IJM CORPORATION BERHAD
(104131-A)

annual report '10

turning the tide

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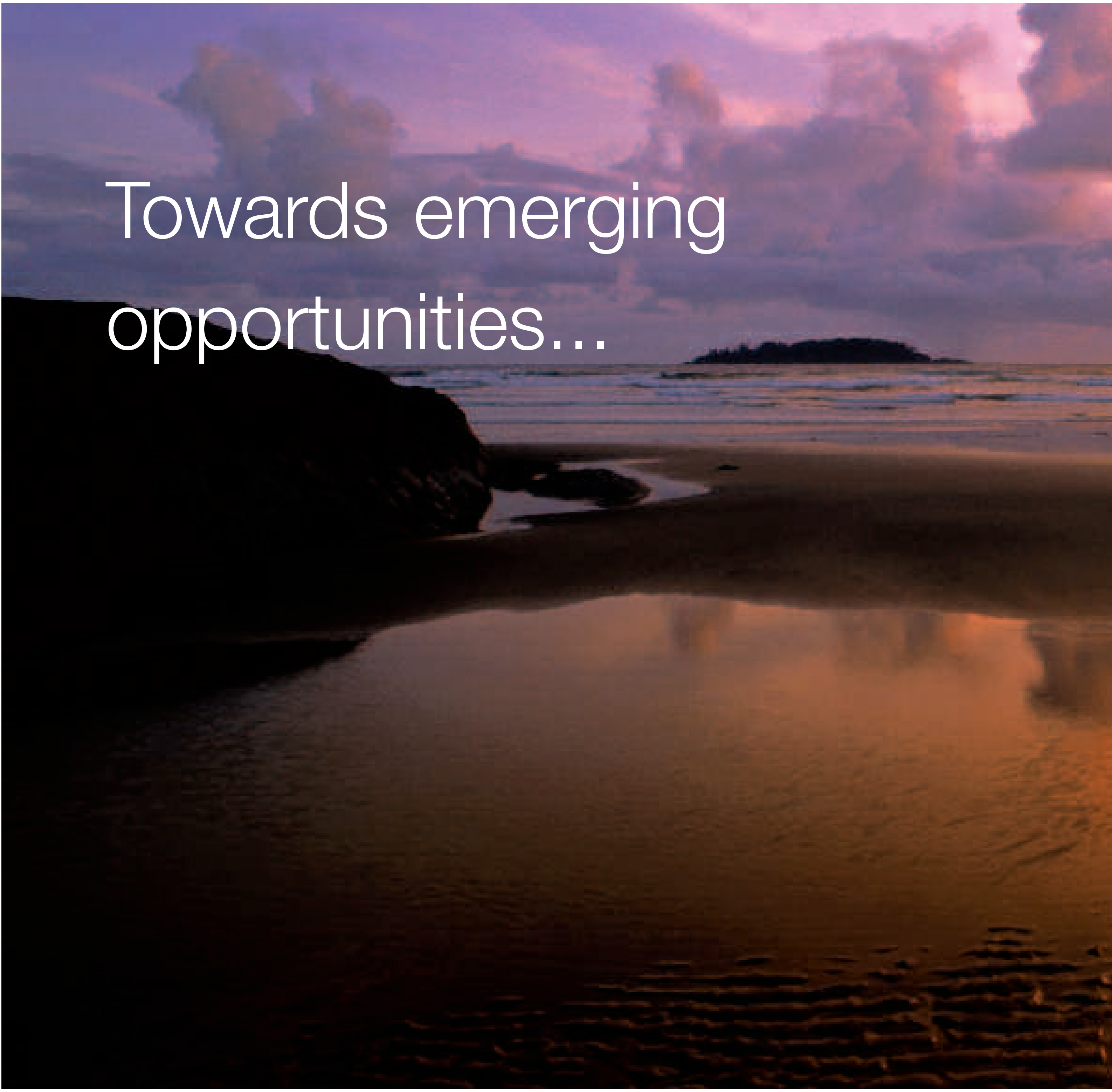
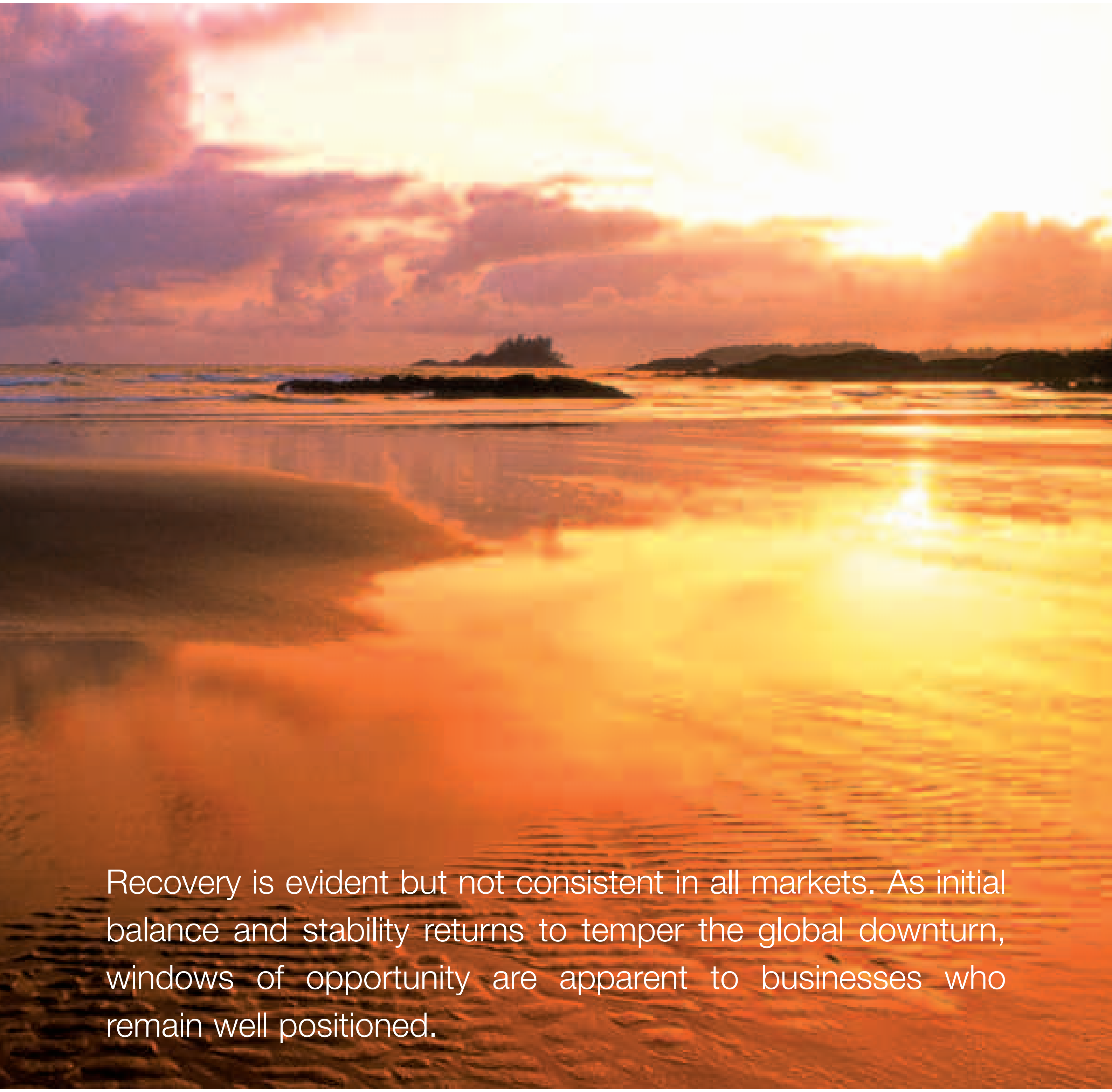
Amidst a sea of global economic challenges, the IJM Group remains steadfast and focused to deliver continued growth and sustainable profitability for our stakeholders. Through our resilience, core competencies and strategic foresight, the Group surmounted the waves of volatility and uncertainties to deliver a reasonably good performance for the year.

Moving ahead and driven by our commitment towards long term goals, sustainability and increasing shareholder value, we accelerate our momentum to harness the emerging opportunities - marking the turning of the tide for the Group towards a better future.


Towards emerging
opportunities...



Framework & Commitments

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.

CORPORATE PROFILE

IJM IS ONE OF MALAYSIA'S LEADING CONSTRUCTION GROUPS AND IS LISTED ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD. ITS CORE 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 HAS BEEN THE RESULT OF ITS UNWAVERING FOCUS ON ITS CORE COMPETENCIES, DIVERSIFICATION INTO STRATEGICALLY RELATED BUSINESSES AND SELECTIVE EXPANSION INTO NEW MARKETS.

Malaysian Corporate Governance Index (Merit Award) 2009

Malaysian Construction Industry Excellence - Contractor of the Year Award 2009

NACRA Industry Excellence Awards (Construction and Infrastructure) 2009

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, 2007 and 2009
- The Malaysian Construction Industry Excellence - Contractor of the Year Award 2009

The Company's culture of professionalism, performance and good governance as well as care for society and the environment has also seen it being conferred:

- The inaugural Malaysian Business Corporate Governance Award in 2002
- The KLSE Corporate Merit Award (Construction Sector) in 2001, 2002 and 2003
- The Asia Money Best Managed Company (Mid Cap) in Malaysia in 2006
- The NACRA Industry Excellence Awards (Construction and Infrastructure) in 2003, 2004, 2006, 2007, 2008 and 2009
- 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
- The Malaysian Corporate Governance Index (Merit Award) in 2009

The result of a merger between three medium-sized local construction companies - IGB Construction Sdn Bhd, Jurutama Sdn Bhd and Mudajaya Sdn Bhd, IJM was formed in 1983 to compete more effectively against bigger foreign rivals. The Company began to quickly establish itself as a professionally managed construction group and rapidly gained market acceptance. Over the years, the Company progressively built on its delivery capabilities, competitive prowess and financial capacity to strengthen its footing as a reputable local contractor.

In April 2007, IJM acquired the Road Builder Group ("RBH"), its nearest competitor, to augment its position as one of the country's biggest builders. In addition to bolstering its construction order book, property land bank and infrastructure portfolio, the enlarged Group enabled IJM to attain 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.

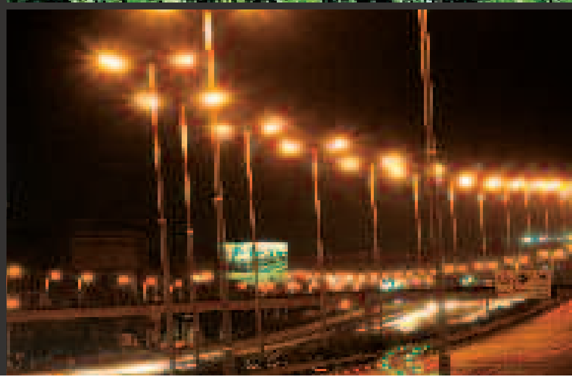
IJM's undertaking as a property developer began as a natural progression from its experience in the construction business. The Group's property arm has since grown considerably. Listed on the Main Market of Bursa Securities, IJM Land Berhad is presently one of the largest property developers in Malaysia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

Initially supporting in-house needs, 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 this division with 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 and, 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 present investments in major overseas infrastructure projects are the Western Access Tollway in Argentina, five tolled highways and the Gautami power plant in India, and the Binh An water treatment concession in Vietnam. In Malaysia, the Group operates two urban highway and two 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 Market of Bursa Securities, IJM Plantations Berhad has contributed significantly to the Group's earnings over the years and has also accorded the Group better resilience to weather macro-economic and input costs volatilities. It is currently expanding its plantation land bank into Indonesia.

When IJM went public in 1986, it had a market capitalisation of RM66 million and total assets of RM172 million. As at 31 March 2010, the Group's market capitalisation and total assets stood at RM6.5 billion and RM12.6 billion respectively.

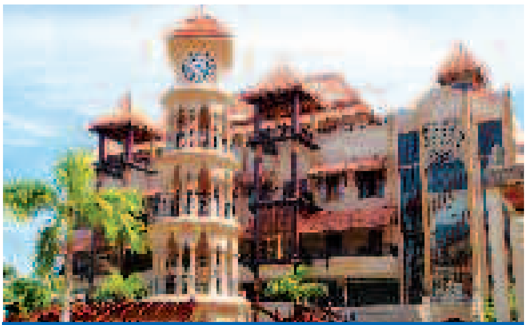


GROUP STRUCTURE

IJM CORPORATION BERHAD
(104131-A)

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
- X 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
- ◆ Direct subsidiary of RB Manufacturing Sdn Bhd, a wholly-owned subsidiary of IJM Corporation Berhad



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
- Ground Envirotech (M) Sdn Bhd (formerly known as 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
- Highway Master 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 (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

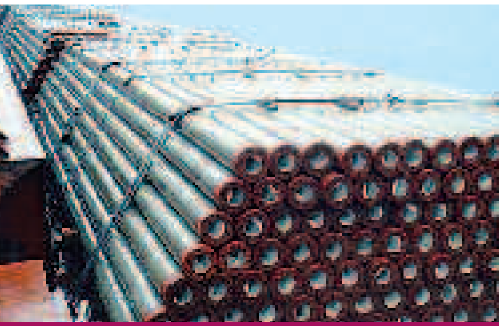
- Astaka Tegas Sdn Bhd
- Cekap Tropikal Sdn Bhd
- Elegan Pesona Sdn Bhd
- Good Debut Sdn Bhd
- IJM Management Services-Giat Bernas Joint Venture
- IJM Properties-JA Manan Development Joint Venture
- LCL-IJMII International Interiors Private Limited @
- Radiant Pillar Sdn Bhd
- Sierra Selayang Sdn Bhd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

IJM Australia Pty Limited

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

- OSW Properties Pty Limited $

NPE Property Development Sdn Bhd



INDUSTRY

PLANTATION

INFRASTRUCTURE & OTHERS

Industrial Concrete Products Sdn Bhd (formerly known as 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
  - 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

Kamad Quarry Sdn Bhd
Kemena Industries Sdn Bhd

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

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 %

Road Builder (M) Holdings Bhd

Besraya (M) Sdn Bhd
New Pantai Expressway Sdn Bhd
Kuantan Port Consortium Sdn Bhd
- KP Port Services Sdn Bhd
- KPN 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
IJM Highway Services Sdn Bhd (formerly known as 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.
Kumpulan Europlus Berhad

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

IJM
IN THE HEADLINES

Whatever the business environment, IJM steers purposefully towards new opportunities. In 2009 the Group continued to make dynamic headlines that reflected an unwavering commitment to growth.

CORPORATE DIARY 09-10

APRIL '09

1
Launch of 'My Space Plan'

IJM Land Berhad ("IJM Land") launched an innovative home ownership plan to help buyers acquire IJM properties that complement their budgets while enjoying lower down-payments, cash rebates, low interest rates, 0% interest during construction and other incentives.

MAY '09

7
IJM Land Warrants Offer to Eligible Employees

A total of 60 million IJM Land warrants were offered to eligible employees of IJM and its subsidiaries at RM0.302 per warrant.

17
Building Supervisors' Programme

The 15-month programme in collaboration with Holmesglen Institute of TAFE, Australia came to a close today. The main objective of the programme was to equip participants with skills and knowledge related to the construction industry.

JUNE '09

1
Deutsche Bank Non-deal Roadshow @ London

IJM met with existing shareholders as well as institutional investors in one-on-one meetings.

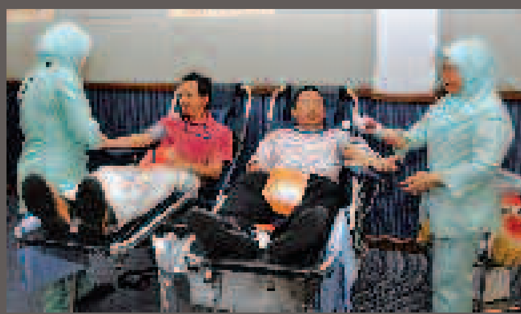
20 & 21
LEKAS and IJM Land Joint Event @ Seremban 2

In conjunction with IJM Land's Seremban 2 show house launch, LEKAS distributed pamphlets on its highway and introduced Touch 'n Go special edition cards by IJM's Toll Division. About 500 people attended the activity-packed event with *Kiddie-Lympic* games and '*Makan Cendol*' sessions.

JULY '09

1
Invest Malaysia @ Kuala Lumpur

IJM participated in the annual Invest Malaysia conference, with CEO & MD, Dato' Krishnan Tan delivering a presentation on the business outlook and operational strategies of the IJM Group.



16
Blood Donation Drive @ Wisma IJM

A blood donation campaign was held in collaboration with University Malaya Medical Centre. 55 staff attended to the drive.

AUGUST '09

2

NASAM Food & Fun Fair @ Petaling Jaya

IJM supported the National Stroke Association of Malaysia ("NASAM")'s fund raising event for the second year running by manning the ais-kacang and BBQ stalls.

3

Senior Management Dialogue @ Holiday Villa Hotel & Suites Subang

The Board of Directors, senior management and project managers attended the annual dialogue themed '*Riding Out the Downturn*' where company and divisional performances, operational strategies and other issues were extensively presented and discussed.

7

Briefing on Malaysian Corporate Governance Index @ Wisma IJM

The CEO of Minority Shareholder Watchdog Group, Ms Rita Benoy Bushon gave a briefing to all Directors and management of IJM on the '*Malaysian Corporate Governance Index*' and '*Shareholder Activism in Challenging Times*'.

11

The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2009

IJM participated in the race which raised a total of RM1.75 million for 20 charitable organisations and clinched the cheerleading title for the second consecutive year.

11

IJM Scholarship Award 2009 @ Holiday Villa Hotel & Suites Subang

IJM presented the Scholarship Awards to 20 deserving recipients this year. The ceremony also marked the graduation of 20 staff for the Certificate IV in Building & Construction by Holmesglen Institute of TAFE, Australia. 41 children of employees were also presented with Academic Excellence Awards.

25
AGM @ Holiday Villa Hotel & Suites Subang

IJM held its 25th Annual General Meeting and the shareholders approved resolutions to receive the audited financial statements FY 2009 and reappointed directors and auditors, among others.

SEPTEMBER ‘09

23 & 24
16th CLSA Investors' Forum @ Hong Kong

IJM presented to various institutional investors over 2 days at the Grand Hyatt Hotel.

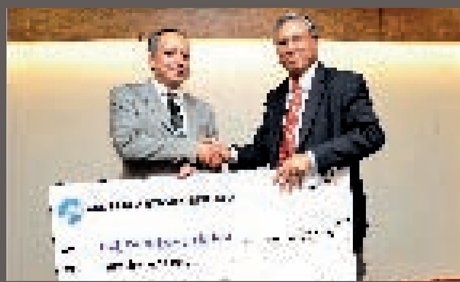
25
First Oil Rig Berthed at Kuantan Port @ Pahang

Kuantan Port successfully berthed its first oil rig which was strategically planned and safely navigated by its experienced pilots. A total of 4 oil rigs berthed at the port this year while awaiting for new offshore contracts and they will undergo maintenance and refurbishment works.

OCTOBER ‘09

2
Aidilfitri & Deepavali Celebration @ Wisma IJM

IJM staff were treated to a sumptuous spread of Malay and Indian cuisines, traditional delicacies and sweets, and '1 Malaysia' dance performance to celebrate the festive season. 40 orphans from San Pedro Orphanage and Rumah Nur Hikmah were also invited to the event and they received goodie bags and duit raya.



7
IJM Plantations Donates RM50,000 to the Padang Relief Fund

In aid of the victims of the Padang earthquake in Indonesia, IJM Plantations Berhad contributed RM50,000 to the CIMB-The Star Padang Relief Fund to buy immediate emergency supplies and fund the reconstruction works.

7
Mini Games Tournament 2009 @ Wisma IJM

A series of games such as darts, carom and table tennis was organised for IJM staff in the Klang Valley, as part of KSIJM's sport activities to promote fellowship, sportsmanship and a healthy lifestyle.

8

Inauguration of 6th Ready Mixed Plant @ Mumbai, India

Navi Mumbai Plant, the Group's 6th Ready Mixed plant in India was inaugurated by Mr. Harry Khor, CEO & MD of Industrial Concrete Products Sdn Bhd. A Pooja ceremony was held in conjunction with the occasion and participated by vendors, customers and even competitors.

8

SSL Diabetes Walk 2009 @ Puchong, Selangor

In conjunction with World Diabetes Day, IJM teamed up with the non-profit organisation Sau Seng Lam ("SSL") Diabetes Care Centre in Puchong, Selangor as the Gold Sponsor and co-organiser for the 5km fun walk to create awareness on diabetes and promote early prevention. About 1,500 caring Malaysians participated in the event.

NOVEMBER '09

3

Budget 2010 Seminar @ Wisma IJM

A seminar was presented by PricewaterhouseCoopers to ensure that all Directors and management staff are updated on the latest Malaysian Budget and Tax.

5 - 10

Invest Malaysia @ New York & London

IJM, together with seven other Malaysian blue chip companies, participated in a 'reversed' mini Invest Malaysia roadshow that involved meeting investors in New York and London over 2 days each. The non-deal roadshow was jointly organised by Bursa Malaysia, JP Morgan and UBS.

14 & 15

40th HSBC-COBRA Rugby 10s @ Petaling Jaya

Organised by the Combined Old Boys' Rugby Association ("COBRA") Malaysia, IJM was the main sponsor for the premier tournament to promote rugby sports in Malaysia. 16 teams participated in the event including six foreign teams (UK, South Africa, India, Iran, Australia and Thailand) competing for the coveted Hui Weng Choon Trophy.

15 - 17

Maldives Port Officials Visit Kuantan Port @ Pahang

The Board of Directors and senior management of Maldives Port visited Kuantan Port to strengthen ties and exchange knowledge on port operations, strategic planning and port development. A Memorandum of Understanding was signed between both ports to achieve these objectives.

DECEMBER '09

1

National Annual Corporate Report Awards ("NACRA") 2009 @ Kuala Lumpur

For the sixth consecutive year, IJM won the NACRA Industry Excellence Award (Construction and Infrastructure Project Companies category) at the NACRA 2009 Dinner & Award Ceremony held at the Sime Darby Convention Centre.

10

Malaysian Corporate Governance Index Merit Award 2009 @ Kuala Lumpur

IJM was presented with the Malaysian Corporate Governance Index Merit Award 2009, organised by the Minority Shareholder Watchdog Group at the Nikko Hotel.

