaysia	66	86	Dormant
Sheffield Enterprise Sdn Bhd	Malaysia	46	60	Dormant
<b>ASSOCIATES</b>				
<b>Held by the Company</b>				
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

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2009 (cont'd)

**ASSOCIATES** (cont'd)

Name	Country of incorporation	Effective equity interest 2009 %	2008 %	Principal activities
<b>Held by the Company</b> (cont'd)				
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
Kumpulan Europlus Berhad *	Malaysia	25	25	Investment holding
Don Sahong Power Company Ltd *	British Virgin Islands	30	–	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
<b>Held by IJM Construction Sdn Bhd</b>				
Hexacon Construction Pte Limited #	Singapore	46	46	Civil and building construction
Highway Master Sdn Bhd	Malaysia	50	50	Road pavement construction
Integrated Water Services (M) Sdn Bhd *	Malaysia	35	35	Operation and maintenance of a water treatment plant
IT&T Builders Sdn Bhd	Malaysia	45	45	Building construction
Malaysian Construction Ventures (Overseas) Sdn Bhd *	Malaysia	20	20	Project consultancy services
Nekadsatu Jaya Sdn Bhd	Malaysia	50	50	Construction and property development
THB-IJM Joint Venture Sdn Bhd	Malaysia	49	49	Construction
<b>Held by IJM Plantations Berhad</b>				
Loongsyn Sdn. Bhd. *	Malaysia	27	27	Trading in agricultural fertilisers and chemicals
<b>Held by IJM International (BVI) Pty Ltd</b>				
Avillion Hotels International (Sydney) Pty Limited *	Australia	49	49	Dormant
Reliance-OSW (Nominees) Pty Limited *	Australia	49	49	Trustee company
<b>Held by IJM International Limited</b>				
OSW Properties Pty Limited *	Australia	50	50	Property development
<b>Held by IEMCEE Infra (Mauritius) Limited</b>				
Gautami Power Private Limited *	India	20	20	Power generation
<b>Held by IJMII (Mauritius) Limited</b>				
Swarna Tollway Pte Ltd #	India	35	35	Infrastructure development

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

## 56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2009 (cont'd)

### ASSOCIATES (cont'd)

Name	Country of incorporation	Effective equity interest 2009 %	Effective equity interest 2008 %	Principal activities
<b>Held by IJM Overseas Ventures Sdn Bhd</b>				
Earning Edge Sdn Bhd	Malaysia	22	22	Property development
MASSCORP-Namibia Sdn Bhd *	Malaysia	40	40	Investment holding
<b>Held by IJM Properties Sdn Bhd</b>				
Ever Mark (M) Sdn Bhd	Malaysia	50	50	Property development
MASSCORP-Vietnam Sdn Bhd	Malaysia	20	20	Investment holding
Wilmington Sdn Bhd	Malaysia	50	50	In members' voluntary liquidation
<b>Held by Malaysian Rock Products Sdn Bhd</b>				
DML-MRP Resources (M) Sdn Bhd *	Malaysia	32	32	Dormant
<b>Held by Road Builder (M) Holdings Bhd</b>				
Konsortium Pelabuhan Kemaman Sdn Bhd *	Malaysia	39	39	Provision of cargo handling, marine, port and other ancillary and additional services
<b>Held by Road Builder (M) Sdn Bhd</b>				
Budi Benar Sdn Bhd *	Malaysia	25	25	Dormant
<b>Held by KP Port Services Sdn Bhd</b>				
KP Depot Services Sdn Bhd *	Malaysia	30	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 100% held by the Company.

@@ This subsidiaries were previously held by Road Builder (M) Holdings Bhd, which was 100% held by the Company.

@@@ The subsidiary was previously held by Road Builder (M) Sdn Bhd, which was 100% held by Road Builder (M) Holdings Bhd.

@@@@ This subsidiary was previously held as an associate.

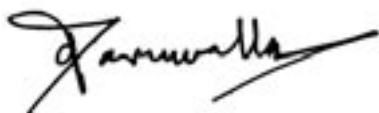
^ Company not required to issue audited statutory financial statements



# 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 147 to 260 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 26 May 2009.



CYRUS ERUCH DARUWALLA



# REPORT OF THE AUDITORS TO THE MEMBERS



**PricewaterhouseCoopers**  
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## **REPORT OF THE AUDITORS TO THE MEMBERS OF IJM CORPORATION BERHAD**

(Company No: 104131-A)

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of IJM Corporation Berhad, which comprise the balance sheets as at 31 March 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 147 to 260.