16

Malaysian Construction Industry Excellence Award 2009 - Contractor of the Year @ Kuala Lumpur

IJM Construction Sdn Bhd was awarded the '*Contractor of the Year*' at the Malaysian Construction Industry Excellence Awards ("MCIEA") 2009 at CIDB Convention Centre for its work on Menara Bumiputra-Commerce, Jalan Raja Laut, Kuala Lumpur.

JANUARY '10

4

Indian Transport Minister Visits Malaysia

Our CEO & MD, Dato' Krishnan Tan welcomed His Excellency, Mr Kamal Nath, Minister for Road Transport and Highways India and his business delegation on a 2-day official visit to Malaysia at the invitation of Y.B. Dato' Shaziman Bin Hj. Abu Mansor, Minister of Works, to further deepen economic and commercial engagements including highways and expressway sectors.

22 - 24

Malaysian Property Exhibition @ Chennai, India

IJM Land participated in the Malaysian Property Exhibition 2010 in Chennai, India by showcasing its latest projects such as 'The Light' waterfront development in Penang and Ampersand @ Kia Peng luxury condominium in KLCC.

26

Seminar on Enhancing Protection @ Wisma IJM

A seminar on '*Enhancing Protection in an Escalating Risk Environment*' was conducted for the Directors and officers of the IJM Group.

FEBRUARY '10

3

NKF Early Detection and Prevention Saves Lives Programme @ Wisma IJM

A health check covering blood pressure, body mass index/ waist circumference, urinalysis, blood glucose, cholesterol and counseling was conducted by the National Kidney Foundation Malaysia to promote healthy living among staff.

25

Chinese New Year Celebration @ Wisma IJM

Staff gathered to celebrate the Lunar New Year and were treated to oriental cuisine and lion dance performance. In addition, 22 children from Rumah Charis participated in the joyous event and were presented with ang-pows.

25
Scholar-Mentor Get-Together @ Wisma IJM

A scholar-mentor get-together was held in conjunction with Chinese New Year ("CNY") celebration. The purpose of the mentoring programme was to provide IJM scholars with counselling and guidance in their studies and to facilitate their career development. After the face-to-face meeting, scholars were invited to join the CNY dinner.

MARCH '10

1
Official Opening of Setul and Ampangan Interchange @ Setul Toll Plaza, LEKAS

The Setul and Ampangan interchange was officially opened by the Works Minister, Y.B. Dato' Shaziman Bin Hj. Abu Mansor. As part of its CSR programme, LEKAS rewarded its road users with a 20% discount on toll charges every weekend from 1 March 2010 to 30 May 2010.

4
First Diameter 1.4 Meter Pile Casted @ China

This was made possible by ICP Jiangmen. Such piles will meet the higher loading and bending moment capacity with excellent concrete durability property as the foundation structure for deep sea/water port projects in China.

13 & 14
Raptor Watch @ Tanjung Tuan, Melaka

IJM sponsored the Raptor Watch Fun Challenge endurance run in the pristine forest, organised in conjunction with the 11th 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.

24 - 26
Credit Suisse Asian Investor Conference @ Hong Kong

IJM met with numerous fund managers over one-on-one and small group meetings held over 2 days at the Conrad Hotel.

30 - 31
Invest Malaysia 2010 @ Kuala Lumpur

IJM participated in the 6th annual Invest Malaysia conference that was jointly organised by Bursa Malaysia together with Nomura Holdings and Maybank Investment Bank at the Shangri-La Hotel. Besides conducting one-on-one and small group meetings, CEO & MD, Dato' Krishnan Tan also presented on IJM's latest prospects and financial performance to a large group of investors.

31
Expansion in Indonesia

Completion of over 5,000 hectares of planting and groundbreaking for IJMP's first palm oil mill in Kalimantan.

Leveraging on strength...

A well diversified business portfolio has provided stability during turbulent times and allowed IJM's divisions to harness the synergies of shared resources and expertise.

Organisation & Stewardship

GROUP ORGANISATION CHART

CEO & Managing Director
Dato' Krishnan Tan

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

DIVISIONS


Dato' Goh Chye Koon


Tan Gim Foo


Dato' Soam Heng Choon


Khor Kiem Teoh


Joseph Tek Choon Yee


Velayuthan Tan


Neoh Soon Hiong


Ho Phea Keat

Construction
Dato' Goh Chye Koon
Tan Gim Foo

Property
Dato' Soam Heng Choon

Industry
Khor Kiem Teoh

Plantation
Joseph Tek Choon Yee
Velayuthan Tan

Infrastructure
Tolls Neoh Soon Hiong
Ports Ho Phea Keat

Deputy CEO & Deputy Managing Director

Dato' Teh Kean Ming

GROUP SUPPORT SERVICES


Cyrus Eruch Daruwalla


James Ponniah Joseph


Jeremie Ting Keng Fui


Lee Chun Fai


James Wong


Ahmad Nazmi bin Mohamed Ali


Lyndon Alfred Felix


Ng Yoke Kian


Pang Mok Shyan


S. Ramesh a/l V. Subramaniam


Wong Hong Fay


Shane Guha Thakurta


Sheela Kasivisvanathan

Accounts & Finance
Cyrus Eruch Daruwalla (CFO)
Lee Chun Fai (Deputy CFO)

Legal
James Ponniah Joseph

Corporate Services & Administration
Jeremie Ting Keng Fui

- Corporate Services Administration — Ng Yoke Kian
- Information Systems — Wong Hong Fay

Business Development & New Ventures
James Wong

Quality, Health, Safety & Environment

- Quality System — S. Ramesh a/l V. Subramaniam
- Health, Safety & Environment — Ahmad Nazmi bin Mohamed Ali

Human Resources
Pang Mok Shyan

Investor Relations
Shane Guha Thakurta

Corporate Communications
Sheela Kasivisvanathan

International Ventures


Pook Fong Fee
India & Pakistan


Tan Kiam Choon
Middle East


Tan Peng Kok
Vietnam


Adam Eleod
Argentina

BOARD OF DIRE

left to right:

Y. Bhg. Datuk Oh Chong Peng, Y. Bhg. Datuk Lee Teck Yuen, Y. Bhg. Datuk Hj Hasni Bin Harun, Tan Gim Foo,
Y. Bhg. Tan Sri Abdul Halim Bin Ali, Y. Bhg. Dato' Teh Kean Ming, Y. Bhg. Dato' Goh Chye Koon, Y. Bhg. Datuk Yahya Bin Ya'acob
Y. Bhg. Dato' David Frederick Wilson and Jeremie Ting Keng Fui, *Secretary*

CTORS
& SECRETARY

left to right:

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

Y. Bhg. Dato' Tan Boon Seng @ Krishnan

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, FCIOB, P.Eng., C.Eng.

INDEPENDENT NON-EXECUTIVE CHAIRMAN

- Nomination & Remuneration Committee
- Audit Committee

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

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

He is a Council member of The Road Engineering Association of Asia & Australia (REAAA), Past President of the Institution of Highways and Transportation (Malaysia Branch) and The Road Engineering Association of Malaysia (REAM). He is at present the Vice-President of the Kuala Lumpur Lawn Tennis Association and Malay Cricket Association.

His directorships in other public companies include Lingkaran Trans Kota Holdings Berhad (Chairman), Lysaght Galvanized Steel Berhad (Chairman), Bank of America Malaysia Berhad, Malaysian Industrial Development Finance Berhad, NCB Holdings Berhad, MMC Corporation Berhad, Northport (Malaysia) Berhad (Chairman), Yayasan Proton and Yayasan Telekom.

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

DSPN, SMS

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.

His directorships in other public companies include IJM Plantations Berhad, IJM Land Berhad (Chairman), Malaysian South-South Corporation Berhad and Grupo Concesionario del Oeste S.A., Argentina. He is a member of the Board of Governors of Malaysia Property Incorporated (MPI). He also serves as a Member of the Malaysian Accounting Standards Board as well as the Financial Reporting Foundation, and a Trustee of Perdana Leadership Foundation. He is actively involved in the promotion of Malaysia India business ties and is currently the President of the Malaysia-India Business Council (MIBC) and Chairman of the Malaysia India CEO Forum.

For his contribution to the industry, he was awarded The Prominent Player Award 2008 by the Construction Industry Development Board Malaysia (CIDB).

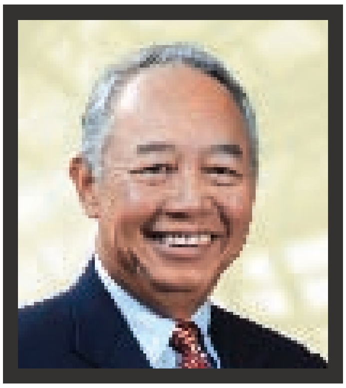
Y. BHG. DATO' TEH KEAN MING
DSPN, PKT
B.E (Civil), P.Eng., MIEM
DEPUTY CHIEF EXECUTIVE OFFICER & DEPUTY MANAGING DIRECTOR
- Executive Committee
- Securities and Options Committee

Y. Bhg. Dato' 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, ERMS Berhad and Road Builder (M) Holdings Bhd.



Y. BHG. DATUK OH CHONG PENG
PJN, JSM
FCA
INDEPENDENT NON-EXECUTIVE DIRECTOR
- Nomination & Remuneration Committee
- Audit Committee

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

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

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

His directorships in other public companies include Alliance Financial Group Berhad (Chairman), British American Tobacco (Malaysia) Berhad, Dialog Group Berhad, IJM Plantations Berhad, Kumpulan Europlus Berhad, Malayan Flour Mills Berhad and Ingenious Growth Berhad. He is also a Trustee of UTAR Education Foundation; and a Government appointed Member of the Labuan Financial Services Authority. He also serves on the Listing Committee of Bursa Malaysia 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 and 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. TAN SRI ABDUL HALIM BIN ALI

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

BA (Hons), University of Malaya

INDEPENDENT NON-EXECUTIVE DIRECTOR

- Audit Committee

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

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

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

Y. BHG. DATO' GOH CHYE KOON
KMN, DSPN, JMN
B.Eng.(Civil)(Hons), MIEM, P.Eng.
NON-EXECUTIVE DIRECTOR

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 was 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 (2003-Jan 2010). He was the Chairman of the Building Industry Presidents' Council (June 2007-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 presently an Advisory Peer Group (APG) member of the School of Science and Technology (SST), Wawasan Open University (March 2010).

He is also a Director of Kumpulan Europlus Berhad.

Y. BHG. DATUK LEE TECK YUEN
PJN
BSc.(Hons) Civil Eng. & Bus. Adm.
NON-EXECUTIVE DIRECTOR
• Nomination & Remuneration Committee

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

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

His directorships in other public companies include Road Builder (M) Holdings Bhd, 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 HJ HASNI BIN HARUN
PJN, AMN, PJC
B. Accs (Hons), CA, MBA
NON-EXECUTIVE DIRECTOR

Y. Bhg. Datuk Hj Hasni, born in June 1957, was appointed Director on 21 April 2008 and is a representative of Zelan Berhad ("Zelan"). 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 held several senior positions in the Accountant General's Office from 1980 to 1994. He was the Senior General Manager of the Investment Department at the Employees Provident Fund Board from March 1994 to March 2001, and the Managing Director of RHB Asset Management Sdn Bhd from April 2001 until April 2006. He then joined DRB-Hicom Berhad as Group Chief Financial Officer until December 2006 and joined MMC Corporation Berhad ("MMC") as the Chief Operating Officer in January 2007 until February 2008. In March 2008, he was appointed as the Chief Executive Officer, Malaysia prior to his present appointment as the Group Managing Director in May 2010.

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

Y. BHG. DATO' DAVID FREDERICK WILSON

DIMP

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

NON-EXECUTIVE DIRECTOR

- Securities and Options Committee

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

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

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

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

In 2002, he moved to Road Builder (M) Holdings Bhd initially as Non-Executive Director and later as Executive Director responsible for construction operations in India.

TAN GIM FOO

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

ALTERNATE DIRECTOR TO DATO' GOH CHYE KOON

Mr Tan, born in June 1958, was appointed Alternate Director to Dato' Goh Chye Koon on 30 January 2010. He is appointed the Managing Director of IJM Construction Sdn Bhd ("IJMC") on 1 February 2010 and heads the Construction Division of the Group.

He graduated with a Bachelor of Engineering (1st Class Honours) degree from University Malaya in 1983, and holds a Master's degree in Business Administration from Charles Sturt 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). He was Project Manager (1988-1994), Senior Manager (1994-1997) and Project Director (1998-2009). He was the Alternate Director to Mr Soo Heng Chin from 1 September 2005 to 30 January 2010, and the Executive Director of IJMC from 1 January 2005 to 30 January 2010.

Note:

1. There are no family relationships between the Directors and/or major shareholders of the Company.
2. All Directors are Malaysians except for Dato' David Frederick Wilson who is a British national.
3. Save for Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman Bin Wan Yaacob, Dato' Tan Boon Seng @ Krishnan, Dato' Teh Kean Ming, Datuk Hj Hasni bin Harun, Datuk Lee Teck Yuen, and Dato' Goh Chye Koon, 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

B.Civil Engineering

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR (INDUSTRIAL CONCRETE PRODUCTS SDN BHD)

Mr. Khor, born in August 1958, is the Chief Executive Officer & Managing Director of Industrial Concrete Products Sdn Bhd ("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 North-South Expressway.

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

DATO' SOAM HENG CHOON

DIMP

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

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR (IJM LAND BERHAD)

Dato' Soam, born in August 1959, was redesignated as the Chief Executive Officer & Managing Director of IJM Land Berhad with effect from 1 February 2010. Prior to that, he was the Company's Managing Director 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 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 immediate past Chairman of the Real Estate and Housing Developers Association ("REHDA"), Negeri Sembilan branch and Vice President of REHDA Malaysia.

JOSEPH TEK CHOON YEE

B. Sc. (Hons), MPhil. (Cantab)

CHIEF EXECUTIVE OFFICER &
MANAGING DIRECTOR (IJM PLANTATIONS BERHAD)

Mr. Joseph Tek, born in January 1966, was appointed the Chief Executive Officer & Managing Director ("CEO&MD") of IJM Plantations Berhad ("IJMP") on 23 May 2010.

He graduated with a Bachelor of Science (First Class Honours) degree from Universiti Kebangsaan Malaysia. He was a ODASS/ Sime Darby scholar and obtained his Master's in Philosophy (Plant Breeding) from Cambridge University, England.

He joined IJMP in September 2004 to head the research, training and development activities of the Group, and was appointed an Alternate Director on 22 May 2008 and Executive Director on 19 October 2008 besides being the General Manager - Plantations (Sabah). He was then redesignated to the position of Chief Operating Officer & Executive Director on 18 May 2009, prior to his appointment as CEO&MD of IJMP.

Prior to joining IJMP in 2004, he was with Sime Darby Plantations Sdn Bhd as Plant Breeder in Ebor Research (1991-1997), R&D Manager (1997-2000) and later Manager-Agritech Business (2000-2001) with Sime Aerogreen Sdn Bhd and Sime Gardentech Sdn Bhd. His last position was Head of R&D with Malaysian Palm Oil Association ("MPOA") (2001-2004).

He is a Council Member of the Malaysian Estate Owners Association (MEOA) for the term 2009/2010. He was a member of the Criteria Working Group for the Roundtable on Sustainable Palm Oil (RSPO) (2005-2006), Vice-Chairman of the MPOA Environment Working Committee (2004-2005) and Council Member of Malaysian Oil Scientists' and Technologists' Association (MOSTA) (2006-2007).

VELAYUTHAN A/L TAN KIM SONG

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

CHIEF EXECUTIVE OFFICER
IJM PLANTATIONS BERHAD
(INDONESIAN OPERATIONS)

Mr. Vela Tan, born in May 1954, was appointed the Chief Executive Officer of PT Primabahagia Permai on 1 June 2010, and heads the Indonesian operations of IJMP.

He completed a Diploma in Management from the Malaysian Institute of Management in 1985. He was with Multi-Purpose Holdings Berhad for five (5) years before joining IJM Corporation Berhad in 1985. He was appointed Group General Manager of IJMP in 1994 before being appointed Executive Director in 1997 and Managing Director in 2003. He was redesignated Chief Executive Officer & Managing Director in February 2004 until his retirement in May 2010. He also served as Group Executive Director of IJM Corporation Berhad from May 2001 to May 2003.

He is a Council Member of MEOA for term 2009/2010. He was also a Council Member of MPOA and alternate Board Member on the Malaysian Palm Oil Board (MPOB). He is the President of the Sabah Rugby Union since 2002 and Founding President of Sandakan Rugby Club.

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 (M) Sdn Bhd ("BSB") on 1 November 2006 and Chief Executive Officer of Lebuhraya Kajang-Seremban Sdn Bhd on 6 July 2007.

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

He worked for the Public Works Department for more than 10 years and subsequently joined PLUS Expressways Berhad as an engineer within its Maintenance Management Department in 1990. In 1995, he was transferred to Metramac Corporation Sdn Bhd and served as an 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), P.Eng., FIEM

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. In addition, he heads the Construction Services at Head Office overseeing Procurement & Store, Plant & Workshop, Project Monitoring, Quality Management System and Health, Safety & Environmental Management System departments.

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.

HO PHEA KEAT

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

MANAGING DIRECTOR (PORT DIVISION)

Mr. Ho, born in 1955, was appointed the Managing Director of Kuantan Port Consortium Sdn Bhd ("KPC") on 1 September 2009.

He graduated with a Bachelor of Technology (1st Class) degree in Civil Engineering from the Indian Institute of Technology, Bombay, India in 1982. He is a qualified Professional Engineer and is also a corporate member of the Institution of Engineers, Malaysia. He holds an advance training certificate specializing in Port and Harbour Engineering from the Port & Harbour Research Institute, Japan.

In 1983, he joined Kuantan Port Authority as a Civil Engineer and optionally retired from the Government Service as a Senior Civil Engineer in 1997. He was Head of the Planning, Research & Development Department of KPC in 1998 and promoted to the position of General Manager of Infrastructure, Research & Development, a position he held for seven (7) years, where he was also responsible for the full spectrum of the Civil and Maritime Infrastructure works of Kuantan Port. He was promoted to the position of Deputy Managing Director in September 2008.

JEREMIE TING KENG FUI

FCIS, MBA

COMPANY SECRETARY

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

He completed the examinations of The Institute of Chartered Secretaries and Administrators (ICSA) 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 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 its Education Committee, a member of its Nomination Committee, Strategic Advisory Committee, National Disciplinary Tribunal and Technical and Professional Practice Committee. He was adjudged the winner of the ROC-MAICSA Company Secretary Award 2000 under the Listed Company Category.

LOY BOON CHEN

MBA, CPA(M)

IJM REPRESENTATIVE IN KUMPULAN EUROPLUS BERHAD AND TALAM CORPORATION BERHAD

Mr. Loy, born in October 1951, is 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. Cyrus 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 is also 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.

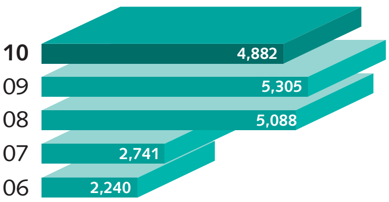
In line with strategies...

Goals and strategies are only as effective as their implementation and execution. IJM's emphasis on communication and process excellence realises prompt action and proactive responses to any challenges encountered.

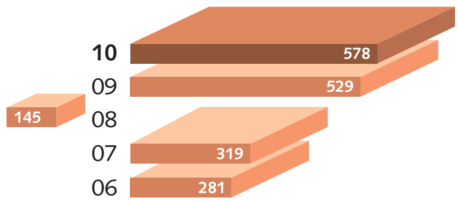
Shareholder Summary of Information

GROUP FINANCIAL HIGHLIGHTS

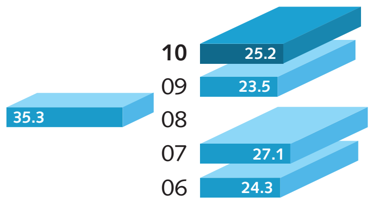
Operating Revenue
RM million



Profit/(Loss) Before Tax
RM million



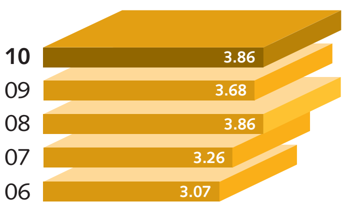
Earnings/(Loss) per Share (Basic)
Sen



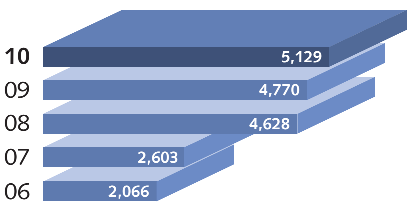
		2010	2009	2008	2007	2006
OPERATING REVENUE (N1)	RM'000					
Construction		**1,841,219**	2,355,258	2,353,153	1,126,246	816,142
Property development		**1,175,637**	985,953	991,027	499,594	517,224
Industry		**882,853**	1,069,052	871,995	715,600	538,970
Plantation		**441,817**	541,564	527,703	302,816	270,877
Infrastructure		**538,913**	349,625	305,019	63,188	60,876
Investment & Others		**1,990**	3,854	39,148	33,144	36,309
		4,882,429	5,305,306	5,088,045	2,740,588	2,240,398
PROFIT/(LOSS) BEFORE TAX	RM'000					
Construction		**30,890**	40,333	165,558	120,425	103,102
Property development		**171,895**	125,476	107,043	77,177	95,619
Industry		**174,378**	170,987	118,858	73,740	49,406
Plantation		**111,692**	160,453	191,151	57,106	52,122
Infrastructure		**95,882**	26,492	88,603	(22,946)	(14,214)
Investment & Others		**(6,713)**	4,929	(816,061)	13,427	(4,536)
		578,024	528,670	(144,848)	318,929	281,499
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS	RM'000	**332,580**	290,212	(420,467)	194,336	160,433
ISSUED SHARE CAPITAL	RM'000	**1,327,216**	941,952	859,314	570,327	479,931
SHAREHOLDERS' FUNDS	RM'000	**5,129,221**	4,770,150	4,628,250	2,602,922	2,066,052
TOTAL ASSETS	RM'000	**12,558,295**	11,726,163	11,148,413	6,038,809	4,609,596
EARNINGS/(LOSS) PER SHARE (Basic)	SEN	**25.21**	23.46*	(35.31)*	27.13*	24.31*
GROSS DIVIDEND PER SHARE	SEN	**11.00**	34.99	–	15.00	15.00
NET ASSETS PER SHARE	RM	**3.86**	3.68*	3.86*	3.26*	3.07*
RETURN ON TOTAL ASSETS	%	**2.65**	2.47	(3.77)	3.22	3.48
RETURN ON EQUITY	%	**6.48**	6.08	(9.08)	7.47	7.77
GEARING (Net Debt/Equity)	%	**48.60**	58.22	54.50	39.72	38.72
SHARE PRICE						
High	RM	**6.86**	6.60	9.35	9.50	5.55
Low	RM	**4.20**	2.35	4.90	5.15	4.10
Closing	RM	**4.88**	4.18	6.10	8.65	5.10
WARRANT PRICE 2005/2010						
High	RM	**1.81**	2.02	4.46	4.60	0.84
Low	RM	**0.37**	0.26	1.08	0.69	0.25
Closing	RM	**1.30**	0.37	1.82	3.86	0.69
WARRANT PRICE 2009/2014						
High	RM	**1.34**	–	–	–	–
Low	RM	**0.95**	–	–	–	–
Closing	RM	**1.13**	–	–	–	–

N1 Including share of associate and joint venture's revenue
* Adjusted for 2:5 Bonus Issue

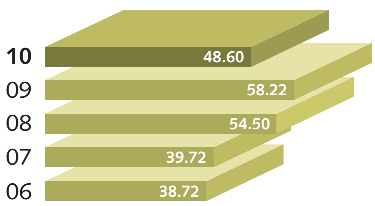
Net Assets per Share
RM



Shareholders' Funds
RM million

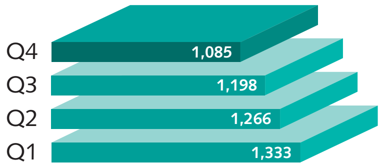


Gearing
%

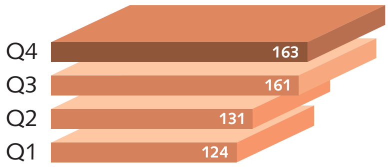


GROUP QUARTERLY PERFORMANCE

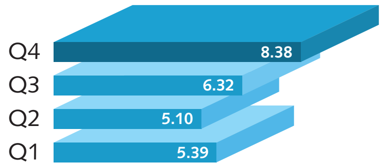
Operating Revenue
RM million



Profit Before Tax
RM million



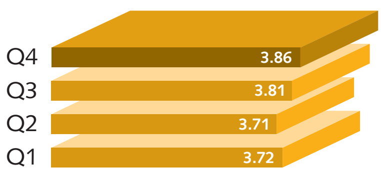
Earnings per Share (Basic)
Sen



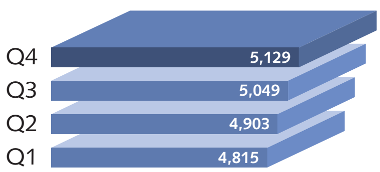
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
OPERATING REVENUE (N1)	RM'000				
Construction		588,438	508,136	395,942	348,703
Property development		301,890	333,773	277,546	262,428
Industry		244,668	220,855	216,341	200,989
Plantation		102,225	100,055	129,270	110,267
Infrastructure		95,494	102,386	178,837	162,196
Investment & Others		393	529	481	587
		1,333,108	1,265,734	1,198,417	1,085,170
PROFIT/(LOSS) BEFORE TAX	RM'000				
Construction		10,152	5,256	5,812	9,670
Property development		40,981	49,491	42,580	38,843
Industry		47,450	44,890	46,340	35,698
Plantation		11,420	23,875	51,632	24,765
Infrastructure		14,267	8,386	9,750	63,479
Investment & Others		(406)	(1,135)	4,448	(9,620)
		123,864	130,763	160,562	162,835
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS	RM'000	70,824	67,064	83,648	111,044
ISSUED SHARE CAPITAL	RM'000	941,997	943,552	1,324,472	1,327,216
SHAREHOLDERS' FUNDS	RM'000	4,814,642	4,903,069	5,048,761	5,129,221
TOTAL ASSETS	RM'000	12,220,066	12,292,648	13,034,729	12,558,295
EARNINGS PER SHARE (Basic)	SEN	5.39	5.10	6.32	8.38
GROSS DIVIDEND PER SHARE	SEN	–	–	–	11.00
NET ASSETS PER SHARE	RM	3.72	3.71	3.81	3.86
RETURN ON TOTAL ASSETS (Annualised)	%	2.28	2.19	2.33	2.65
RETURN ON EQUITY (Annualised)	%	5.64	5.40	5.95	6.48
SHARE PRICE					
High	RM	5.95	6.86	5.04	4.94
Low	RM	4.20	4.49	4.28	4.29
Closing	RM	5.80	4.50	4.48	4.88
WARRANT PRICE 2005/2010					
High	RM	1.45	1.81	1.59	1.38
Low	RM	0.37	1.00	0.97	0.95
Closing	RM	1.23	1.14	1.10	1.30
WARRANT PRICE 2009/2014					
High	RM	–	–	1.34	1.28
Low	RM	–	–	0.95	0.99
Closing	RM	–	–	1.13	1.13

N1 Including share of associate and joint venture's revenue

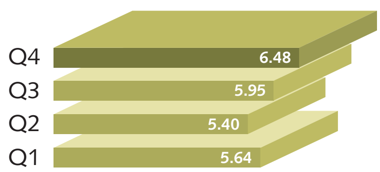
Net Assets per Share
RM



Shareholders' Funds
RM million



Return on Equity
%



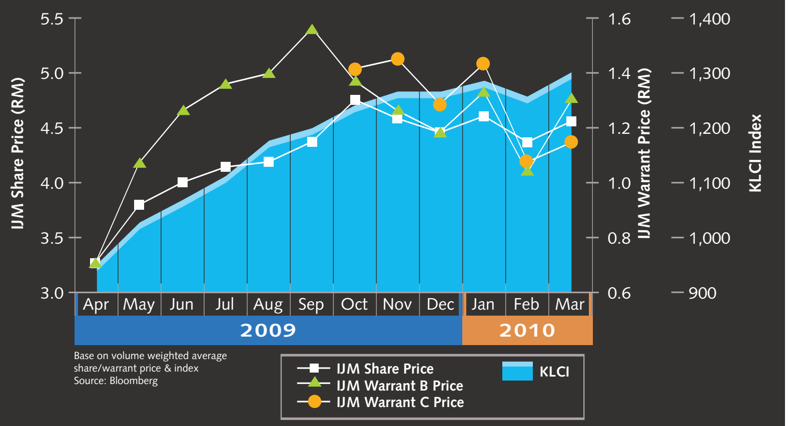
STATEMENT OF VALUE ADDED & DISTRIBUTION

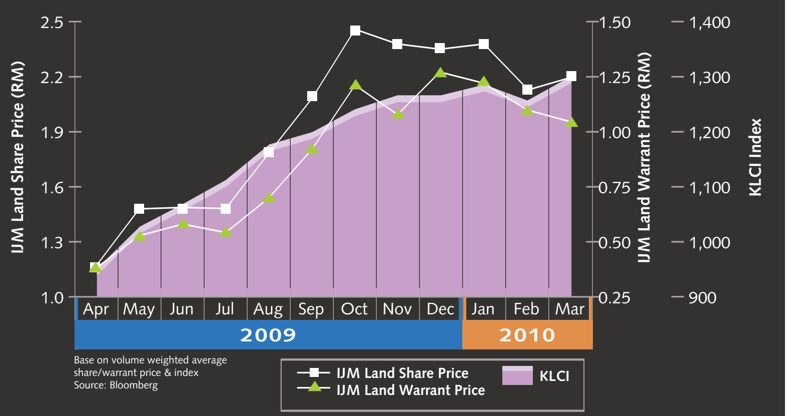
	2010 RM'000	2009 RM'000
Value added :		
Revenue	**4,013,530**	4,601,294
Purchases of goods & services	**(2,899,798)**	(3,559,838)
Value added by the Group	**1,113,732**	1,041,456
Share of profits of associates	**19,676**	19,046
Share of profits of jointly controlled entities	**11,071**	3,158
Total value added	**1,144,479**	**1,063,660**
Distribution :		
To employees		
- Salaries & other staff costs	**209,415**	194,082
To Governments		
- Taxation	**154,860**	126,703
To providers of capital		
- Dividends	**35,199**	203,522
- Finance costs	**201,421**	189,090
- Minority interest	**90,584**	111,755
Retained for future reinvestment & growth		
- Depreciation and amortisation	**155,619**	151,818
- Retained profits	**297,381**	86,690
Total distributed	**1,144,479**	1,063,660

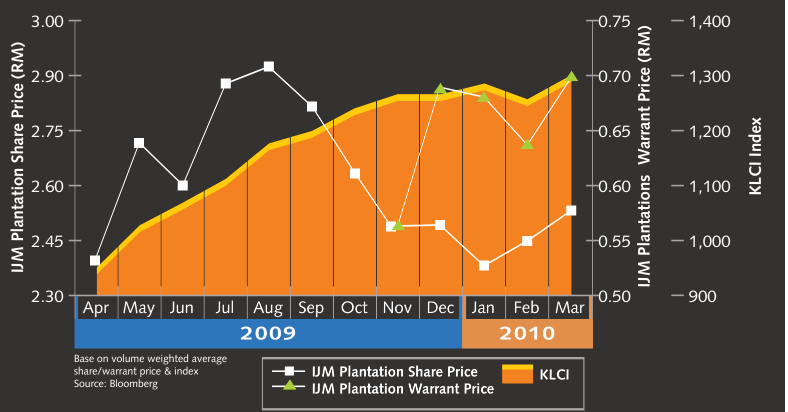
Value added is a measure of wealth created. The above statement shows the Group's value added for 2010 and 2009 and its distribution by way of payments to employees, governments and capital providers, with the balance retained in the Group for future reinvestment and growth.

	2010 RM'000	2009 RM'000
Reconciliation		
Profit for the year	**332,580**	290,212
Add : Depreciation and amortisation	**155,619**	151,818
Finance costs	**201,421**	189,090
Staff costs	**209,415**	194,082
Taxation	**154,860**	126,703
Minority interests	**90,584**	111,755
Total value added	**1,144,479**	1,063,660

INFORMATION FOR INVESTORS







IJM Corporation Berhad ("IJM") Share & Warrant Prices vs the KLCI

IJM's share price (stock code: 3336) continued to recover from early 2009 following heightened investor expectations for the construction sector to benefit from the Government's fiscal and monetary stimulus measures. Moreover, measures to strengthen major global financial institutions and pump priming packages introduced by governments around the world led to a broad-based rebound in stock markets.

IJM's share price rebounded from RM3.07 a year ago to a closing price of RM4.88 as at 31 March 2010, 59% higher than previous year. IJM's Warrant B 2005/2010 price (stock code: 3336wb) followed a similar trend as its mother share, closing at RM1.30 as at 31 March 2010, registering an increase of 251.4% from RM0.37 a year ago and a return of 2500.0% over its issue price of RM0.05 in July 2005.

In October 2009, IJM completed a renounceable rights issue of new IJM Warrants C 2009/2014 to existing IJM shareholders on the basis of one IJM Warrant C for every ten IJM shares held, resulting in 132,097,381 new IJM Warrant C (stock code 3336wc) being listed at an issue price of RM0.25. By 31 March 2010, the warrant price had risen to RM1.13 representing a gain of 352.0% to warrantholders.

IJM Land Berhad ("IJML") Share & Warrant Prices vs the KLCI

IJML's share price (stock code: 5215) rose in tandem with the KLCI, from RM1.16 to a peak of RM2.45 in October 2009, before moderating to a close of RM2.28 in March 2010, representing an increase of 96.6%. IJML's Warrants 2008/2013 price (stock code: 5215wa) trend followed that of its mother share, rising from RM0.32 for April 2009 to RM1.07 in March 2010, an increase of 234.4% for the warrantholders.

IJM Plantations Berhad ("IJMP") Share & Warrant Prices vs the KLCI

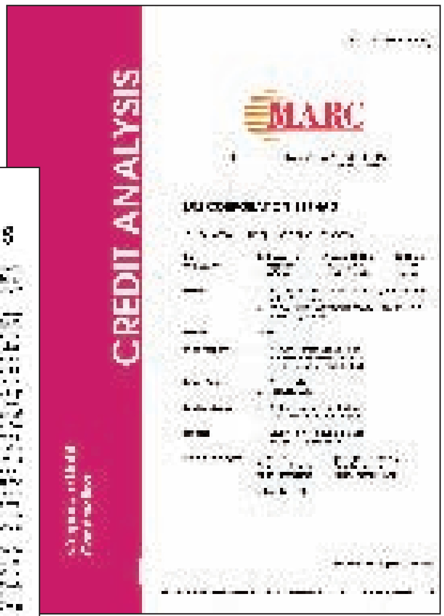
IJMP's share price (stock code: 2216) rose from RM2.42 in April 2009, peaking at RM2.92 in August 2009 before stabilising at RM2.55 at end of March 2010, 22% higher than a year ago. In November 2009, IJMP completed its rights issue on the basis of 2 new IJMP shares with 1 free warrant for every 8 existing shares held to finance its Indonesian expansion activities. A total of 160,268,583 new IJMP shares together with 80,134,149 warrants were listed on Bursa Securities. IJMP's Warrants 2009/2014 price (stock code: 2216wa) rose from RM0.56 in November 2009 to RM0.70 in March 2010, representing an increase of 25%.

IJM Commercial Papers/Medium Term Notes 2005/2012 (RM300 Million) and 2009/2016 (RM1 Billion)

During the financial year, IJM established a RM1.0 billion commercial papers and/or medium term notes ("CP/MTN") programme to lock in medium-term funding at fixed rates to provide financial flexibility and funding to the Group. The previous RM300 million CP/MTN 2005/2012 has been fully repaid during the same period.

In relation to the RM1.0 billion CP/MTN programme, MARC has assessed and assigned IJM's corporate debt as "AA-" with a short term rating of "MARC-1" in its latest annual rating report in September 2009. This is a testimony to IJM's strong financial position.

Details of both CP/MTN programmes are disclosed in Note 17 to the Financial Statements.




MARC affirms ratings on IJM's notes

FINANCIAL CALENDAR

Financial Year End		**31 March 2010**
Announcement of Results	1st Quarter	25 August 2009
	2nd Quarter	24 November 2009
	3rd Quarter	25 February 2010
	4th Quarter	26 May 2010
Notice of Annual General Meeting		30 July 2010
Annual General Meeting		25 August 2010

INVESTOR SERVICE

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

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E-mail: jt@ijm.com

For financial performance or company development matters, please contact:

Mr Shane Guha Thakurta
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E-mail: shanethakurta@ijm.com

ANALYSIS OF SHAREHOLDINGS & WARRANTHOLDINGS

I. ANALYSIS OF SHAREHOLDINGS as at 30 June 2010

Authorised Share Capital	:	RM3,000,000,000
Issued & paid-up Capital	:	RM1,336,561,297*
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 10,000 treasury shares

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	Number of Shares	Percentage of Issued Capital
Less than 100	268	9,579	0.00%
100 - 1,000	1,332	950,480	0.07%
1,001 - 10,000(1)	5,629	18,078,656	1.35%
10,001 - 100,000	1,081	31,653,698	2.37%
100,001 to less than 5% of issued shares	555	978,713,158	73.23%
5% and above of issued shares	2	307,145,726	22.98%
	8,867	1,336,551,297	100.00%

(1) excluding 10,000 shares bought-back by the Company and retained as treasury shares as at 30 June 2010

REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Number of Shares		
	Direct	Deemed Interests	Percentage of Issued Capital
1. Employees Provident Fund Board	259,044,826	–	19.382%
2. Zelan Berhad	105,868,106	–	7.921%
3. Amanahraya Trustees Berhad - Skim Amanah Saham Bumiputera	94,671,060	–	7.083%

THIRTY LARGEST SHAREHOLDERS

	Number of Shares	Percentage of Issued Capital
1. EMPLOYEES PROVIDENT FUND BOARD	212,474,666	15.90%
2. AMANAHRAYA TRUSTEES BERHAD SKIM AMANAH SAHAM BUMIPUTERA PERMODALAN NASIONAL BERHAD	94,671,060	7.08%
3. EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR ZELAN BERHAD (KLM)	66,330,098	4.96%
4. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)	60,328,369	4.51%
5. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR J.P. MORGAN BANK LUXEMBOURG S.A.	36,835,710	2.76%
6. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM WAWASAN 2020 PERMODALAN NASIONAL BERHAD	35,818,580	2.68%
7. OSK NOMINEES (TEMPATAN) SDN BERHAD PLEDGED SECURITIES ACCOUNT FOR ZELAN BERHAD	30,000,000	2.24%
8. CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	28,660,238	2.14%
9. KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	25,661,280	1.92%

THIRTY LARGEST SHAREHOLDERS (cont'd)

	Number of Shares	Percentage of Issued Capital
10. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA PERMODALAN NASIONAL BERHAD	25,000,000	1.87%
11. MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	18,943,540	1.42%
12. CITIGROUP NOMINEES (TEMPATAN) SDN BHD CMS TRUST MANAGEMENT BERHAD FOR EMPLOYEES PROVIDENT FUND	17,813,160	1.33%
13. CARTABAN NOMINEES (ASING) SDN BHD GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION PTE LTD FOR GOVERNMENT OF SINGAPORE (C)	16,789,980	1.26%
14. CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AMERICAN INTERNATIONAL ASSURANCE BERHAD	16,631,970	1.24%
15. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (BVI)	15,300,000	1.14%
16. CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	15,038,680	1.13%
17. HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	14,327,750	1.07%
18. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.A.E.)	14,113,005	1.06%
19. VALUECAP SDN BHD	13,183,380	0.99%
20. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (NORGES BK LEND)	11,639,160	0.87%
21. SBB NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	10,332,280	0.77%
22. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM DIDIK PERMODALAN NASIONAL BERHAD	10,206,700	0.76%
23. AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD FOR ZELAN BERHAD	9,500,000	0.71%
24. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.K.)	9,376,700	0.70%
25. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (SAUDI ARABIA)	9,073,340	0.68%
26. PERTUBUHAN KESELAMATAN SOSIAL	8,922,108	0.67%
27. MINISTER OF FINANCE AKAUN JAMINAN PINJAMAN KERAJAAN PERSEKUTUAN	8,533,350	0.64%
28. PERMODALAN NASIONAL BERHAD	8,084,931	0.60%
29. AMSEC NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR CIMB ISLAMIC DALI EQUITY GROWTH FUND (UT-CIMB-DALI)	7,840,500	0.59%
30. AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC DIVIDEND FUND	7,080,704	0.53%
	858,511,239	64.22%

II. ANALYSIS OF WARRANTHOLDINGS as at 30 June 2010

(A) Warrants 2005/2010 : 13,535,510 outstanding

DISTRIBUTION OF WARRANTHOLDINGS

Range of Warrantholdings	Number of Warrantholders	Number of Warrants	Percentage of Outstanding Warrants
Less than 100	33	1,381	0.01%
100 - 1,000	344	172,952	1.28%
1,001 - 10,000	472	1,556,877	11.50%
10,001 - 100,000	135	3,962,040	29.27%
100,001 - to less than 5% of issued warrants	21	4,558,640	33.68%
5% and above of issued warrants	2	3,283,620	24.26%
	1,007	13,535,510	100.00%

THIRTY LARGEST WARRANTHOLDERS

	Number of Warrants	Percentage of Outstanding Warrants
1. LEE TECK YUEN	2,100,000	15.51%
2. GENERAL TECHNOLOGY SDN BHD	1,183,620	8.74%
3. VAST UPTREND COMPANY SDN BHD	500,000	3.69%
4. PAULENE CHEE YUET FANG	400,000	2.96%
5. HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRUDENTIAL DANA AL-ILHAM (4173)	392,400	2.90%
6. GEOFFREY LIM FUNG KEONG	295,000	2.18%
7. GLENDALE CORPORATION SDN BHD	271,060	2.00%
8. CHOW SOONG MING	258,800	1.91%
9. LEE BEE SENG	242,700	1.79%
10. HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRUDENTIAL DYNAMIC FUND (4496)	240,080	1.77%
11. WANG HOOI MEI	196,000	1.45%
12. CITIGROUP NOMINEES (ASING) SDN BHD UBS AG HONG KONG FOR MRS SUWANNA SRIPUNPORN LEE	180,320	1.33%
13. HDM NOMINEES (TEMPATAN) SDN BHD UOB KAY HIAN PTE LTD FOR CHEN JOON LEE	180,000	1.33%
14. TING KENG FUI	166,600	1.23%
15. JAMIT KAUR A/P MAJOR SINGH	162,000	1.20%
16. GAN LAY HAR	154,000	1.14%
17. CHAN KWAN LOONG	150,000	1.11%
18. A.A. ANTHONY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHOOI HO	145,300	1.07%
19. MAYBAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOY CHEE KEONG	133,600	0.99%
20. PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUNG POH SENG (E-TSA)	133,200	0.98%
21. WONG KOK HOI	132,600	0.98%
22. LOY BOON CHEN	112,980	0.83%

THIRTY LARGEST WARRANTHOLDERS (cont'd)

	Number of Warrants	Percentage of Outstanding Warrants
23. MD GHAZALI BIN ALI	112,000	0.83%
24. CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PRUDENTIAL FUND MANAGEMENT BERHAD	99,400	0.73%
25. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHEN LEE LEE (PB)	98,000	0.72%
26. TEE CHEE CHIANG	86,500	0.64%
27. TAN SAIK MOO	81,200	0.60%
28. TANAHTRONICS SDN BHD	70,520	0.52%
29. MAYBAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KAM CHOY SIANG	70,000	0.52%
30. CARTABAN NOMINEES (ASING) SDN BHD DBS VICKERS (HONG KONG) LIMITED FOR KHONG PEK LAN	70,000	0.52%
	8,417,880	62.17%

(B) Warrants 2009/2014 : 131,319,820 outstanding

DISTRIBUTION OF WARRANTHOLDINGS

Range of Warrantholdings	Number of Warrantholders	Number of Warrants	Percentage of Outstanding Warrants
Less than 100	186	2,220	0.00%
100 - 1,000	2,247	846,034	0.64%
1,001 - 10,000	1,159	5,227,088	3.98%
10,001 - 100,000	608	20,649,506	15.73%
100,001 - to less than 5% of issued warrants	147	71,080,656	54.13%
5% and above of issued warrants	2	33,514,316	25.52%
	4,349	131,319,820	100.00%