#### Directors' and Managers' Responsibility for the Financial Statements

The Directors and Managers of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors and Managers, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2009 and of their financial performance and cash flows for the year then ended.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, 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.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in note 56 to the financial statements.
- (c) 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

## OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**PRICEWATERHOUSECOOPERS**  
(No. AF: 1146)  
Chartered Accountants



**LOH LAY CHOON**  
(No. 2497/03/10 (J))  
Chartered Accountant

Kuala Lumpur  
26 May 2009

# LIST OF TOP 10 PROPERTIES

AS AT 31 MARCH 2009

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:						–	326,573
	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	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	–	105,600
3	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	–	84,898
4	Kuantan, Pahang Lot 1863 Mukim Sungai Karang.	Industrial land	599.63	Leasehold (expiring 2027)	Port facilities	A: 1998	0-11	126,242
5	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	Under development; Vacant; for future development	R: 19.03.2004	–	272,916
6	District of Kuala Selangor Selangor PT 5631-5632, 5899-5905, 5907, 5909, 5913-6193, 6328-6331, 6468-6471, 6540-6551, 6812-6815, Mukim Jeram.	Residential	184.04	Leasehold (expiring 2104 and 2106)	Vacant; for future development	R: 19.03.2004	–	109,706



No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building (years)	Net Book Value (RM'000)
7	Mount Austin Lot 117039 Mukim Tebrau	Mixed development	101.21	Freehold	Vacant; for future development	A: 2005	–	76,404
8	Daerah Timur Laut Penang Parcel A1, Seksyen 8 Jelutong	Residential, Mixed development, Commercial	44.49	Freehold	Reclamation in progress	N/A	–	174,520
9	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	–	120,172
10	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	19-21	114,448

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 25<sup>th</sup> Annual General Meeting of IJM CORPORATION BERHAD (104131-A) will be held at Victorian Ballroom, Level 1, Holiday Villa Hotel & Suites Subang, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 25 August 2009, at 3.30 p.m. to transact the following matters:-

1. To receive the audited financial statements for the year ended 31 March 2009 together with the reports of the Directors and Auditors thereon.
2. To elect retiring Directors as follows:-
  - a) Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob **Resolution 1**
  - b) Tan Sri Abdul Halim bin Ali **Resolution 2**
  - c) Datuk Lee Teck Yuen **Resolution 3**
3. To appoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. **Resolution 4**
4. As special business to consider and pass the following ordinary resolution:-

"That the Directors' fees of RM498,250 for the year ended 31 March 2009 be approved to be divided amongst the Directors in such manner as they may determine."

**Resolution 5**

By Order of the Board



Jeremie Ting Keng Fui  
MAICSA 0777605  
Company Secretary

Petaling Jaya  
31 July 2009

## 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 authorized. 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 5, 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 25<sup>th</sup> Annual General Meeting (AGM) of IJM CORPORATION BERHAD (104131-A) to be held on Tuesday, 25 August 2009, at 3.30 p.m. and, at any adjournment thereof, in the manner indicated below:

No.	Resolutions	For	Against
1.	To reappoint Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob as Director		
2.	To reappoint Tan Sri Abdul Halim bin Ali as Director		
3.	To reappoint Datuk Lee Teck Yuen as Director		
4.	To reappoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration		
5.	To approve the payment of Directors' fees of RM498,250		

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 \_\_\_\_\_ 2009

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>.

Please Fold Here

Stamp

The Company Secretary  
**IJM CORPORATION BERHAD** (104131-A)  
2nd Floor, Wisma IJM  
Jalan Yong Shook Lin  
46050 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

Please Fold Here



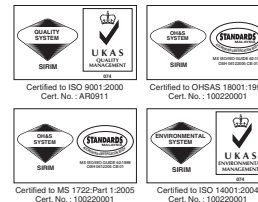
# CORPORATE INFORMATION



## IJM CORPORATION BERHAD (104131-A)

### HEAD OFFICE

Wisma IJM, Jalan Yong Shook Lin  
46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
Tel : 603-7958288 Fax : 603-79529388  
E-mail : [ijm@ijm.com](mailto:ijm@ijm.com) Website : <http://www.ijm.com>



## MALAYSIA BRANCH OFFICES

### JOHOR, MALAYSIA

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Contact : Encik Zulkarnain Abu Kassim