THIRTY LARGEST WARRANTHOLDERS

	Number of Warrants	Percentage of Outstanding Warrants
1. EMPLOYEES PROVIDENT FUND BOARD	21,832,216	16.63%
2. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR SONG KEE LING (MM0873)	11,682,100	8.90%
3. RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHANG SI FOCK @ CHONG SEE FOCK	6,500,000	4.95%
4. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)	5,738,098	4.37%
5. CIMSEC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CIMB SECURITIES (SINGAPORE) PTE LTD (RETAIL CLIENTS)	3,472,300	2.64%
6. CARTABAN NOMINEES (ASING) SDN BHD STATE STREET AUSTRALIA FUND UBBE FOR TEMASEK FULLERTON ALPHAPTE. LTD.	2,700,500	2.06%
7. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR J.P. MORGAN BANK LUXEMBOURG S.A.	2,450,301	1.87%

THIRTY LARGEST WARRANTHOLDERS (cont'd)

	Number of Warrants	Percentage of Outstanding Warrants
8. RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOONG VIVIEN	2,260,000	1.72%
9. CARTABAN NOMINEES (ASING) SDN BHD STATE STREET AUSTRALIA FUND SGAD FOR FULLERTON (PRIVATE) LIMITED	1,534,200	1.17%
10. GENERAL TECHNOLOGY SDN BHD	1,467,400	1.12%
11. MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	1,400,754	1.07%
12. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR GENERAL TECHNOLOGY SDN. BHD. (PB)	1,232,000	0.94%
13. CHOO YOKE KUEN	1,213,800	0.92%
14. CARTABAN NOMINEES (ASING) SDN BHD STATE STREET AUSTRALIA FUND Q3VD FOR FULLERTON (PRIVATE) LIMITED	1,199,200	0.91%
15. HSBC NOMINEES (ASING) SDN BHD HSBC-FS FOR FULLERTON GLOBAL EQUITIES FUND (FULLERTON FUNDS)	1,128,800	0.86%
16. TAN LENG MOOI	1,102,000	0.84%
17. PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM GIM LEONG (E-KLC)	1,081,200	0.82%
18. CK GOH HOLDINGS SDN BHD	1,020,000	0.78%
19. HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (MALAYSIA) TRUSTEE BERHAD FOR AMANAH SAHAM SARAWAK	1,000,000	0.76%
20. EMINENT ACE SDN BHD	1,000,000	0.76%
21. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (NORGES BK LEND)	976,766	0.74%
22. PERTUBUHAN KESELAMATAN SOSIAL	908,000	0.69%
23. LOW HONG IMM	850,000	0.65%
24. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HBFS-I CLT ACCT)	842,832	0.64%
25. HSBC NOMINEES (ASING) SDN BHD MASTER TRUST FOR FULLERTON V-ASEAN MOTHER FUND	805,200	0.61%
26. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (SAUDI ARABIA)	794,738	0.61%
27. CARTABAN NOMINEES (ASING) SDN BHD GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION PTE LTD FOR GOVERNMENT OF SINGAPORE (C)	735,958	0.56%
28. LOO SAY PENG	600,000	0.46%
29. HO YIN KEONG	545,000	0.42%
30. CARTABAN NOMINEES (ASING) SDN BHD BBH (LUX) SCA FOR FIDELITY FUNDS ASEAN	533,290	0.41%
	78,606,653	59.88%

III. DIRECTORS' SHAREHOLDINGS & WARRANTHOLDINGS

A. DIRECTORS' SHAREHOLDINGS IN IJM CORPORATION BERHAD

as at 30 June 2010

Name of Directors	Number of Shares Direct	Number of Shares Deemed	Percentage of Issued Capital
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	70,000	–	0.005%
Dato' Tan Boon Seng @ Krishnan	2,679,180	1,095,136[1]	0.282%
Dato' Teh Kean Ming	84,000	91,000[1]	0.013%
Datuk Yahya bin Ya'acob	70,000	–	0.005%
Tan Sri Abdul Halim Bin Ali	–	–	–
Datuk Oh Chong Peng	–	–	–
Datuk Hj. Hasni Bin Harun	–	–	–
Datuk Lee Teck Yuen	–	580,000[1]	0.043%
Dato' David Frederick Wilson	–	–	–
Dato' Goh Chye Koon	93,092	–	0.007%
Tan Gim Foo	–	–	–

Note:-
*[1] *Through a family member*

B. DIRECTORS' WARRANTHOLDINGS IN IJM CORPORATION BERHAD

as at 30 June 2010

Name of Directors	2005/2010 Number of Warrants Direct	2005/2010 Number of Warrants Deemed	Percentage Outstanding Warrants	2009/2014 Number of Warrants Direct	2009/2014 Number of Warrants Deemed	Percentage of Outstanding Warrants
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	–	–	–	7,000	–	0.005%
Dato' Tan Boon Seng @ Krishnan	–	–	–	274,348	114,700[1]	0.296%
Dato' Teh Kean Ming	–	–	–	9,300	9,800[1]	0.015%
Datuk Yahya bin Ya'acob	–	–	–	7,600	–	0.006%
Tan Sri Abdul Halim Bin Ali	–	–	–	–	–	–
Datuk Oh Chong Peng	–	–	–	–	–	–
Datuk Hj. Hasni Bin Harun	–	–	–	–	–	–
Datuk Lee Teck Yuen	2,100,000	–	15.515%	–	–	–
Dato' David Frederick Wilson	–	–	–	–	–	–
Dato' Goh Chye Koon	–	–	–	15,400	–	0.012%
Tan Gim Foo	–	–	–	–	–	–

Note:-
*[1] *Through a family member*

C. DIRECTORS' SHAREHOLDINGS AND WARRANTHOLDINGS IN IJM PLANTATIONS BERHAD

as at 30 June 2010

Name of Directors	Number of Shares Direct	Number of Shares Deemed	Percentage of Issued Capital	Number of Warrants Direct	Number of Warrants Deemed	Percentage of Outstanding Warrants
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	45,000	–	0.006%	5,000	–	0.006%
Dato' Tan Boon Seng @ Krishnan	646,000	429,982[1]	0.134%	70,060	51,051[1]	0.151%
Dato' Teh Kean Ming	–	–	–	–	–	–
Datuk Yahya bin Ya'acob	–	–	–	–	–	–
Tan Sri Abdul Halim Bin Ali	–	–	–	–	–	–
Datuk Oh Chong Peng	100,000	–	0.012%	10,000	–	0.012%
Datuk Hj. Hasni Bin Harun	–	–	–	–	–	–
Datuk Lee Teck Yuen	–	–	–	–	–	–
Dato' David Frederick Wilson	–	–	–	–	–	–
Dato' Goh Chye Koon	202,000	–	0.025%	24,258	–	0.030%
Tan Gim Foo	–	–	–	–	–	–

Note:-
*1 *Through a family member*

D. DIRECTORS' SHAREHOLDINGS & WARRANTHOLDINGS IN IJM LAND BERHAD

as at 30 June 2010

Name of Directors	Number of Shares Direct	Number of Shares Deemed	Percentage of Issued Capital	Number of Warrants Direct	Number of Warrants Deemed	Percentage of Outstanding Warrants
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	50,000	–	0.005%	5,000	–	0.002%
Dato' Tan Boon Seng @ Krishnan	–	20,000[1]	0.002%	1,248,610	13,000[1]	0.555%
Dato' Teh Kean Ming	–	–	–	227,000	5,200[1]	0.102%
Datuk Yahya bin Ya'acob	–	–	–	5,000	–	0.002%
Tan Sri Abdul Halim Bin Ali	10,000	–	0.001%	–	–	–
Datuk Oh Chong Peng	–	–	–	–	–	–
Datuk Hj. Hasni Bin Harun	–	–	–	–	–	–
Datuk Lee Teck Yuen	11,064,693[2]	–	1.003%	–	–	–
Dato' David Frederick Wilson	–	–	–	–	–	–
Dato' Goh Chye Koon	–	–	–	–	–	–
Tan Gim Foo	–	–	–	130,000	–	0.057%

Note:-
*1 *Through a family member*
*2 *Through a nominee company*

IV. SHARE BUY BACK SUMMARY
for Financial Year Ended 31 March 2010

	No. of Shares Purchased & Retained as Treasury Shares/ (Resold)	Total Consideration RM	Purchase Price Per Share (RM) Highest	Lowest	Average
2010					
Balance at the beginning of financial year	3,387,500	16,297,408	5.50	3.00	4.81
Purchases during the financial year					
April 2009	–	–	–	–	–
May 2009	–	–	–	–	–
June 2009	–	–	–	–	–
July 2009	–	–	–	–	–
August 2009	–	–	–	–	–
September 2009	10,000	56,913	5.65	5.65	5.65
	(3,397,500)	(20,240,367)	5.91	6.05	5.96
October 2009	–	–	–	–	–
November 2009	–	–	–	–	–
December 2009	–	–	–	–	–
January 2010	–	–	–	–	–
February 2010	–	–	–	–	–
March 2010	–	–	–	–	–
Balance at end of financial year	–	–	–	–	–

All treasury shares were resold during the financial year.

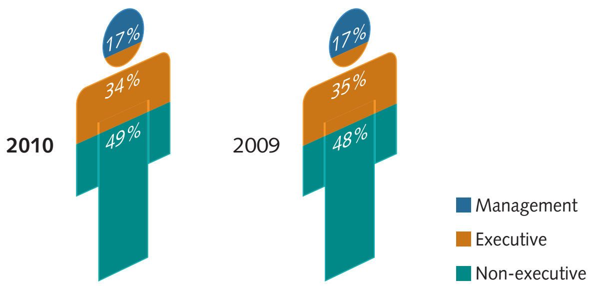
EMPLOYEES & PRODUCTIVITY

	2010	2009
(a) Employees as at 31 March:-		
Employees by Classification		
- Management	**749**	738
- Executive	**1,448**	1,569
- Non-executive	**2,123**	2,116
	4,320	4,423
Employees by Ethnic Composition		
- Bumiputra	**2,082**	1,976
- Chinese	**1,052**	1,055
- Indian	**367**	370
- Others (including overseas)	**819**	1,022
	4,320	4,423
(b) Productivity:- (N1)		
Revenue - per employee (in RM'000)	**929**	1,040
- per RM employment cost (in RM)	**19.17**	23.71
PBT - per employee (in RM'000)	**134**	120
- per RM employment cost (in RM)	**2.76**	2.72
Value added - per employee (in RM'000)	**265**	240
- per RM employment cost (in RM)	**5.47**	5.48

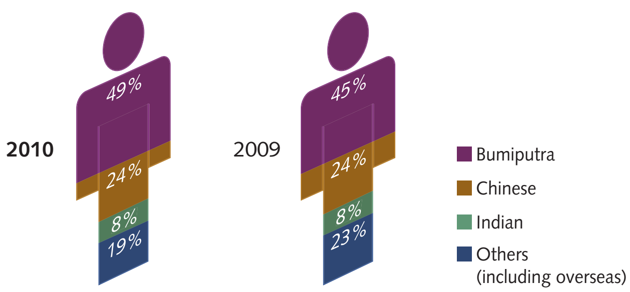
(N1) Based on the number of employees during the year

EMPLOYEES

BY CLASSIFICATION

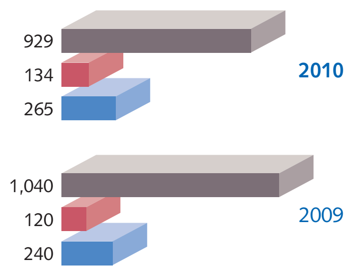


BY ETHNIC COMPOSITION

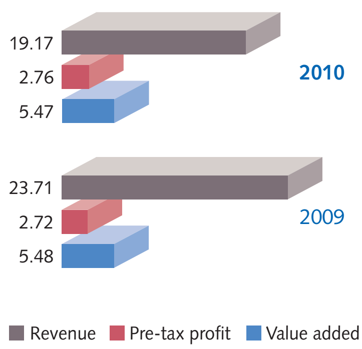


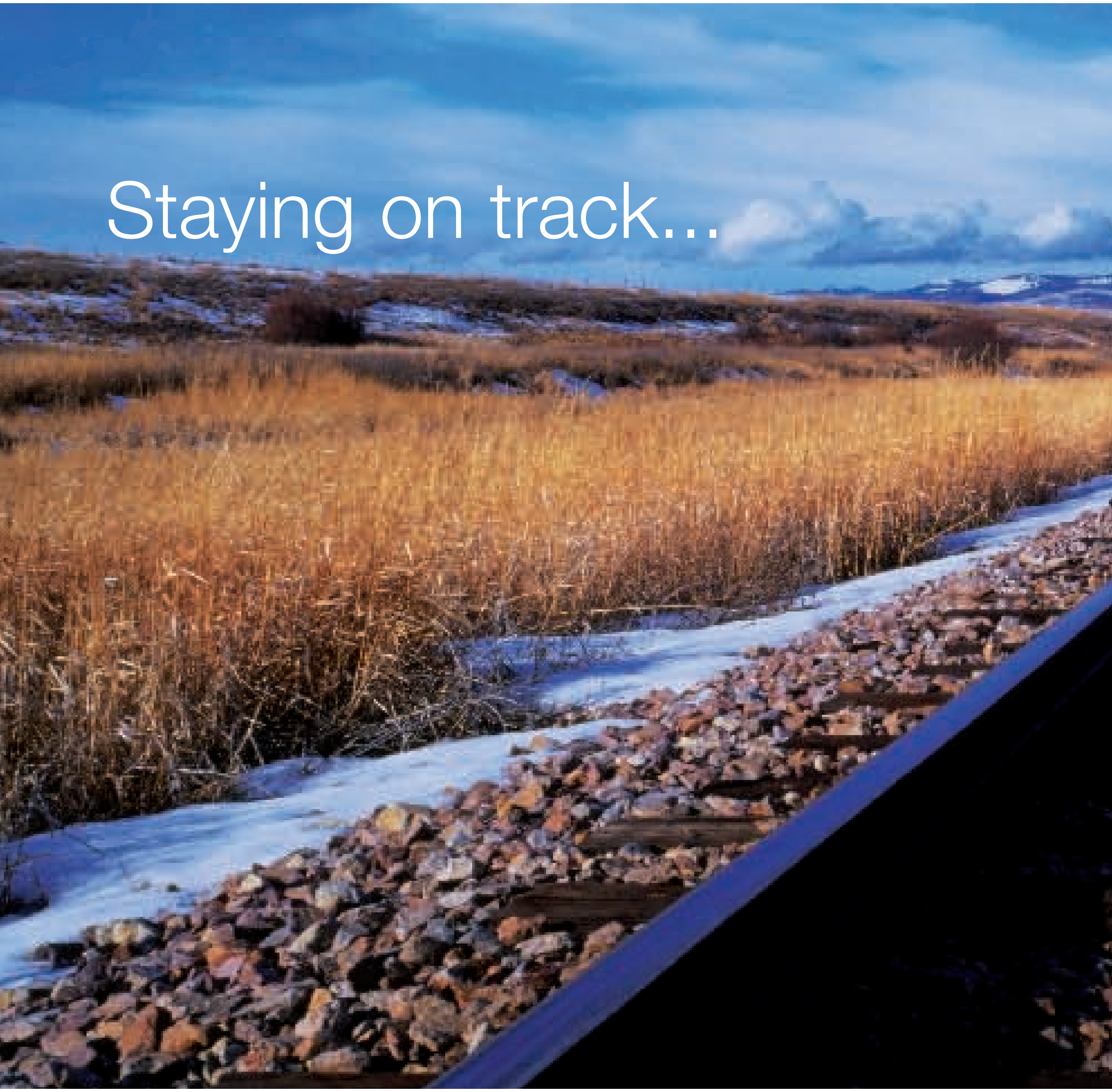
PRODUCTIVITY

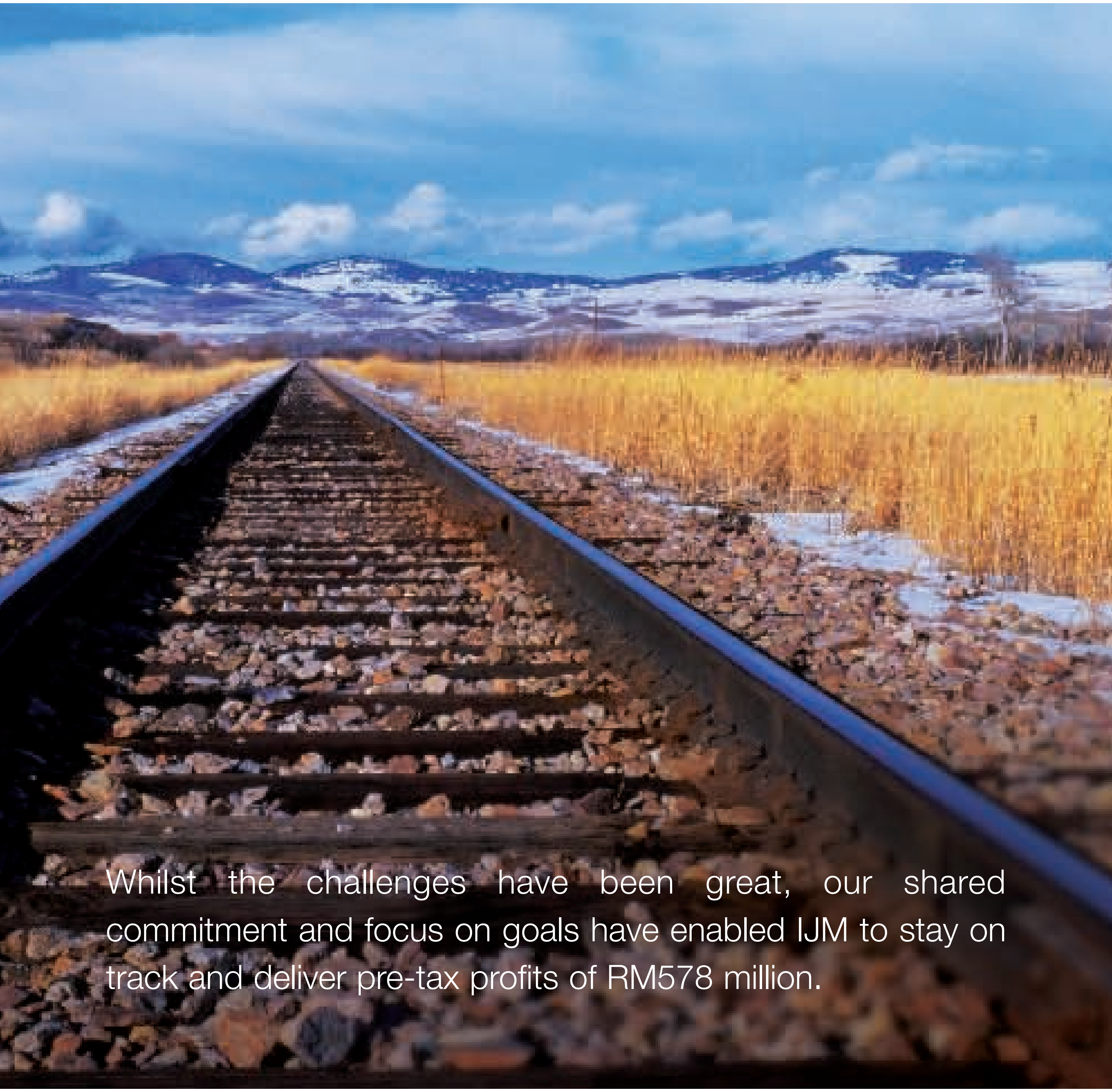
PER EMPLOYEE (RM'000)



PER RM EMPLOYMENT COST (RM)




Staying on track...



Business Review & Reports

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

CHAIRMAN'S STATEMENT

ON BEHALF OF THE BOARD OF DIRECTORS OF IJM CORPORATION BERHAD, I AM PLEASED TO REPORT ON THE COMMENDABLE PERFORMANCE OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2010. DESPITE A YEAR OF CHALLENGING AND VOLATILE GLOBAL ECONOMIC CONDITIONS, THE GROUP MANAGED TO DELIVER A RECORD NET PROFIT OF RM423.16 MILLION TO SHAREHOLDERS.

BUSINESS ENVIRONMENT

The world economy shrank 0.6 percent in 2009 following the eruption of the global financial crisis. The impact of the crisis on global economies was particularly felt in the first few months of 2009 when most economies fell into recession and credit markets were paralysed from fears of systemic failures in international financial markets. In response, large fiscal spending and aggressive monetary easing measures were introduced by governments that led to initial stabilising of economic activity in most countries by the middle of the year and gradual emergence from recession in the second half of 2009. Economic recovery, however, remained uneven and fragile in advanced countries due to encumbrances of high unemployment, widespread household and private sector deleveraging and high sovereign debt levels; whereas emerging economies portrayed a more evident resurgence from the crisis.

Malaysia's economy was particularly affected from the external trade related impact. Although general household income in other sectors remained relatively resilient, general spending behaviour was affected by weak sentiment following overall tepid economic conditions and uncertainties over income outlook and job security. The Malaysian economy therefore contracted sharply by 6.2% in the first quarter of 2009. To arrest the decline, the Malaysian Government responded by unveiling two stimulus packages amounting to RM67 billion and reduced the overnight policy interest rate by 150 basis points to 2.00%. As a result, domestic demand noticeably improved in the second half of 2009, leading to a full year contraction of the Malaysian economy by 1.7%.

Our other major market, namely the Indian economy, demonstrated relative resilience but it too was not spared the global downturn, registering a growth of 6.7% in 2008-09 from 9.0% in 2007-08.

OPERATING RESULTS

For the year under review, the Group achieved revenue of RM4,013.53 million, a decrease of 13% from the previous year's revenue of RM4,601.29 million. Group operating profit before tax, however, increased 9.3% to RM578.02 million from RM528.67 million a year ago, whilst the Group net profit for the financial year increased by 5.3% to a record RM423.16 million.

The Group's Construction Division recorded a 22% decrease in revenue to RM1,841.22 million from RM2,355.26 million the previous year mainly due to slower progress billing as a result of most of its major projects being at the tail-end of their project life-cycle coinciding with newer projects that had yet to commence significant contributions. Furthermore, there were noticeably less new construction awards in 2008-09 resulting from record-high building material costs of 2008 and the financial crisis that followed. Working on legacy projects hit by the galloping material prices of 2008 also impacted margins significantly. Consequently, the Division's profit before tax saw a corresponding decline to RM30.89 million from RM40.33 million in the previous year.

The Group's Property Division registered an improved performance as it chalked up record revenue of RM1,175.64 million compared to RM985.95 million in the previous year due to a resurgence in property sales in the second half of 2009 and early 2010. As a result, profit before tax improved to RM171.90 million from RM125.48 million a year ago.

After recording six years of continuous topline growth, revenue for the Industry Division decreased to RM882.85 million from RM1,069.05 million last year due to lower market demand for ready-mixed concrete and aggregates in Malaysia and India. Profit before tax, however, increased marginally to RM174.38 million from RM170.99 million a year ago from better product mix.

The Group's Plantation Division's results continued to perform in line with the decrease in CPO price, registering revenue of RM441.82 million compared with RM541.56 million last year and profit before tax of RM111.69 million compared with RM160.45 million in the previous year.

KTM Workshop and Depot in Batu Gajah

Turnover of the Group's Infrastructure Division continued to improve from higher revenue collection from existing toll and port operations and the commencement of 3 highway concessions and a power plant operation in India. The Division's revenue increased 54% to RM538.91 million compared with RM349.63 million the previous year. Profit before tax for the Division saw a marked increase to RM95.88 million from RM26.49 million, mainly as a result of forex translation gains amounting to RM57 million in respect of offshore USD denominated borrowings.

Our *CEO's Review of Operations*, covered on pages 58 to 83, provides a more in-depth assessment of the Group's divisional performance for FY2010.

BUSINESS OUTLOOK AND OPERATIONAL STRATEGIES FOR FY2011

Going forward, considerable uncertainties remain due to the ongoing sovereign debt problems in Europe, diminishing support from government stimulus measures and asset price build-ups in emerging economies. Despite these problems and the potential destabilising effects on financial markets, the consensus assessment is that it would not have a damaging effect on emerging market economies. The Malaysian economy in 2010 is expected to be well supported by continued expansion in domestic demand from private consumption as well as sustained public sector spending, relatively low consumer inflation and a sound banking environment with ample liquidity still available.

Housing facilities at the plantations

The Group's operations possess core competencies and track record to yield cross-divisional strategic and operational synergies. Barring unexpected events, the Construction Division's performance is expected to improve as low margin legacy projects are completed and order book replenishment prospects remain encouraging. The Property Division's healthy level of unrecognised turnover is expected to underpin better results in the coming year whereas the Industry Division is expected to continue to perform well from its sizeable order book and healthy plant utilisation. The Plantation Division's results are expected to correspond to CPO price in the short term whilst the maturing of its planted acreage should continue to provide production growth. The Infrastructure Division is expected to continue to provide steady revenue streams from its Malaysian toll and port operations but initial expensing of its finance costs and amortisation of new toll concessions in India are expected to impact its results. The Group, nonetheless, remains vigilant in its outlook for FY2011 in view of prevalent global uncertainties.

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

DIVIDENDS & BONUS ISSUE

For the financial year ended 31 March 2010, the Company declared an interim dividend of 11 sen per share less tax of 25% payable on 24 August 2010 to shareholders on the register on 30 July 2010.

On 26 May 2009, the Company proposed a bonus issue of 2 shares for every 5 existing IJM shares owned, which was subsequently approved by shareholders at an Extraordinary General Meeting held on 25 August 2009. Shareholders of IJM shares on 1 October 2009 were entitled to the Bonus Issue. Having obtained approval for listing and quotation by Bursa Securities on 7 September 2009, a total of 377,420,983 Bonus Shares were listed and quoted on the Main Market of Bursa Securities on 2 October 2009.

Piles used at the Penang Second Bridge

Bayu Sri Bintang in Klang Valley

CORPORATE PROPOSALS

On 9 July 2009, the Company proposed a renounceable rights issue of up to 134,931,940 IJM Warrants at an issue price to be determined later on the basis of one (1) new IJM Warrant for every ten (10) existing Shares held in IJM after the proposed bonus issue mentioned above. The shareholders approved the Proposed Rights Issue of Warrants at an Extraordinary General Meeting held on 25 August 2009. The issue was oversubscribed by 186,424,124 warrants or approximately 141% over the total number of warrants available for subscription. A total of 132,097,381 new IJM Warrants were issued at an issue price of RM0.25 per warrant and they were subsequently listed on the Main Market of Bursa Securities on 28 October 2009.

The fund of RM33.02 million raised from this corporate exercise was fully utilised during the financial year to fulfill capital subscription entitlements and obligations as well as for working capital and general funding requirements of the Group.

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.

Our *Corporate Governance Statement* can be found on pages 84 to 93.

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by relevant regulatory bodies in 2009/10.

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 25 August 2009.

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.

Zallaq Bridge in Bahrain, Middle East

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 the wellbeing at the workplace through increased awareness, accountability and continual training of employees and contractors towards the conduct of all activities in an ethical, environmentally responsible, safe and healthy manner.

More information on the Group's extensive Corporate Responsibility activities is provided on pages 116 to 129.

ACKNOWLEDGEMENT

The Board and I would like to record our sincere appreciation and gratitude to Mr Soo Heng Chin, who retired as Senior General Manager and Executive Director of the Company on 30 January 2010 and Y. Bhg. Dato' (Dr) Megat Abdul Rahman Bin Megat Ahmad, Non-Executive Director and a representative of Zelan Berhad who retired on 25 August 2009, for their invaluable services to the Group.

On behalf of the Board, I would like to thank the Directors, management and all employees of the Group for their dedication, resourcefulness, commitment and contribution to the Group over what has been a challenging few years. 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.

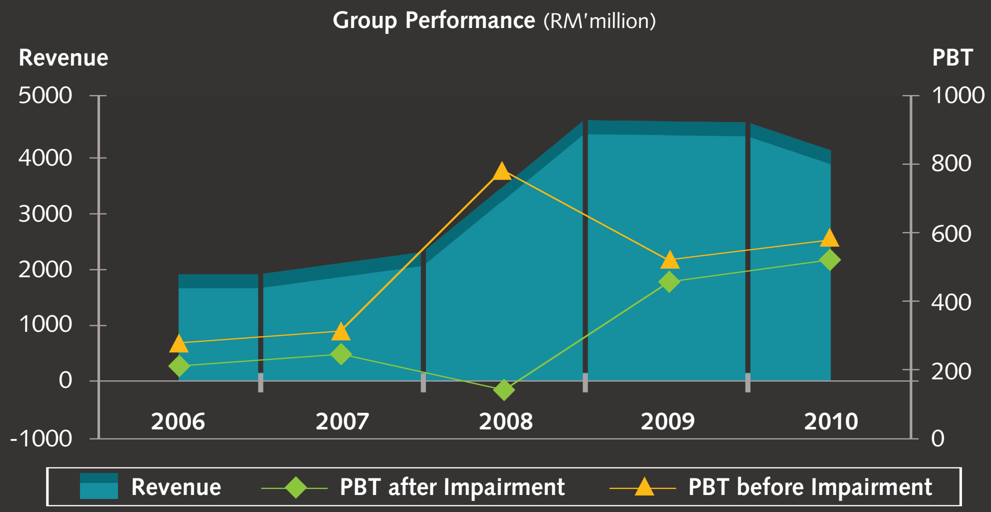
Tan Sri Dato' Ir (Dr) Wan Abdul Rahman bin Wan Yaacob
Chairman

Dato' Tan Boon Seng @ Krishnan
CEO & Managing Director

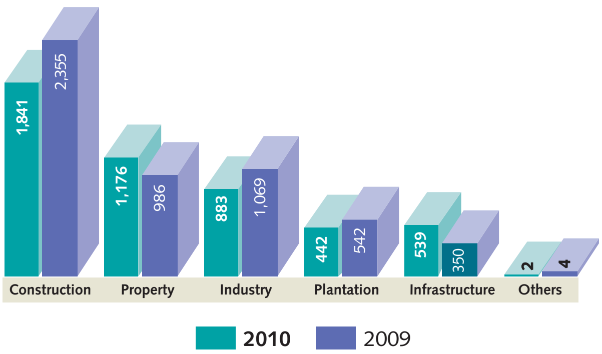
CEO's REVIEW OF OPERATIONS

OVERVIEW

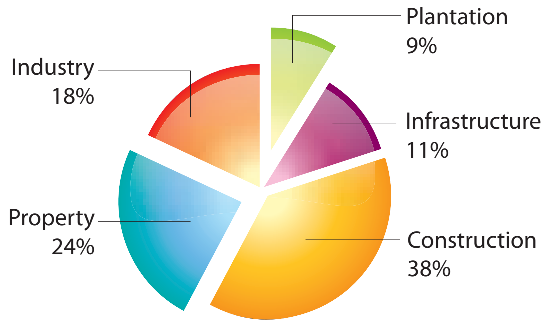
AMIDST A CHALLENGING GLOBAL ENVIRONMENT PRECIPITATED BY THE GLOBAL FINANCIAL CRISIS, THE IJM GROUP HAS DONE REASONABLY WELL. FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010 ("FY 2010"), THE GROUP RECORDED A 13% DECLINE IN TURNOVER TO RM4,013.53 MILLION. IN CONTRAST TO THE MIXED PERFORMANCE IN TERMS OF REVENUES, THE GROUP RECORDED A PROFIT BEFORE TAX ("PBT") OF RM578.02 MILLION FOR THE FINANCIAL YEAR UNDER REVIEW, AN INCREASE OF 9% OVER THE PRIOR YEAR.



Group Revenue by Division* (RM'million)

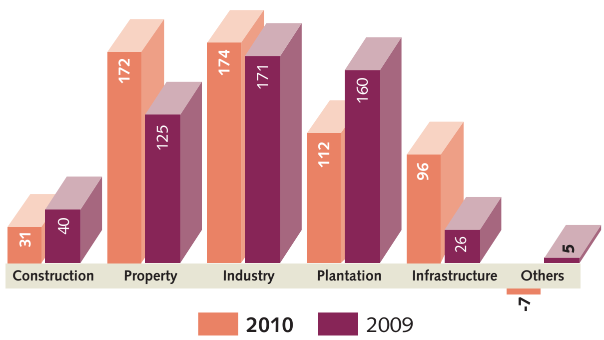


Group Revenue by Division* (Proportion %)

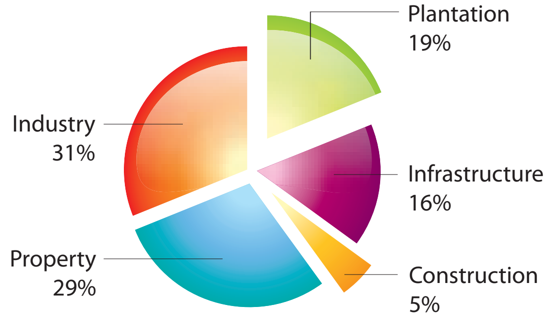


**includes share of associate and joint venture's revenue*

Group PBT by Division (RM'million)



Group PBT by Division (Proportion %)



Details of the divisional performances are provided in their respective sections in the following pages. As the results show, the diversified earnings base of the Group had mitigated the risk of reliance on the construction industry and business in Malaysia alone during this difficult period.

Diversified Business and Markets of the Group

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

To effectively meet the challenges of credit availability and high debt costs so often encountered during periods of global financial turmoil and economic uncertainty, the Group pro-actively carried out several fund raising exercises. In October 2009, IJM completed a renounceable rights issue on the basis of one (1) new warrant for every ten (10) existing shares held in conjunction with a bonus issue of two (2) new shares for every five (5) existing IJM shares. The warrant issue was oversubscribed by 141% and a total of 132,097,381 new warrants were issued. The warrants can be exercised to ordinary shares with the payment of RM4.00 per share and potentially raise RM528 million when fully converted.

IJM Plantations Berhad ("IJMP"), our plantation subsidiary also completed its rights issue on the basis of two (2) new IJMP shares with one (1) free warrant for every eight (8) existing shares held in IJMP in November 2009 to finance its plantation expansion activities in Indonesia. A total of 160,268,583 new IJMP shares together with 80,134,149 warrants were listed and quoted on the Main Market of Bursa Securities. The exercise raised approximately RM336 million.

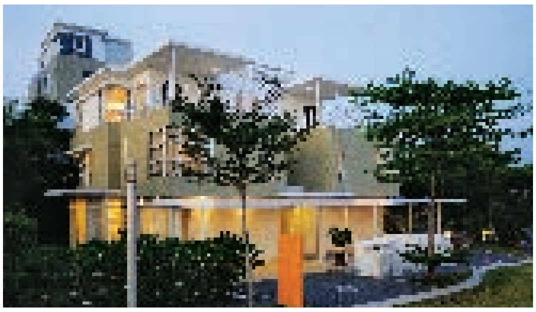
In addition, to provide funding flexibility, IJM refinanced its existing borrowings and fulfilled its capital subscription entitlements and obligations during the period by establishing a RM1.0 billion commercial papers and/or medium term notes ("CP/MTN") programme to lock in medium-term funding at fixed rates with flexibility for future CP/MTN issuances.

The Group continued to garner notable awards during the financial year, giving credence to IJM's 'Mark of Excellence' commitment. These awards included the Malaysian Construction Industry Excellence - Contractor of the Year Award as well as the International Achievement Award 2009. For the sixth consecutive year, IJM retained the NACRA Industry Excellence Award in the Construction and Infrastructure category. In recognition of IJM's efforts toward corporate governance, IJM was presented with the Malaysian Corporate Governance Index (Merit Award) in 2009. These awards altogether are a testament to the dedication and commitment of the Group towards performance excellence.

I would also like to take this opportunity to convey our heartfelt thanks to two dear friends who retired from the Board during the financial year. Mr. Soo Heng Chin, Senior General Manager & Executive Director, was a long serving IJM employee for 31 years and played a significant role in the growth and success of the Construction Division of the Group before his retirement on 30 January 2010. Y. Bhg. Dato' (Dr) Megat Abdul Rahman Bin Megat Ahmad who was appointed a Non-Executive Director in 2005 and a representative of Zelan Berhad retired on 25 August 2009. On behalf of the Board, management and staff, we thank them for their invaluable services and contributions and wish them both the very best.

Despite the challenging business environment, I believe that the Group, backed by strong fundamentals, strategic foresight and emphatic commitment for quality, product and service excellence and passion for performance, is well poised to deliver continued growth and sustainable profitability. We have weathered the turbulent times of the past year, I am confident in my belief that this is the turning of the tide for the Group for a better tomorrow.

Attorney General Office in Putrajaya



Laman Granview in Puchong, Selangor

Quarry in Kuang, Selangor

IJMP Excellent Challenger 1 Estate, Sabah

Kuantan Port, Pahang

Construction

It was a challenging year for the Construction Division as repercussions of the global economic crisis negatively impacted earnings from current projects, slowed down the progress of on-going projects, and delayed the roll-out of new projects. However a more stable outlook has emerged and this indicates a promising year ahead for profit margin recovery.

KTM Workshop and Depot in Batu Gajah

Construction Management Team:

left to right

top:
- Dato' Goh Chye Koon
- Soo Heng Chin
- Tan Gim Foo
- Soo Sik Sang
- Tong Wai Yong
- Pook Fong Fee

middle:
- James Wong Tet Foh
- Ong Teng Cheng
- Azhar Bin Kaulan
- Liew Hau Seng
- Yong Juen Wah
- Pankaj Agarwal

bottom:
- Tan Kiam Choon
- Kok Fook Yu
- Lee Foh Ching
- Quah Beng Teong
- Wan Chee Leong

The Domestic Construction sector continued to register a positive growth of 5.7% in 2009 (2008: 2.1%) despite the overall Malaysian economy contracting by 1.7% reflecting the effect of stimulus spending. The performance in the civil engineering and non-residential sub-sectors remained robust driven primarily by Government spending to upgrade existing infrastructures and public buildings. In the residential sub-sector, the performance was relatively mixed, as job orders were affected by the lower demand for properties and uncertainties about the domestic economic outlook in the first half of 2009.

For the financial year ended 31 March 2010, the Construction Division recorded a revenue of RM1,841.22 million (FY 2009: RM2,355.26 million) and a pre-tax profit of RM30.89 million (FY 2009: RM40.33 million). The decline in revenue and pre-tax profit were largely attributable to overseas operations, particularly in India and Middle East. The drop in revenue mainly resulted from the suspension of works of some projects and lower business activities due to the unfavourable market conditions. Continued working of legacy projects hit by the galloping material prices of 2008, significantly reduced margin contributions. In addition, the financial crisis had led to higher financing cost incurred for the construction projects and resulted in the further shrinking of profit margins for certain contracts. Locally, the slow or delayed rollout of major public projects by the Government and the more competitive bidding environment in the private sector also contributed to the challenging environment for the Division.

Fortune Executive Office Block in Middle East

Despite this difficult environment, the Division is expected to improve its performance, underpinned by stronger domestic demand in the residential sub-sector and implementation of major public projects by the Government. In addition, the gradual recovery in the global economy and stabilization of building materials cost and borrowing cost will further boost the construction activities. Given the stable outlook for the industry in the coming year, the Division had aggressively tendered for new jobs locally and overseas to enhance its order book. Moving forward, with the execution of the remaining and new orders, the Division is hopeful of delivering a better performance and achieving profit margin recovery.

During the financial year, the Division has successfully completed several projects. These include the office block for the Attorney General Office in Putrajaya, the 'Goldis Tower', Airside and Landside Infrastructure project at the Sultan Ismail International Airport in Johor Bahru, Shop 28 in Penang, KTM Workshop and Depot in Batu Gajah, and the Cutting and Assembly Workshop in Pasir Gudang. In India, the Division completed the Trichy-Tindivanam toll road in Tamil Nadu, the widening to 4-lane for the Jaipur Mahua Section of NH-11 in Rajasthan, DMRC Amel C-2 for the viaducts and Dhaula Kuan Station of the Airport Metro Express and the Delhi Metro BC 8 Section for the 4.50Km elevated viaduct and five elevated stations on Shahdara-Dilshad Garden Corridor. In the Middle East, the office block named Fortune Executive was also completed.

The Division continues to see success in order book enhancement. In Malaysia, among the major projects secured during the financial year included the Sg. Besi Highway Extension (RM600.00 million) and the Pahang Selangor Raw Water Transfer Project through a joint venture (RM262.80 million). In the Middle East, the Division secured the RC & super structure works for Al Reem Island, Zone E2 Hotel Development through a

Goldis Tower, Kuala Lumpur

Trichy-Tindivanam Toll Road in Tamil Nadu, India

DMRC Amel C-2 for Viaducts and Dhaula Kuan Station of the Airport Metro Express, India joint venture (RM212.00 million). In India, the Division secured the four laning of Pune Solapur Section of NH-9 in Maharashtra (RM327.00 million). As at FY 2010, the Division's outstanding construction order book stands at RM3,638.00 million.

Recognised as the 'Contractor of the Year 2009' was a notable achievement for the Division. The Division continues to deliver high value products and services to the market place. To preserve its competitiveness, the Division continuously reviews its operating policies and practices to ensure their relevance and effectiveness in meeting the objectives. The Division continues to emphasize on the importance of human capital development by providing adequate training on skill sets and competencies in order to achieve higher productivity and efficiency. Similarly, the Division continues to adopt the best practices in Safety and Health whilst maintaining the quality and timely delivery of its products and services.

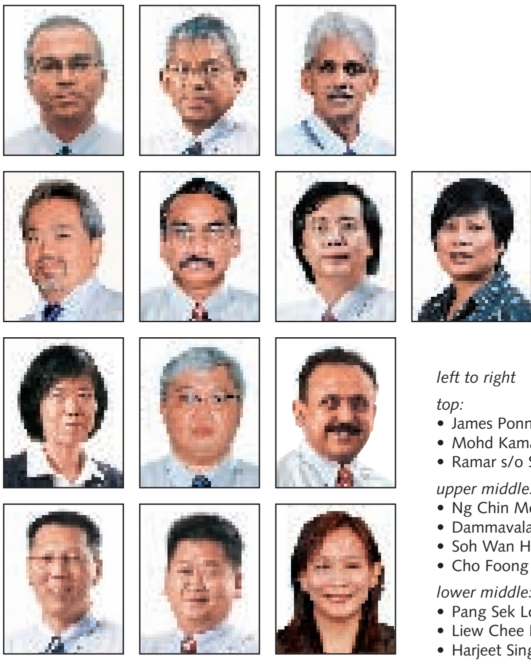
To ensure the sustainability of its business, the Division has established risk management policies and procedures which are reviewed regularly to address all risks and enhance their control measures and responses in time of crisis. Reflecting on the higher operating risk environment in the overseas market, the Division has placed greater efforts in strengthening the internal control system of its overseas operations and to continuously monitor and improve on the management and execution of all its projects.

The Division is well aware that any significant improvement in its profit performance will have a significant impact on Group results.

Municipal Corporation of Delhi Building, New Delhi, India

Sky Lounge, Goldis Tower, Kuala Lumpur

Construction Support Services:



left to right

top:
- James Ponniah Joseph
- Mohd Kamal Bin Harun
- Ramar s/o Subramaniam

upper middle:
- Ng Chin Meng
- Dammavalam Sreenivasa Rao
- Soh Wan Heng
- Cho Foong Khuan

lower middle:
- Pang Sek Loh
- Liew Chee Khong
- Harjeet Singh

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

Property

In the period under review, the Property Division achieved record sales of over RM1 billion. This was largely the result of the successful launches of several new projects in Penang and the Klang Valley, combined with a well marketed 'My Space Plan' nationwide sales campaign that spurred interest and demand for existing and new projects.

Ampersand @ Kia Peng, Kuala Lumpur

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
- Bahrin Bin Baharudin
- Patrick Oye Kheng Hoon
- Tham Huen Cheong

bottom:
- Toh Chin Leong
- Lee Kok Hoo
- Chong Ching Foong
- Manjit Singh

For the financial year ended 31 March 2010, the Property Division posted a record revenue of RM1,175.64 million (FY 2009: RM985.95 million) and a pre-tax profit of RM171.90 million (FY 2009: RM125.48 million). This represents an increase of 19% in terms of revenue and 37% in terms of pre-tax profit compared to the previous year.

Following the sharp decline in sales up to the first quarter of 2009 as purchasers adopted a 'wait and see' attitude on a potentially negative outlook for the economy, major developers in partnership with the banks introduced attractive financing packages to stimulate sales. Combined with Bank Negara Malaysia's easing of its monetary policy by reducing both the Overnight Policy Rate ("OPR") and the Statutory Reserve Requirement, the mortgage rates especially for residential properties, became extremely affordable enough to attract buyers.

On 1 April 2009, the Division launched its nationwide sales campaign known as 'My Space Plan', specially tailoring an incentive package for each and every product to suit the needs of potential purchasers. In conjunction with the start of the 'My Space Plan' campaign, the Division soft launched the Summer Place, a seafront condominium project in Penang which received overwhelming responses. Purchasers started to queue in front of the sales gallery the night before the launch. This signaled the beginning of a revival in demand for our properties, culminating in the Division's sales exceeding the RM1 billion milestone for the first time.