### PENANG, MALAYSIA

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Contact : Mr Liew Hau Seng

### SARAWAK, MALAYSIA

1st Floor, Lots 7886 & 7887, Queen's Court  
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Fax : 6082-461581  
E-mail : [ijmkch@ijm.com](mailto:ijmkch@ijm.com)  
Website : <http://www.ijm.com>  
Contact : Mr Kok Fook Yu

## DIVISIONAL OFFICES

### CONSTRUCTION

#### MALAYSIA

**IJM CONSTRUCTION SDN BHD** (195650-W)  
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46760 Petaling Jaya  
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E-mail : [ijm@ijm.com](mailto:ijm@ijm.com)  
Website : <http://www.ijm.com>  
Contact : Mr Tan Gim Foo

#### INDIA

##### IJM (INDIA) INFRASTRUCTURE LIMITED

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Hyderabad -500 081 India  
Tel : 91 40 23114661/62/63/64  
Fax : 91 40 23114669  
E-mail : [ijmii@ijm.com](mailto:ijmii@ijm.com)  
Website : <http://www.ijm.com>  
Contact : Mr Pankaj Argawal/Sreenivasa Rao D

#### MIDDLE EAST

##### KINGDOM OF SAUDI ARABIA

**IJM CONSTRUCTION SDN BHD**  
**MIDDLE EAST REGIONAL OFFICE**  
Villa No. 835, Road No. 31  
Block No. 608, Wadyan  
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Kingdom of Bahrain  
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Fax : 973 17732187/17737881  
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Contact : Mr Pook Fong Fee

#### UNITED ARAB EMIRATES

##### IJM CONSTRUCTION (MIDDLE EAST) LLC (560467)

Office 203, Level 2, Arcade Building  
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Contact : Encik Mohd Ghazali Ali

#### PAKISTAN

##### IJM CONSTRUCTION (Pakistan) (Pvt.) Ltd

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Pakistan  
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#### SINGAPORE

##### HEXACON CONSTRUCTION PTE LTD (198204843X)

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Website : <http://www.hexacon.com.sg>  
Contact : Mr Pang Hoe Sang

### INDUSTRY

#### MALAYSIA

##### INDUSTRIAL CONCRETE PRODUCTS BERHAD (32369-W)

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##### MALAYSIAN ROCK PRODUCTS SDN BHD (4780-T)

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#### CHINA

##### ICP JIANGMEN CO LTD

6, Sihang Road, Gujing Town  
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#### INDIA

##### IJM CONCRETE PRODUCTS PRIVATE LIMITED

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##### IJM STEEL PRODUCTS PRIVATE LIMITED

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### PAKISTAN

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Contact : Mr Colin Pang Toh Chin  
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Muslimabad, 74800 Karachi, Pakistan  
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Fax : 9221 4920027, 9221 4920030  
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Contact : Mr Colin Pang Toh Chin

### PLANTATION

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Lot 1, Jalan Bandar Utama, Mile 6  
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### INFRASTRUCTURE

##### NEW PANTAI EXPRESSWAY SDN BHD (308276-U)

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Contact : Mr Neoh Soon Hiong

##### BESRAYA (M) SDN BHD (342223-A)

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Website : <http://www.kuantanport.com.my>  
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### PROPERTY

#### MALAYSIA

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#### SABAH

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Fax : 6089-673860  
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Contact : Mr Chong Ching Foong

#### AUSTRALIA

##### IJM AUSTRALIA PTY LTD (ACN 002 042 088)

Suite 211, Manning Building  
451 Pitt Street, Sydney NSW 2000, Australia  
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E-mail : [info@ijmaustralia.com.au](mailto:info@ijmaustralia.com.au)  
Website : <http://www.ijmaustralia.com.au>  
Contact : Mr Tan Joo Kee

### REGISTERED OFFICE

2nd Floor, Wisma IJM  
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46050 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia  
Tel : 603-7958288  
Fax : 603-79521200  
E-mail : [ijmir@ijm.com](mailto:ijmir@ijm.com)  
Website : <http://www.ijim.com>

### PRINCIPAL BANKERS

- AmInvestment 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

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Fax : 603-21731288  
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Website : <http://www.igbcorp.com>

### STOCK EXCHANGE LISTING

Main Board of  
Bursa Malaysia Securities Berhad  
since 29 September 1986  
BMSB Code : 3336  
Reuters Code : IJMS.KL  
Bloomberg Code : IJM MK

**IJM CORPORATION BERHAD** (104131-A)

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46050 Petaling Jaya  
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