Riana Green East, Wangsa Maju, Kuala Lumpur

Generally, strong demand was well spread across all regions where the Division has operations, including the first two phases of the prestigious The Light waterfront development in Penang named the Light Linear and Light Point condominiums, Bayu Segar and Bayu Sri Bintang (exclusive semi-detached and bungalow enclaves) in Klang Valley, Bukit Manda'rina (a mixed residential development) in Cheras, Riana Green East (a condominium project) in Wangsa Maju, Laman Baiduri (a lake facing condominium) in Subang Jaya and Serenia Gardens (a landed housing project) in Ulu Klang, Selangor.

The Division's new residential development within the Iskandar Development Region named Nusa Duta and the other Johor Bahru condominium projects, namely Lagenda Tasek and Suriamas Suites and on-going township developments such as Seremban 2 in Negeri Sembilan, Shah Alam 2 in Puncak Alam, Selangor and Bandar Utama in Sandakan, Sabah also recorded strong sales.

The Division's investment property, Aeon Bandaraya Melaka shopping mall, which opened for business on 5 February 2010, received overwhelming response from the shoppers. A new commercial development comprising shop offices adjacent to the said shopping mall enjoyed a similar strong response and take up rate.

The Division's FY 2010 revenue and profit contributions came primarily from Penang's Summer Place and Platino condominiums, Klang Valley's PJ8 service and office suites project, Ampersand @ Kia Peng, Bayu Segar and Bayu Sri Bintang and from its townships in Shah Alam 2, Seremban 2 and Bandar Utama. In addition, the Division continued to derive construction billings from its commercial cum shopping centre project in SS2, Petaling Jaya and also recorded a gain of approximately RM10 million arising from the disposal of a subsidiary, Kami Builders Sdn Bhd.

In 2010, in tandem with the recovery of the Malaysian economy, Bank Negara Malaysia has progressively increased the OPR by 50 basis points in an effort to normalise monetary conditions to prevent the build-up of financial imbalances that would be detrimental to the long-term sustainable growth of the economy. The overall stance of the monetary policy, however, remains supportive of economic growth. Despite the upward revision, mortgage rates remain near historic lows.

Bayu Sri Bintang in Klang Valley

Monte Bayu in Cheras, Kuala Lumpur

Metavilla homes at Seremban 2 Township, Negeri Sembilan

AEON Bandaraya Melaka Shopping Mall

Whilst sentiments remain positive, the Division will continue to launch new phases within The Light development in Penang, its townships in Seremban, Shah Alam 2 in Selangor, Bandar Utama in Sandakan, Sabah and Nusa Duta in Johor Bahru, and various niche developments around Klang Valley. In addition, the Division will be unveiling a new condominium project in Kota Kinabalu, Sabah.

On the regional front, the Division has recently entered into an agreement to acquire a 70% equity stake in a company which is undertaking a development (jointly with Thai Duong Company-Sunco, a state owned company incorporated in Vietnam) comprising high-rise residential apartments and a retail and commercial component on 2.85 hectares of land in Nhon Trach City Center, Dong Nai Province in Vietnam with gross development value estimated at USD150 million.

In India, market sentiments in Andhra Pradesh especially in Hyderabad where the Division has property projects did not improve unlike other cities such as Mumbai and Delhi. The sudden demise of the State Chief Minister Y.S. Rajashekhara Reddy in September 2009 and the agitation for a separate Telengana state in November 2009 brought about disturbance and investment uncertainties in the State. Consequently, the real estate sector in Hyderabad nosedived forcing most developers to either to put off construction or slowdown. Amidst the separation issue, the Division foresees potential opportunities to supply dwelling units in the Vijayawada-Guntur area as a potential new capital in Andhra State could spur demand.

The Property Division's strategically located land banks and extensive product mix will continue to propel property sales. Coupled with the committed sales on hand, the outlook for the Division in the forthcoming financial year is expected to be positive.

Platino Grand Tower Show Unit, Penang

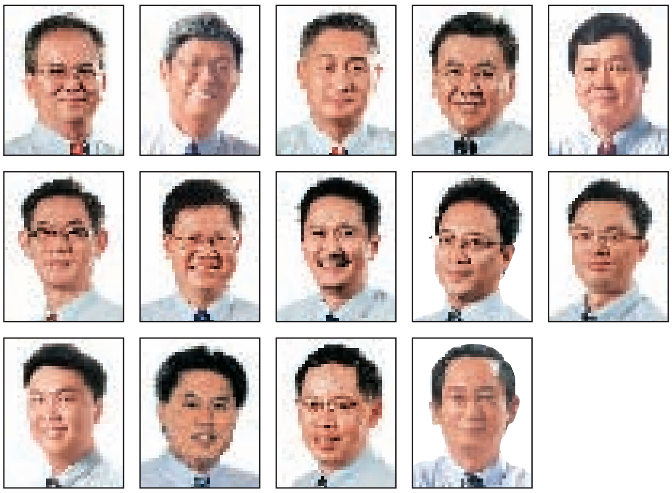
Serenia Garden Phase 1A in Ulu Klang, Selangor

Industry

The Industry Division continued to deliver improved profits despite a 17% decrease in turnover mainly due to the robust performance of its core PSC businesses. Lowered production cost, strong order book balance and a better product mix were the key drivers of growth in this sector.

ICP Piles used at the International Cruise Terminal, Singapore

Industry Management Team:



left to right

top:
- Khor Kiem Teoh
- Lee Hock Aun
- Leong Yew Kuen
- Tan Boon Leng
- Pang Chwee Hoon

middle:
- Ooi Ka Tong
- Leong Siew Wah
- Tan Khuan Beng
- Faizal Amir B Mohd Zain
- Choy Teik San

bottom:
- Wong Siew Meng
- Leong Chee Hong
- Chan Kok Keong
- Low Hong Imm

For FY 2010, the Industry Division recorded an improved pre-tax profit of RM174.38 million, about 2% higher than previous year's achievement of RM170.99 million. The performance was commendable as it was achieved amid a challenging environment caused by the global financial crisis and on the back of a lower turnover which fell by 17.0% to RM882.85 million.

The Division's core business, the manufacturing and sales of PSC piles continued to perform strongly during the financial year. Operating profits increased by 9% to RM119.70 million. This was achieved despite lower revenues and delivery tonnage but was made possible due to the strong order book balance and better product mix. In addition, the Division was able to contain its costs through effective production planning and sound procurement management.

During the financial year, supplies to a number of Government and private initiated projects such as the F&N Factory at West Port, Oil & Gas Maritime Industries Park at Tanjung Agas in Pekan, Universiti Malaysia in Pahang, Lynas Rare Earth Plant at Gebeng in Pahang, South Klang Valley Expressway, Kuala Lumpur-Kuala Selangor Expressway, Lebuhraya Kemuning-Shah Alam and the Tanjung Langsat Oil Terminal, Johor were secured. Two major orders secured in the previous financial year but delivered during the financial year were for the Penang Second Bridge and the North Butterworth Container Terminal (Phase III). The Division expects the Government to roll out more projects under the Tenth Malaysian Plan ("10MP") during the second half of 2010. The Division is confident of securing substantial orders from the 10MP.

The Division's export sales to Singapore fell substantially to 8% of its total delivery during the financial year due to reduced projects as a result of the financial crisis. However, the Division managed to secure supplies to two major projects there, namely the International Cruise Terminal and the Beautification and Infrastructure Upgrading Development Works in Marina South. With the revival of the economy in Singapore, the Division foresees better export sales in the coming financial year.

Quarry in Kuang, Selangor

ICP piles used at CCC4 Shipyard Jetty, Xinhui, China

It was a remarkable year for ICP Jiangmen. PBT went up by 95% from previous year to RM7 million despite a drop in revenue by 4%. The China plant's successful supply to the Saigon International Container Terminal project in Vung Tau, Vietnam coupled with lower production cost and finance charges were the main reasons for improved performance. Major projects supplied by the plant were Shenzhen Airport Passenger Jetty, Guangzhou Port Group's Grain Terminal Port at Nansha, Shanshui Hengyi Power Plant Coal Handling Jetty in Foshan and Nansha Cruise Terminal Breakwater Structure's Foundation Work. With the continued growth in China's economy, the outlook of the China operations remains positive in the coming financial year where it expects to secure more marine projects in the Pearl Delta Region as major port developments are expected to accelerate in and around the Zhuhai area.

Durabon Sdn Bhd ("DSB") achieved a revenue of RM94.4 million and PBT of RM13.87 million respectively, a decrease of 36% and 6% respectively compared to the previous financial year. Lower revenue was attributable to the decreases in sales volume and selling prices. Despite that, operational margins increased from 10% to 15%. A new production line with advanced high-frequency heat treatment technology was completed at the Klang Works. DSB commenced commercial production of large sized 12.6mm PC bars in April 2009. The supply of large PC bars was timely for use in mega projects such the Penang Second Bridge and International Cruise Terminal at Marina South, Singapore.

Expedient Resources Sdn Bhd ("ERSB"), a predominantly export-oriented subsidiary, was hard hit by the global economic slowdown. Soaring costs of rubber and rubber processing oil, coupled with weakened USD and Euro currencies put intense pressure on the profit margins. Consequently, revenue declined by 24% to RM16.1 million and PBT by 97% to RM0.02 million from last year. Moving forward, ERSB will continue to institute stringent cost control measures and focus on specialty products targeted at niche markets to avoid direct competition with Chinese manufacturers and PU foam underlays.

After registering strong growth in the last two financial years, turnover in the quarry sector declined by 17% to RM92.65 million. The Johore quarries were mostly affected by the commencement of two new competitors causing sales to deteriorate by 29% while in Kuang, Selangor, sales declined by 22% due to shorter operating hours imposed by the Forestry Department. Nevertheless, the Kuantan and Junjung quarries managed to buck the downtrend with better revenues by 18% and 56% respectively as construction activities in Kuantan remained robust with projects such as the widening of Jalan Pekan and building of University Pahang Malaysia while in Junjung, the unit managed to garner improved market share since commencement of operations in June 2008. In tandem with lower sales, pre-tax profits dropped by 18% to RM25.40 million. The Division hopes to achieve better results next year as the economy recovers. Meanwhile, it is actively pursuing for quarries in East Malaysia, the East Coast of Peninsula Malaysia and India for business expansion.

PC Bars at Durabon's Factory

Piles Stockyard at ICP Jiangmen, China

Turnover for Strong Mixed Concrete Sdn Bhd ("SMC") declined by 12% to RM47.6 million, attributed to the contraction in volume by 30% but was slightly negated by higher selling prices due to the change in product mix to the higher grades. The ready mixed sector was hinging on pump priming efforts by the Government to boost the domestic economy and was affected by the slow rollout of mega projects. In addition, the property market was sluggish in the first half of 2009 as most developers had put on hold some of their projects as they anticipated buyers to be more cautious after the global credit crunch. Despite the tough market conditions, SMC posted a pre-tax profit of RM1.04 million as compared to RM2.3 million a year earlier.

Batching plant in Bachupally, India

Scaffoldings used at TLDM, West Port

In India, the ready-mixed concrete revenue contracted by 24% to RM79.9 million following the global financial crisis. The economic situation further aggravated with the political instability in Andhra Pradesh which affected foreign direct investments. The Division has six ready-mixed concrete plants - two each in Hyderabad and Bangalore and one each in Chennai and Navi Mumbai. The Division's diligence and tenacity coupled with cost control measures and tightened credit policies helped it to avoid losses by achieving a pre-tax profit of RM1.94 million which was 62% lower than prior year. The operations are expected to perform better next year with the Indian construction industry expected to grow faster at 9.5% compared to the country's GDP growth of 7% in 2010.

It has been a difficult year for the ready mixed concrete operations in Islamabad as the global financial crisis had affected its core customers. In addition, the instability in the northern part of Pakistan nearly crippled the construction activities. Consequently, sales plunged by 80% to RM4.27 million resulting in pre-tax losses of RM0.94 million. Nevertheless, efforts made by the Pakistan army have improved the security in the city and projects have begun to trickle in. Meanwhile, the Karachi plant which commenced operations in November 2008, registered a commendable growth as turnover rose by 5 times to RM11.72 million due to improved market share and brand name recognition by local contractors. Its prudent purchasing strategy by hedging major raw material prices helped it to achieve pre-tax profits of RM1.58 million. To maintain its market share, the unit continues to provide quality concrete products to its customers.

Under difficult economic conditions in India with many large property projects slowing down or put on hold, the steel wire mesh business registered a revenue of RM4.57 million and loss of RM1.59 million. With the product still relatively new in India, the business unit has intensified its marketing efforts to publicise its usage. Presently, the construction segment is facing acute shortage of skilled workers, therefore pushing the construction fraternity to look into new technologies to overcome the problem. The market has started showing signs of product acceptance with the successful procurement by a new project, Client Value Budget & Housing Corporation in Bangalore for around 15,000 MT. The overall market is reviving slowly and the clients have started to appreciate the benefits of this product such as savings in time and labour cost.

The scaffolding rental business under Scaffold Master Sdn Bhd registered a drop of 8% in turnover to RM9.31 million on lower rental rates and demand. In tandem, pre-tax profit fell 5% to RM3.83 million. Meanwhile, the sales team is aggressively targeting markets outside the Klang Valley where pump priming activities are more prominent. The unit had extended its rental business to include heavy duty shoring, modular system scaffolding edge posts, perimeter fencing and safety nets. With new products coupled with aggressive marketing in untapped markets, the unit is hopeful that this sector would improve in the coming year.

Kemena Industries Sdn Bhd ("KISB"), a 55% subsidiary, producing ready-mixed concrete and precast reinforced concrete products in Bintulu, Sarawak recorded an increased turnover by 37% to RM27.16 million on the back of higher sales of ready-mixed concrete, U-drain for the Sungai Plan project, Tanjung Batu/Kidurong Road project and contract revenue from oil and gas projects. In tandem with that, pre-tax profit increased by 43% to RM3.60 million from last year. Meanwhile, Spirolite (M) Sdn Bhd, a 38% associate manufacturing pipes, tubes, tanks and containers, contributed a turnover of RM8.11 million and a pre-tax profit of RM0.48 million.

Overall, the Industry Division performed above expectations in an extremely difficult business environment. Whilst the order book remains strong, competitive pressures are rising. A strong emphasis on widening addressable markets while maintaining process excellence will augur well for the continued good performance of the division.

Plantation

Weathering tough conditions the division nevertheless continued to commit to excellence in Nurturing Sustainability, and delivered a commendable performance. Though CPO prices decreased by 15%, a record FFB harvest of 604,663 tonnes helped to mitigate the decline in profits.

New planting with leguminous cover crop

Plantation Management Team:

left to right

top:
- Joseph Tek Choon Yee
- Puru Kumaran
- Velayuthan s/o Tan Kim Song
- Ng Chung Yin

bottom:
- Madusoodanan
- S Kugarajah
- Francis Chai Min Fah
- P K Venugopal

The age profile of the plantations is as follows:

		Hectares	%
Sabah			
Mature	(> 20 years)	705	2
Mature	- Prime (8 - 20 years)	17,380	57
	- Young (4 - 7 years)	5,505	18
Immature	(1 - 3 years)	1,633	6
Indonesia			
Immature	(1 - 3 years)	5,306	17

The Plantation Division faced yet another challenging year which was largely due to the spillover effects of the weakened global economies and its impact on Malaysian exports. Despite the tough economic conditions, the Division delivered positive results with registered revenue of RM441.82 million and pre-tax profits of RM111.69 million for the financial year ended 31 March 2010 which was lower by 18% and 30% respectively from the preceding year.

After going through a volatile and low commodity price environment, prices recovered in the second half of the year. As a result, the Division achieved an average crude palm oil ("CPO") selling price of RM2,246 per tonne, a decline by 15% from the previous year.

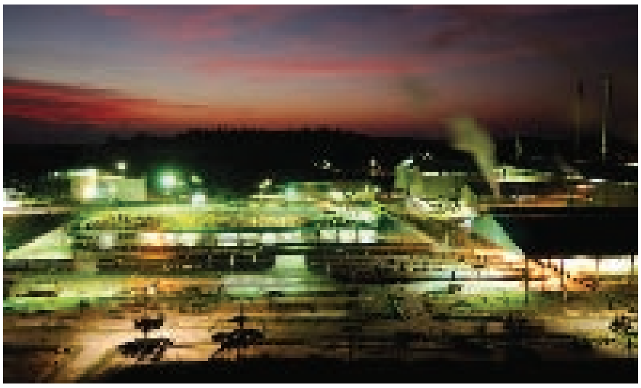
During the financial year, the oil palm trees in the age group exceeding 14 years suffered cyclical stress which resulted in lower fresh fruit bunches ("FFB") production by 14% from the previous year. Despite this, FFB harvested by the Division reached another record volume of 604,663 tonnes from 600,205 tonnes in FY 2009 as the shortfall was compensated by more crop production from the larger areas of prime age in Sugut. Total FFB milled by the Division, inclusive of outside fruit purchases, also marginally increased to 756,870 tonnes, an improvement from the preceding year of 750,592 tonnes.

Total planted hectarage in Sabah aggregated 25,223 hectares (FY 2009: 25,247 hectares) of which 94% have attained maturity status. With the commencement of field planting in its expansion project in Indonesia, the planted hectarage in East Kalimantan as at end March 2010 stood at 5,306 hectares (FY 2009: 308 hectares). For the financial year under review, the Sugut region charted 53% out of the overall planted hectarage while 30% was in Sandakan, Sabah and the remaining 17% was in Indonesia.

The Division's four palm oil mills have a total processing capacity of 195 tonnes of FFB per hour whereby two oil mills are located in Sandakan while the other two are based in the Sugut region. CPO production for the year was 163,452 tonnes, a 4% improvement over previous year (FY 2009: 157,376 tonnes) whilst palm kernel ("PK") was lower by 3% to 33,897 tonnes (FY 2009: 35,022 tonnes). Average oil extraction rate achieved was 21.6%, a marginal improvement from 21.0% in the previous year. Palm kernel extraction rate however averaged lower at 4.5% (FY 2009: 4.7%).

The Division crushed 34,201 tonnes (FY 2009: 40,705 tonnes) of kernel producing 15,147 tonnes (FY 2009: 17,721 tonnes) of crude palm kernel oil and 17,092 tonnes (FY 2009: 20,922 tonnes) of palm kernel expellers to achieve extraction rates of 44.2% and 49.9% (FY 2009: 43.5% and 51.4%) respectively. The reduction in throughput volume was due to reduced purchases of outside palm kernels as margin eroded with the decline in commodity prices.

Plantation office in Sandakan



Palm oil mill in Sugut

River transport for despatch of kernels

During the financial year, rising fertiliser, fuel and employment costs continued to put pressure on production costs. In addition, contributions made to the State in the form of Sabah sales tax and palm oil cess paid to Malaysian Palm Oil Board ("MPOB") amounted to RM31.13 million (FY 2009: RM39.34 million). In an effort to contain rising production costs, the Division continued to find ways and means to enhance operational efficiency and productivity. Over the years, cost effective methods such as water conservation and irrigation measures have been adopted in specific sites to improve and sustain high FFB yields.

Availability of skilled workers remains a challenge. The Division continued to carry out training programmes including leadership and team building courses while ensuring structured and intensive supervision. The Division also carried out intensive cadet training programmes for young graduates recruited from Indonesia. The programme is a one-year course involving practical skills and related field training in the Sugut plantations to ensure adequate future resources for the plantation expansion programme in Indonesia.

In line with the Division's key commitment to nurturing sustainability, care for the environment continued to be strongly propagated through sustainable methods used in the production of oil palm. The Division observes good environmental management practices in soil and water conservation, utilisation of waste by-products, integrated pest management, soil conditioning and enrichment as well as zero-burning methods.

The Division continued the process of composting empty fruit bunches ("EFB") with palm oil mill effluent ("POME"). The application of compost to the plantations essentially serves as organic fertilizers that enhanced the soil condition and improving nutrient uptake. This enabled the rationalisation of fertiliser usage and mitigation of high fertiliser cost.

In its continuous strive towards addressing the sustainability issues, the Division embarked on obtaining certification to MPOB's Code of Practices ("CoPs") during the reporting year. At stage one, the Division underwent an audit and obtained certification for four operating units. In the second stage which began towards the end of the financial year, all remaining operating units were audited. The aim is to achieve full and complete certification for the Sabah operations in the current financial year.

Planting activities in its Indonesian expansion project progressed well during the financial year. To date, 5,306 hectares (FY 2009: 308 hectares) have been planted. Another 2,566 hectares have been cleared and ready for planting. Nurseries have been established in three sites in East Kalimantan. The nurseries hold over 2.1 million seedlings and would be available for planting in stages to cover over 12,000 hectares.

There has been no change in the market outlook for the palm based biodiesel market. Government leadership and promises for action continued to be lacking. As a result, the Division provided for impairment of its partially completed biodiesel equipment amounting to RM4.4 million during the financial year.

The Division anticipates another challenging year ahead. Riding on the choppy market environment would no doubt result in tougher operating conditions. In addition to the volatile commodity prices, constraints are expected in the operations due to difficulty in recruiting workers from Indonesia. The El Nino phenomenon threatened to bring drought to Australia and was forecasted to spillover to Indonesia and Malaysia. Early signs of this effect were noted in the months of February and March 2010 when rainfall was exceptionally low. Crop production could have been adversely affected although good rainfall in April 2010 seemed to indicate that the adverse effect could be a mild one. If good rainfall continues, then good crop production can be expected in the second half of 2010.

Industry experts forecast the commodity price of CPO to sustain above RM2,000 per tonne. If this materializes together with good crop production, the Division's performance in the coming financial year is expected to be satisfactory, barring unforeseen circumstances.

Moving forward, the Division will remain vigilant and exercise prudence in managing the business. As in the past, the Division will continue to place emphasis on improving operational efficiencies and maximising labour productivity. Intense and greater focus would be placed on the expansion programme in Indonesia as larger areas are planted and initial works for establishment of a palm oil mill commence.

Plantation Statistics

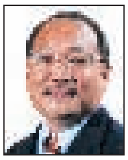
	Unit	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
ESTATES						
Oil Palm Area						
Sabah, Malaysia						
Mature (> 20 years)	hectare	705	900	–	–	–
Mature-Prime (8-20 years)	hectare	17,380	14,447	15,600	11,877	9,410
Mature-Young (4-7 years)	hectare	5,505	7,764	7,040	10,673	10,946
Immature (1-3 years)	hectare	1,633	2,136	2,653	2,871	4,251
Kalimantan, Indonesia						
Immature (1-3 years)	hectare	5,306	308	–	–	–
Total Planted Area	hectare	**30,529**	**25,555**	**25,293**	**25,421**	**24,607**
FFB Production	tonne	604,663	600,205	567,324	504,871	451,677
Yield Per Mature Hectare	tonne	25.6	26.0	25.1	22.4	22.2
MILLS						
FFB Processed	tonne	756,870	750,592	724,361	669,050	622,625
Palm Kernels Processed	tonne	34,201	40,705	52,954	55,778	56,977
Production						
Crude Palm Oil	tonne	163,452	157,376	154,174	144,095	139,313
Palm Kernel	tonne	33,897	35,022	34,269	30,277	28,775
Crude Palm Kernel Oil	tonne	15,147	17,721	23,042	24,038	24,438
Palm Kernel Expeller	tonne	17,092	20,922	27,717	29,004	29,628
Extraction Rates						
Crude Palm Oil	%	21.6	21.0	21.3	21.5	22.4
Palm Kernel	%	4.5	4.7	4.7	4.5	4.6
Crude Palm Kernel Oil	%	44.2	43.5	43.5	43.1	42.9
Palm Kernel Expeller	%	49.9	51.4	52.3	52.0	52.0
AVERAGE SELLING PRICES						
Crude Palm Oil	RM/tonne	2,246	2,641	2,544	1,511	1,373
Palm Kernel	RM/tonne	1,116	1,180	1,481	786	941
Crude Palm Kernel Oil	RM/tonne	2,555	3,107	3,251	1,863	2,093
Palm Kernel Expeller	RM/tonne	195	358	381	198	172

Infrastructure

During the period under review, the division made a significant contribution to the Group, mainly due to foreign exchange translation gains. But over and beyond that, the division continued to deliver a steady recurring income stream generated from tolling, port and power operations.

New Pantai Expressway, Kuala Lumpur

Tolls Management Team:

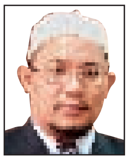




left to right

top:
- Neoh Soon Hiong
- Simon Thiang Choon Hian
- Wan Salwani Binti Wan Yusoff

bottom:
- Hwa Tee Hai
- Chua Lay Hoon

Port Management Team:

left to right

top:
- Ho Phea Keat
- Haji Khasbullah Bin A Kadir

bottom:
- Azah Bin Abdul Aziz
- Azahari Bin Muhammad Yusof

The Infrastructure Division reported an improved turnover by 54% to RM538.91 million (FY 2009: RM349.63 million) mainly due to the coming-on-stream of the Gautami Power Plant and higher collections from operating Malaysian and overseas toll roads and local port concessions. The Division's pre-tax profits rose by 262% to RM95.88 million (FY 2009: RM26.49 million) mainly arising from the recognition of foreign exchange translation gain of approximately RM57 million in respect of its offshore US Dollar-denominated borrowings and higher toll and port contributions. The Division's infrastructure assets presently comprise nine (9) toll concessions (with three (3) in Malaysia, five (5) in India and one (1) in Argentina), two ports - one each in Pahang and Terengganu, a power plant in India and a water treatment plant in Vietnam.

Besraya Highway, Kuala Lumpur

Toll Roads

In Malaysia, the toll road concessions contributed substantial results to the Infrastructure Division. Presently, there are three (3) operating toll roads being two wholly-owned 16.6 Km Besraya Highway ("Besraya") and 19.6 Km New Pantai Expressway ("NPE") and 50%-owned partly completed 43.3 Km Lebuhraya Kajang-Seremban ("LEKAS") holding concession periods of 36, 34 and 33 years and have been operating for 12, 6 and 1 years respectively.

During the financial year, Besraya's turnover dropped by 23% from last year to RM40.57 million. Its pre-tax profit reduced accordingly by 15% to RM24.50 million. The drop was mainly attributable to the abolishment of toll collection at Salak Jaya Toll Plaza in February 2009. NPE however performed better by recording a higher turnover by 22% to RM96.96 million from last year. Its pre-tax profit of RM22.22 million was 6.5 times better than prior year. The improved performance was due to the dynamic growth in traffic volume, lean operating cost and falling debt costs.

The concession agreements of Besraya and NPE provide for the review of toll rates for all classes of vehicles effective 1 January 2009 which was deferred by the Government until present, to ease the public's financial burden during the global economic slowdown. This had resulted in cash compensation to NPE in the prior year and an extension to Besraya dubbed the Besraya Eastern Extension ("BEE") with a further extension of 8 years to the concession period. Construction of BEE commenced during the financial year and upon completion, the total length of Besraya will be 28.9 Km with a new toll plaza at Loke Yew.

In line with the Government's effort to improve public transportation in the country, the Bus Expressway Transit ("BET") lane was implemented at NPE to provide easy access to bus commuters traveling within the Klang Valley. The BET lane is a dedicated lane for buses who ply NPE during peak hours and this move has successfully cut travel times and increased the number of buses using NPE.

LEKAS commenced sectional tolling of two sections, Kajang Selatan-Pajam in August 2008 and Pajam-Mantin in December 2008. On 1 March 2010, it opened the third section, Mantin-Setul. The early sectional openings marked LEKAS's major milestones as they were not scheduled in the original project plan. During the financial year, LEKAS contributed a turnover of RM5.58 million (FY 2009: RM1.63 million) and a pre-tax loss of RM12.83 million (FY 2009: 6.26 million) due to finance cost, highway assets amortisation and low initial traffic volume from an incomplete highway.

There are increasing challenges and competition in the local toll industry from new highway concessions, emergence of toll-free alternative routes, improvements along road networks and the present economic situation, which have affected the traffic volumes. However, the Division is confident of upholding its double-digit local growth and will continue to strive for higher productivity and efficiency to sustain profitability. The acceleration of the construction of BEE is set to take place after finalization of the Supplemental Concession Agreement. In addition, the completion of LEKAS in July 2010 will certainly add on to the Division's future results.

In India, the Division's operating toll roads such as wholly-owned Rewa (387 Km) and 35%-owned Swarna (145 Km) tollways have been operating for six years with improved traffic counts. The additions are 50%-owned Chilkaluripet-Vijayawada (79 Km) tollway which started tolling in May 2009 and the fully-owned Jaipur-Mahua (108 Km) and 50%-owned Trichy (93 Km) tollways which started full tolling in September 2009. Construction work on the Six Laning of Chilkaluripet-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.

Official opening of Setul and Ampangan Interchange, LEKAS on 1 March 2010

Observation deck at LEKAS's Administration Building

Jaipur-Mahua Tollway in Rajasthan, India

Western Access Tollway, Argentina

During the financial year, the Indian tollways contributed revenues of RM98.34 million (FY 2009: RM71.37 million) and pre-tax profits of RM34.25 million (FY 2009: Loss of RM21.38 million). The present profitable position was mainly due to the recognition of foreign exchange translation gain of approximately RM57.00 million in relation to offshore US Dollar-denominated borrowings. Without the gain, the Indian Infrastructure Division would be in a pre-tax loss position of RM22.41 million. It is anticipated that Indian tolling operations which are in their early stages of the concessions, 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 assets with improved toll collections and higher traffic volume.

In Argentina, the Group's 20%-owned Grupo Concesionario del Oeste S.A. ("GCO") which operates a 21-year concession of the Western Access Tollway (56 Km) in Buenos Aires, contributed a higher turnover to the Group by 14% to RM39.55 million from prior year mainly due to revisions in toll rates for light vehicles and rush-hour categories in January 2009 and December 2009 following concession contract renegotiations. However due to the recession in 2009, overall traffic volume declined by 7% to 105.1 million passenger car units. In line with the higher turnover, the Group's share of net loss is smaller during the financial period amounting to RM0.53 million (FY 2009: RM4.02 million). After recording good recovery in traffic and EBITDA levels during the first quarter of 2010, the business outlook for the remaining year is expected to be positive.

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 invaluable human capital and managerial skills coupled with extensive industry knowledge locally and overseas, will ensure that the Toll Division remains relevant and elevates to a higher plane.

Ports

There are two port concessions in the Group's stable of concession assets which contributed positively to its bottom-line. During the financial year, Kuantan Port achieved an improved pre-tax profit by 24% to RM40.97 million (FY 2009: RM33.10 million) on the back of higher turnover of RM112.30 million (FY 2009: RM99.40 million). Cargo throughput recorded was 11.0 million freightweight tonnes ("FWT") (FY 2009: 9.1 million FWT), an increase of 21% from prior year contributed by liquid chemical exports, mineral oil and petroleum imports, iron ore exports and containers following the recovery from the global economic crisis.

The Group's 39% stake in Kemaman Port, Terengganu which operates the East Wharf and Liquid Chemical Berth, performed well by recording a turnover of RM33.80 million (FY 2009: RM29.70 million) with a pre-tax profit of RM8.50 million (FY 2009: RM7.90 million) mainly due to cargo handling and marine services.

During the financial year, the Port Division continued to invest in port facilities that would yield good returns to their bottom line. It also played a more aggressive role to enhance its market share locally and regionally. The Kuantan Port expansion project under the East Coast Economic Region Development Council is still in the early stages of development and upon completion, it is expected to act as a catalyst to spearhead the economic development of the East Coast states.

On the international front, the Port Division is exploring business opportunities in the development, management and operations of ports in the region. The Division anticipates that the global maritime trade will continue to play its role in the years to come and this is expected to augur well for the Port Division as it continues to provide steady contributions to the Group in future years.

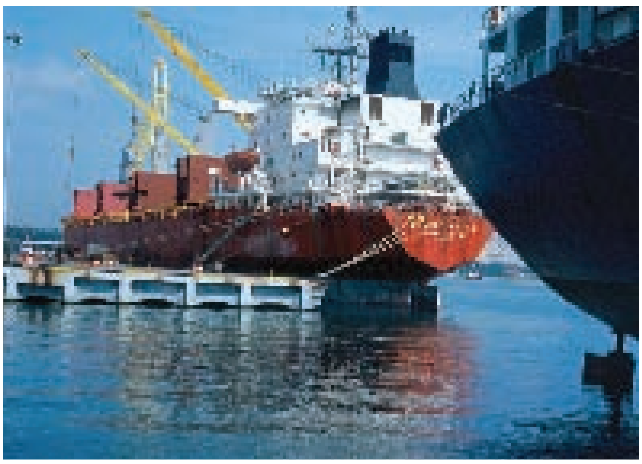
Power Plant

In India, the Group's sole power plant concession in Andra Pradesh is its 20%-owned Gautami Power, a 469 MW natural gas based Combined Cycle Power Plant. The plant was commissioned in June 2009. The power plant contributed a turnover of RM111.47 million and net profit of RM9.61 million for the Group's share of results during the financial year. The investment is expected to contribute regular income streams to the Group throughout the concession period until year 2023.

Water Treatment Plant

The Group's 36%-owned Vietnam associate Binh An Water Corporation Ltd contributed an improved net profit of RM3.50 million (FY 2009: RM2.95 million), for its share of profits during the financial year basically due 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.



Vessel at Berth, Kuantan Port, Pahang

First oil rig berthed at Kuantan Port, Pahang

Gautami Power Plant in Andhra Pradesh, India

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

CONCLUSION

Overall, the Group's performance was commendable in the face of the current financial and economic difficulties. The Group had registered relatively good results during the financial year amidst a very competitive and challenging market environment. With Government support through various stimulus measures to spur economic growth and the implementation of infrastructure projects which were stalled by the global slowdown, there are many opportunities for the Group to capitalize on to produce results. In the present low interest rates environment, the Property Division is launching more products to meet the strong market demand for its properties. Backed by strong order book, the Construction Division is expected to regain its strength in the coming years as construction activities progress.

Meanwhile, the Industry Division will be on constant lookout for new opportunities to expand both locally and globally to maintain their profitable track record. The Plantation Division's performance is expected to be satisfactory in the coming financial year as the CPO price is forecasted to sustain above RM2,000 per tonne. Meanwhile, the Infrastructure Division is well positioned to propel the Group into the next level with its steady recurring income stream generated from tolling, port and power operations.

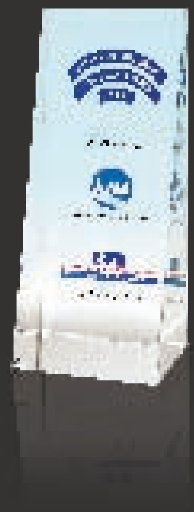
In view of the slower-paced and uneven economic recovery, we will continue to employ vigilance and proactive management in our operating processes to further enhance our competitiveness and market presence. We anticipate that the Group's operating performance for the forthcoming financial year will be satisfactory and continue to generate profitable growth.

Dato' Tan Boon Seng @ Krishnan
CEO & Managing Director

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") recognises the importance of good corporate governance in building sustainable business growth, and is committed to ensure that the highest standards of corporate governance are practiced throughout the Group with integrity, transparency and professionalism.

The Board is always proactive in respect of corporate governance and ensures that the principles and best practices of good governance as set out in the Malaysian Code on Corporate Governance ("the Code") are well applied by all companies within the Group and its people.



IJM received the Malaysian Corporate Governance Index Merit Award 2009 from MSWG in December 2009

I. BOARD OF DIRECTORS

1. Composition of the Board

Of the eleven (11) 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 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 reviewed from time to time to ensure its appropriateness. The profile of each Director is presented on pages 24 to 29.

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
Executive Directors		
Dato' Tan Boon Seng @ Krishnan	5 out of 5	100%
Dato' Teh Kean Ming	4 out of 5	80%
Soo Heng Chin *(Resigned on 30 January 2010)*	4 out of 4	100%
Independent Non-Executive Directors		
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	5 out of 5	100%
Tan Sri Abdul Halim bin Ali	4 out of 5	80%
Datuk Yahya bin Ya'acob	5 out of 5	100%
Datuk Oh Chong Peng	4 out of 5	80%
Non-Executive Directors		
Datuk Hj Hasni bin Harun	3 out of 5	60%
Datuk Lee Teck Yuen	4 out of 5	80%
Dato' David Frederick Wilson	5 out of 5	100%
Dato' Goh Chye Koon *(Redesignated as Non-Executive Director on 30 June 2009)*	5 out of 5	100%
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad *(Retired on 25 August 2009)*	2 out of 2	100%
Alternate Director		
Tan Gim Foo, Alternate to Dato' Goh Chye Koon^	5 out of 5	100%

^ Ceased as an Alternate Director to Soo Heng Chin on 30 January 2010 and appointed as an Alternate Director to Dato' Goh Chye Koon on 30 January 2010

Besides these Board meetings, the Directors also attend tender adjudication meetings and investment briefings, where Directors deliberate on the Group's participation in major project bids 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 presented, discussed and communicated to senior managers of the Group.

Directors engaging in Q&A session during the Malaysian Corporate Governance Index Briefing by MSWG

Directors and Senior Management attended the Corporate Governance Talk by PricewaterhouseCoopers

4. Supply of Information

All Directors are provided with the performance and progress reports on a timely basis prior to the scheduled Board meetings. All Board papers, including complicated issues or specific matters, are distributed in advance to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification from the Company Secretary, should such a need arise. If necessary, the services of other senior management will be arranged to brief and help the Directors clear any doubt or concern.

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, annual budgets, new ventures, 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 were also issued the publications, namely Corporate Governance Guide: Towards Boardroom Excellence (by Bursa Malaysia Berhad) and EPF's Corporate Governance Principles and Voting Guidelines.

The Directors may seek independent advice where necessary, at the expense of the Company, so as to ensure the Directors are able to make independent and informed decisions.

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.

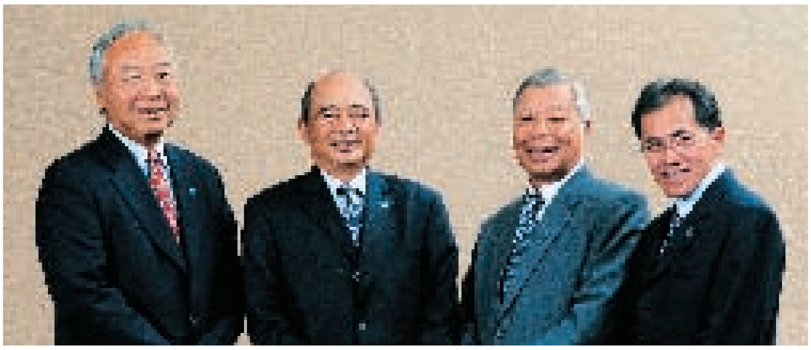
During the financial year, 11 Executive Committee meetings were held. The attendance record of each member of the Committee was as follows:

Executive Directors	Number of Meetings Attended	Percentage
Dato' Tan Boon Seng @ Krishnan	11 out of 11	100%
Dato' Teh Kean Ming	11 out of 11	100%
Dato' Goh Chye Koon *(Redesignated as Non-Executive Director on 30 June 2009)*	2 out of 3	67%
Soo Heng Chin *(Resigned on 30 January 2010)*	8 out of 9	89%

B. Audit Committee

The Audit Committee was established on 31 January 1994 and is chaired by Datuk Oh Chong Peng. Other members of the Audit Committee are Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob, Datuk Yahya bin Ya'acob and Tan Sri Abdul Halim bin Ali. The terms of reference and summary of activities of the Audit Committee are set out on pages 94 to 97.

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 Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob *(centre left)*. The three other members of the Nomination & Remuneration Committee are Datuk Yahya bin Ya'acob *(centre right)*, Datuk Oh Chong Peng *(left)* and Datuk Lee Teck Yuen *(right)*.

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

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

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

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

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

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

The Nomination & Remuneration Committee will meet as required. Three (3) meetings, which were attended by all members, were held during the financial year. All recommendations of the Nomination & Remuneration Committee are subject to endorsement of the Board.

The Nomination & Remuneration Committee was generally satisfied with the performance and effectiveness of the Board and Board Committees. In light of enhanced governance expectation and compliance, the Board has agreed for the Nomination & Remuneration Committee, with the assistance of the Company Secretary, to refine the methods and process for Board and Board Committee assessment and evaluation.

As a policy, the Board itself would assess, evaluate and determine the independence of an Independent Director when he is due for re-appointment at the Annual General Meeting, notwithstanding that the tenure of service of the Independent Director has been more than twelve (12) years.

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 Committee which was previously established on 3 September 1986 and 30 October 2003 respectively. The SOC is responsible for implementing and administering of options, and regulating and approving the securities transactions and registrations. The SOC comprises Datuk Yahya bin Ya'acob (Chairman), Dato' Teh Kean Ming and Dato' David Frederick Wilson.

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 Main Market Listing Requirements of the Bursa Securities. The Articles of Association also provide that one third of the Board will 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 Directors have attended the Directors' Mandatory Accreditation Programme organized by the Bursa Securities. Our Directors have attended conferences, seminars, and training programmes from time to time covering areas in finance, risks management, and in regulatory laws, rules and guidelines. An induction briefing is also provided by our Company Secretary to newly appointed Directors.

Directors and Senior Management attended the Budget 2010 Briefing by PricewaterhouseCoopers

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, the training programmes, seminars and/or conferences attended by the Directors are summarized and tabulated below. Further details of the Directors' Training are available for reference in the Company's website at http://www.ijm.com:-

Directors	Programmes/Seminars/Conferences
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman Bin Wan Yaacob	Attended seminars, conferences and talks on topics relating to corporate governance, Directors' duties, insurance for Directors and officers, finance, risk management and Malaysian Budget 2010.
Dato' Tan Boon Seng @ Krishnan	Spoke and presented at forums, seminars and conferences in Malaysia and abroad on topics relating to investment, corporate governance, construction, infrastructure and real estate development, and attended several seminars, and conference on topics relating to investment, corporate governance and insurance for Directors and officers.
Dato’ Teh Kean Ming	Participated in a dialogue, and attended numerous forums and seminars on topics relating to corporate governance, insurance for Directors and officers, finance, foreign investment and Malaysian Budget 2010.
Datuk Yahya bin Ya'acob	Attended seminar and talk on topics relating to corporate governance.
Tan Sri Abdul Halim bin Ali	Participated in lectures and seminars on topics relating to leadership, corporate governance, insurance for Directors and officers, finance and risk management.
Datuk Oh Chong Peng	Spoke at seminars and training courses on corporate governance issues and attended numerous courses on corporate governance with particular reference to banking related issues, IT security and tax and accounting issues.
Datuk Hj Hasni bin Harun	Attended seminars on topics relating to corporate governance, Directors' obligations, financial disclosure and Malaysia Goods and Services Tax.
Datuk Lee Teck Yuen	Attended a talk on insurance for Directors and officers.
Dato' David Frederick Wilson	Attended seminars and talks on topics relating to corporate governance and insurance for Directors and officers.
Dato' Goh Chye Koon	Attended seminars on topics relating to corporate governance and FTSE Bursa Malaysia KLCI.
Tan Gim Foo	Attended talks, seminars and workshop relating to the construction industry, foreign investment, corporate governance and insurance for Directors and officers.

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, are 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 will be held at locations within the Group's operating businesses to enable the Directors to obtain a better perspective of the business and enhance their understanding of the Group's operations.

II. REMUNERATION

The remuneration policy of the Company is based on the philosophy that the Group does not aspire to be a market leader for basic salary but will give a higher weightage on performance-related bonuses. These are entrenched in the remuneration policy for Executive Directors (and senior management), which will be subject to annual review by the Nomination & Remuneration Committee.

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

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

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

1. **Fees**

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

2. **Basic Salary**

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

3. **Bonus and Incentive Scheme**

   The Group operates a bonus and incentive scheme for all its employees, including 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' Warrants**

   In financial year 2006, the Group had issued 10,000,000 warrants to the entitled management staff, including the Executive Directors, at RM0.05 per warrant. The warrants will expire on 20 August 2010. During the financial year, the Group had offered for sale a total of 60,000,000 warrants of IJM Land Berhad, a subsidiary, to all eligible employees of the Group at RM0.302 per warrant.

   The movement of Directors' warrants during the financial year are set out on pages 135 and 137.

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:

The Company

	Salaries RM'000	Fees RM'000	Bonus, Incentives & Others RM'000	EPF RM'000	Benefits-in-kind RM'000	Total RM'000
Executive Directors	2,242	–	4,037	715	424	7,418
Non-Executive Directors	811	575	116	64	8	1,574
Total	3,053	575	4,153	779	432	**8,992**

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

Other Related Companies

	Salaries RM'000	Fees RM'000	Bonus, Incentives & Others RM'000	EPF RM'000	Benefits-in-kind RM'000	Total RM'000
Executive Directors	346	191	885	90	114	1,626
Non-Executive Directors	462	117	214	115	124	1,032
Total	808	308	1,099	205	238	**2,658**

B. Aggregate remuneration of each Director:

	Remuneration received from the Company	Remuneration received from Other Related Companies
Executive Directors	**RM'000**	**RM'000**
Dato' Tan Boon Seng @ Krishnan	2,886	116 *#
Dato' Teh Kean Ming	1,259	81 *#
Soo Heng Chin *(Resigned on 30 January 2010)*	–	1,429 ^
Dato' Goh Chye Koon *(Executive Director up to 29 June 2009)*	3,273 @	–
Non-Executive Directors		
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	146	–
Tan Sri Abdul Halim bin Ali	80	–
Datuk Oh Chong Peng	97	55 #
Datuk Yahya bin Ya'acob	93	–
Datuk Hj Hasni bin Harun	52 **	–
Datuk Lee Teck Yuen	67	47 *
Dato' David Frederick Wilson	571 ▲	–
Dato' Goh Chye Koon *(Non-Executive Director from 30 June 2009)*	443 ▲	18 #
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad *(Retired on 25 August 2009)*	25	–
Alternate Director		
Tan Gim Foo, *Alternate to Dato' Goh Chye Koon*	–	912 ^
Total	**8,992**	**2,658**

* *Fees and allowances received from IJM Land Berhad in their capacity as Non-Executive Directors.*

\# *Fees and allowances received from IJM Plantations Berhad in their capacity as Non-Executive Directors.*

^ *Remuneration of Soo Heng Chin and Tan Gim Foo in their capacity as Senior General Manager and Managing Director of IJM Construction Sdn Bhd respectively and includes the retirement gratuity of RM0.75 million paid to Soo Heng Chin.*

▲ *Remuneration of Dato' David Frederick Wilson and Dato' Goh Chye Koon received in respect of specific overseas assignments.*

@ *Includes the retirement gratuity of RM2.34 million.*

** *Fees and allowances paid to Zelan Berhad.*

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, analysts and the public.

The Light Project Briefing to Analysts & Fund Managers

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 Annual General Meeting and/or Extraordinary General Meeting to provide the media an opportunity to receive an update from the Board and to address any queries or areas of interest by the media.

The Company also participates in several institutional investors' forums during the financial year, both locally and outside Malaysia. Notably, updates on the financial results and strategies of the Company are also presented in conjunction with the participation of IJM Group during Invest Malaysia, which is a yearly event promoted by Bursa Malaysia Berhad. A summary of the Group's investor relations activities during the financial year are as follows:-

	Number of meetings
Regular Meetings with Investors/Fund Managers/Analysts, etc	
1. Company Briefing	2
2. Meetings with visiting investors/fund managers	84
Overseas Investor Road Shows/Conferences	
1. Singapore	1
2. Hong Kong	2
3. London, United Kingdom	2
4 New York, USA	2

Any information that may be regarded as material would not be given to any single shareholder or shareholder group on a selective basis except to the extent of their representation in the Board.

2. Annual General Meeting

The Annual General Meeting is the principal forum for dialogue with shareholders. The notice of meeting and the annual report are sent out to shareholders at least 21 days before the date of the meeting in accordance with the 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, responds 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 an established Investor Relations Department to continuously develop and maintain its investor relations programme and consistently inform shareholders and the financial community of the Group's developments in an effective, clear and timely manner.

4. Openness and Transparency

The Group has established a comprehensive and current website at 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. 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 related queries may be referred to the Company Secretary, whose contact details are detailed in the "*Information for Investors*" section on page 40 of the Annual Report.

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 either the Group Internal Audit Department, CEO&MD or the Company Secretary.

In addition, a blog@IJM in the i-Portal has been established since 2006 to enable the employees of the Group to raise matters of concern or on issues of integrity, among others.

3. Internal Control

The Group's *Statement on Internal Control* is set out on pages 98 to 101.

4. Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is set out on pages 94 to 97.

5. Non-Audit Fee

The amount of non-audit fee incurred for the services by the external auditors and their affiliated companies to the Group for FY 2010 amounted to RM1,451,000.

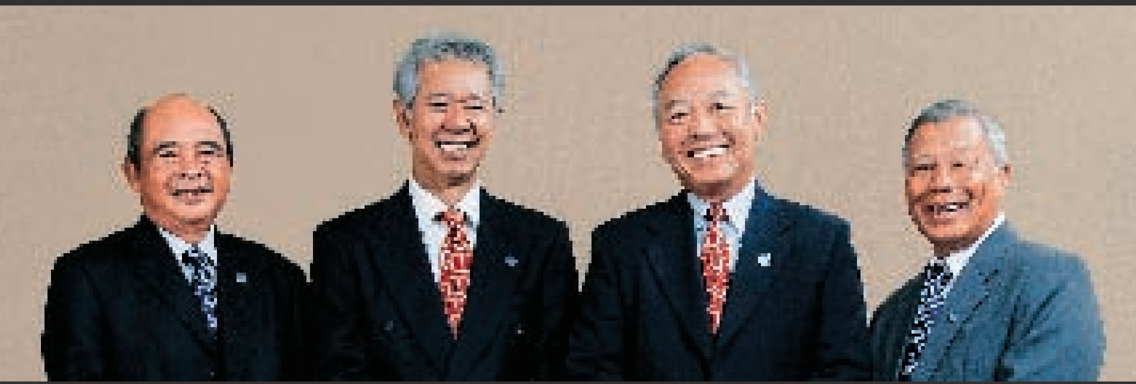
6. Related Party Transactions

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 25 August 2009.

Signed on behalf of the Board of Directors in accordance with its resolution dated 16 July 2010.

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

AUDIT COMMITTEE REPORT



MEMBERS OF THE AUDIT COMMITTEE

left to right:

- Y. Bhg. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob
- Y. Bhg. Tan Sri Abdul Halim bin Ali
- Y. Bhg. Datuk Oh Chong Peng
- Y. Bhg. Datuk Yahya bin Ya'acob

During the financial year, the Audit Committee carried out its duties and responsibilities in accordance with its terms of reference and held discussions with the internal auditors, external auditors and management staff. The Audit Committee is of the view that no material misstatements or losses, contingencies or uncertainties have arisen, based on the reviews made and discussions held.

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 (3) 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. In determining independence, the Board will observe the requirements of the Listing Requirements of Bursa Malaysia Securities Berhad ('Bursa Securities').

At least one (1) 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 (3) years' working experience and:

(a) shall have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967 of Malaysia; 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.

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 (3) years to determine whether the Audit Committee members have carried out their duties in accordance with the Audit Committee's terms of reference.

MEETINGS

Meetings shall be held at least four (4) 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 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 Chief Executive Officer & Managing Director, 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 (2) members present and a majority of whom must be Independent Directors.

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

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

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

AUTHORITY

The Audit Committee wherever necessary and reasonable for the performance of its duties, shall in accordance with the procedure determined by the Board and at the cost of the Company:

- have authority to investigate any activity within its terms of reference;
- have full, free and unrestricted access to any information pertaining to the Group;
- have direct communication channels with the external and internal auditors, as well as all employees of the Group; and
- be able to obtain external independent professional or other advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers this as necessary.

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) compliance with accounting standards, other statutory and legal requirements and the going concern assumption;
   (ii) any changes in or implementation of major accounting policies and practices adopted by the management and accepted by the external auditors;
   (iii) significant and unusual events and significant adjustments arising from the external audit; and
   (iv) the accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group and 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 (1) 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 and programme;
   (iii) the major findings of internal audit investigations and management's responses, and ensure appropriate actions are taken on the recommendations of the internal audit function;
   (iv) assessment of the performance of the staff of the internal audit function;
   (v) appointment or termination of senior staff members of the internal audit function; and
   (vi) resignation 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 function;
- 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 ensure where appropriate, the necessary corrective actions has 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 to ensure that the transactions are fair and reasonable to, and are not to the detriment of, minority shareholders.

TRAINING

During the year, the Audit Committee members have attended seminars and training programmes. Details of these are listed in the Corporate Governance Statement.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by the Internal Audit Department ("IAD"), 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 IAD 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 IAD 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.

The total cost incurred for the internal audit function of the Group for the financial year ended 31 March 2010 was approximately RM1 million.

STATEMENT ON INTERNAL CONTROL

Sound internal control systems and risk management practices, and good corporate governance are the important attributes and values the Board of Directors seeks to nurture and preserve throughout the Group.

The Board acknowledges its responsibility for maintaining a sound system of internal controls to safeguard the shareholders' investments and the Group's assets, and for reviewing the adequacy and integrity of those systems. However, such systems by its nature can only manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, such systems can provide only reasonable but not absolute assurance against material misstatement or loss.

The Group has in place an ongoing risk management process which is regularly reviewed by the Board, to identify, document, evaluate, monitor and manage significant risks that may impede the Group from attaining its corporate objectives.

RISK MANAGEMENT FRAMEWORK

The Group has a well-defined organisational structure with delineated lines of accountability, authority and responsibility. The Audit Committee, with the assistance of the Internal Audit Department of the Group, monitors the effectiveness of the internal control systems on its behalf. Further details on the Audit Committee are set out in the *Audit Committee Report*.

The Group has established a Risk Management Committee ("RMC") that is dedicated to perform ongoing review on the Group's risk profile. The RMC is chaired by the Group's Chief Financial Officer and includes representatives from all business divisions, both local and overseas, 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. The RMC reports to the Audit Committee on a quarterly basis and holds discussions on the risk issues.

The RMC principally develops, executes and maintains the risk management system so as to ensure that the Group's visions and objectives are achieved. 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 assistance of external experts. Assessment and evaluation processes of the risks are essential elements of the annual strategic planning cycle. Each business or functional unit is required to document the management's mitigating actions following the identification of risks associated to achievement of their strategic, financial, operational and other business objectives. New areas are then introduced for assessment as the business risk profile changes.

Under this system, a risk map addressing the risks, controls and processes for managing risks and the means for assuring management that the processes put in place continue to operate satisfactorily and effectively, is prepared annually by each business or functional unit, excluding associates and joint ventures. The Group's Head Office also considers the risk associated with the Group's strategic objectives, which are not addressed by the business or functional units. The risk profiles of all the Group's operating units and any proposed recommendations are reported to the RMC before they are summarised to the Audit Committee for consideration.

As a global company with diverse business portfolio, the Group faces exposure to numerous risks. Hence, the Group has in place adequate and regularly reviewed insurance coverage where it is available on economically acceptable terms to minimise the related financial impact.

MARKET RISK MANAGEMENT

Market risk refers to the risk resulting from economic conditions and the inherent cyclical nature of the Group's core businesses of construction, property development and manufacturing.

Due to the sluggish economic recovery, order book enhancement and overcapacity situation remain as key areas of concern. Therefore, the Group constantly explores various potential businesses and geographical diversifications as well as seeking alternative uses for the available capacity. The properties sector remain challenged amidst waning demand causing the Group's property division to adopt a more aggressive marketing strategy with product differentiation and flexibility in product offerings to suit the current 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 international players. The Group continues to monitor the market risks whilst continuously seeking out local as well as international opportunities to replenish orders and preserve earnings.

COMMODITY RISK MANAGEMENT

Commodity risk arises from the volatility in the prices of commodities, including currency fluctuations. This is often associated with the Group's plantation business as oil palm is subject to cyclical swings and price volatility. The Group manages such risk by constantly monitoring the commodity prices, employing hedging strategies 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 in a timely manner which may adversely affect the bottom line profitability, operating cash flows and availability of funding. The Group minimises its exposure to such risks by assessing the creditworthiness of potential buyers, close monitoring of daily sales collection as well as cash flows, more effective credit utilisation and greater concerted effort to collect overdue debts to keep leverage at a comfortable level.

OPERATIONAL RISK MANAGEMENT

Operational risk is the impact arising from the execution of a company's business functions. This includes breakdown in systems and equipments, overcapacity situations, inadequate skilled labour and adverse climate conditions. The Group strictly adheres to policies, procedures, processes, quality controls and best practices to ensure that all systems and equipments are well functioned during the execution of business processes. To manage the overcapacity issue, the Group constantly reviews its business plans, maintains good relationships with vendors and customers and seeks alternative uses of available capacity.

The Group has implemented an attractive remuneration scheme to attract and retain 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 Group's plantation division strictly follows the company's planting manual, carries out good agricultural practices, implements water conservation and irrigation measures to sustain the high production yield.

LEGAL AND REGULATORY COMPLIANCE

The Group, through its in-house legal division, maintains legal oversight within the Group and reports directly to the Chief Executive Officer and Managing Director. The Head of Legal is an engineer and lawyer by profession and has experience for over 20 years in various organisations prior to joining the Group. He provides legal input vis-à-vis compliance with applicable laws and regulations 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 in place 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 also acts 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 loss of data, application systems would be restored within 48-72 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.

Regular fire drill practices at Kuantan Port

OTHER KEY ELEMENTS OF INTERNAL CONTROLS

- Clearly delineated delegation of responsibilities to the Committees of the Board and to operating units, including defined levels of authority 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 review and improvement from time to time;
- Top down communication of company values such as fraud prevention and avenues for whistle blowing;
- Regular and comprehensive information conveyed to the management, covering both financial performance and key business indicators, such as staff utilisation, cash flow performance, current economic and market conditions;
- Annual budgets are prepared for the approval at both the divisional units and by the Board. Actual performance is compared against budget and prior period's results, with major variances being followed up and management actions are taken, where necessary;
- Quarterly or as necessary, company briefings with analysts conducted on the day of release of financial results, following the Board's approval, to apprise the shareholders, stakeholders and general public of the Group's performance and to promote transparency and open discussion; and
- Visits to the operating units of the Group's businesses by members of the Board and senior management to familiarise with the business and operations.

ANNUAL RISK ASSESSMENTS

During the financial year under review, all the divisions within the Group have conducted their annual reviews of their risk profiles and accordingly proposed changes on risk management and internal control processes, which were assessed by the RMC and reported to the Audit Committee.

The Group has identified major areas of concern and mitigating actions on reported weaknesses were undertaken within an appropriate timeframe. Some of the key risk areas included economic slowdown, tightened liquidity, late collections, declining property demand and fluctuating commodity prices. A number of minor weaknesses in internal controls were identified during the review, all of which have been, or are being addressed. There has been no material losses, contingencies or uncertainties arising from the areas of concern.

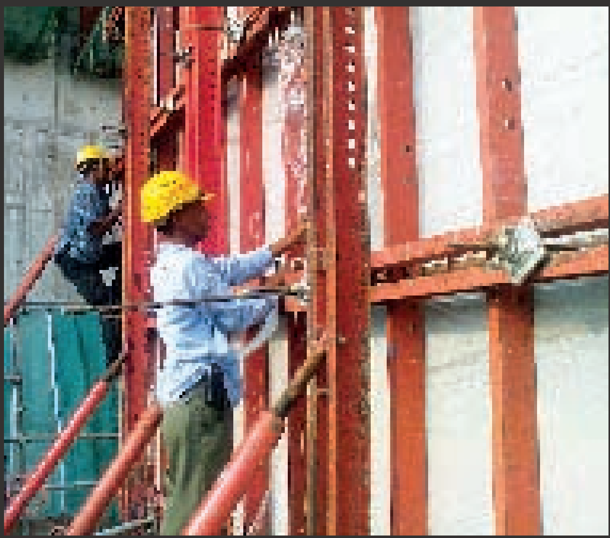
Directors visited ICP Jiangmen to familiarise with the China piles operations

Based on inquiries and information provided, we are pleased to state that the system of internal controls was generally satisfactory and adequate for its purpose. Management continues to take measures to ensure the adequacy and effectiveness of internal controls, and to safeguard the Group's assets and shareholders' investment.

THE GROUP WILL CONTINUE TO MONITOR ALL MAJOR RISKS AFFECTING THE GROUP AND TAKE THE NECESSARY MEASURES TO MITIGATE THEM AND ENHANCE THE GROUP'S SYSTEM OF INTERNAL CONTROLS.

This Statement on Internal Control is made in accordance with the resolution of the Board of Directors dated 16 July 2010.

QUALITY REPORT


Constructed structures are checked for quality and proper installation

IJM believes that continuous quality improvements and adherence to quality standards are important aspects in order to remain competitive in today's market. As such, it has embedded into its operations an uncompromising commitment to quality standards and systems as reflected in the Group's motto of "Excellence Through Quality".

QUALITY POLICY STATEMENTS

In line with its quality philosophy, the Group works together to:

- exceed customers' expectations by recognizing and anticipating their needs and complying with applicable statutory and regulatory requirements;
- continually improve the quality of its final products and services through promotion of innovation, creativity and skills enhancement;
- deliver process excellence and promote conducive working environment; and
- instill the highest standards of integrity and professionalism in its staff and become an industry leader.

QUALITY COMMITMENT & CULTURE

The Group's commitment towards quality is mirrored by the involvement of senior management in quality management committees and management review meetings.

The Group places emphasis on developing a quality conscious culture in regards to the processes and systems at every level of operations to increase the employees' awareness of their responsibilities and commitment towards quality excellence.

QUALITY CONTROL & MONITORING

The Group is committed towards meeting customers' needs and delivering quality products and services, and therefore has developed and effectively implemented a quality system comprising:

- well structured quality management system at all relevant levels of operations;
- routine assurance and control visits to verify effectiveness of its implementation;
- scheduled internal and external audits;
- effective data analysis including customer satisfaction surveys;
- knowledge based feedback system;
- key performance indices as part of quality objectives; and
- effective use of electronic based system for centralized monitoring and control.

The Group's commitment towards quality has been recognized by external bodies where IJM has been the recipient of various awards such as Malaysian Construction Industry Excellence - Contractor of the Year Award in 2009.

BENCHMARKING & CONTINUOUS IMPROVEMENT

Benchmarking has been one of the fundamentals of continuous improvement and sustaining a competitive advantage. The Group has embraced benchmarking in some of its core operations in order to enhance productivity and competitiveness.

The Group has in place an internally developed self regulated system called IJM Quality Standard Assessment System ("IQSAS") for various aspects of its building construction and civil works. This serves as a benchmark amongst its projects and subsequently as a catalyst for continuous quality improvement.

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

Continuous improvement is an integral part of IJM's philosophy to create and sustain better quality performance and is carried out through the following approaches:

- progressive review and update of the Quality Management System manual and procedures to address the requirements of customers and businesses, and technological advancement;
- implementation of training programmes for professional development amongst staff such as Building Supervision Training in affiliation with Holmesglen Institute of Technical and Further Education ("TAFE");
- knowledge and skills development of its people to keep them abreast with advancement in products and services needs;
- on-the-job training throughout its operations;
- emphasis on process excellence;
- upgrading and investments on latest hardware and software;
- introduction of high performance materials in its manufactured products and moving towards more automation; and
- implementation of guidelines and process control systems for effective execution and monitoring.

QUALITY RECOGNITION

In order to promote healthy competition amongst its people to deliver quality work, the Group accords annually the Quality Awards to projects that excel amongst its peers. The awards are presented for two categories comprising building and civil works.

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

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

HEALTH, SAFETY AND ENVIRONMENT REPORT

The health and safety of our people and the protection and preservation of the environment remains one of IJM Group's core values as a responsible and respected corporate citizen with concerns for safety, health and environmental issues.

Guided by its motto, "Health, Safety and Environment is Everyone's Responsibility", the Group continuously strives to improve its environmental, safety and health practices with the objectives to:

- Prevent accidents;
- Prevent occupational illnesses; and
- Prevent environmental pollution.

To achieve the objectives, the Group focuses and endeavours to:

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

Full body harness is used for personal protection at sites

Peripheral netting is practised at building sites for safety

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 HSE Management System ("HSEMS") is an integrated system certified by OHSAS 18001:2007, ISO 14001:2004 and MS 1722:Part 1:2005 standards. Committed to the set HSE objectives, the Group has systematically implemented, monitored and measured significant HSE management elements translated into the Group HSEMS Manual, Procedures and Workplaces Plans; these include:

- Pro-active management of OHS Risks and Environmental Impacts by identification of hazards, assessment of risks and impacts, and determination of risks and impacts control measures during the project activities' planning stage;
- Continuous identification and compliance evaluation of relevant HSE Legislations;
- Training and competency needs identification and provision for the Group's employees based on specific roles and responsibilities towards HSE;
- Effective platforms for consultation and communication of HSE issues by active participation from various levels and functions;
- Determination of operational control measures to eliminate or reduce OHS risks and environmental impacts by establishment of HSE Standard Operating Procedures and Criteria;
- Pro-active planning for emergency readiness and responses;
- Effective programmes for measurement and monitoring of HSE performance covering planned and surprise inspections, statistical analysis and reporting;
- Non-conformity and Incident Management for managing identified non-conformity and incidents through causal analysis to determine improvement actions and prevention of recurrence;
- Scheduled internal audits for verification of system conformance; and
- Scheduled management review for reviewing established system suitability, adequacy and effectiveness.

HSE Organisation

The Health, Safety and Environmental Management System has been implemented at all levels of the Group and HSE Organisations are established to effectively manage and monitor its implementation. The HSE Organisations include:

a) Health, Safety and Environment Management Committee ("HSEMC")

   The Committee, led by the CEO & Managing Director meets at planned intervals to review HSE operations and performance.

b) Health, Safety and Environment Committee ("HSEC")

   Led by appointed senior management staff, the Committee is established at corporate level and at all workplaces as part of compliance with Occupational Safety and Health Act 1994 ("OSHA").

c) Corporate HSE Department

   Established at corporate level to assist the Group in establishing, implementing and maintaining the Health, Safety and Environmental Management System.

HSE Performance Indicators

In its commitment to prevent incidents at construction sites, IJM has set specific targets to measure its HSE performances and provide significant input for enhancement and improvement of its HSEMS implementation and practices; which include:

(a) Frequency Rate

Frequency rate is recorded based on the number of lost time injury ("LTI") cases per one million man-hours worked. For FY 2010, IJM recorded a frequency rate of 0.09 LTI incident per one million man-hours worked which was below the target rate of 0.27.

(b) Severity Rate

Severity rate is recorded based on the number of lost work days resulting from incidents per one million man-hours worked. IJM successfully achieved a severity rate of 0.86 days per one million man-hours worked which was below the target rate of 2.5.

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 theme "My Workplace, My Home" that emphasizes on safety, housekeeping, cleanliness and landscaping to ensure a safe, clean and healthy working environment for all employees. Banners and signboards were displayed to promote the theme as well as campaigns and activities were organised to create awareness on the importance of maintaining a safe and healthy workplace.

The Division has an 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 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.

The OHSAS 18001 Safety and Health Management System was recently introduced in the Industry Division's factories in July 2009, with the aim to continuously improve on the safety and health of its workplace. Internal audits will be conducted to ensure the smooth implementation of the system.

In sync with Chemical Health Risk Assessment ("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.

Safety & Health - shall always be the first consideration in our workplace

Safety signages are displayed at various locations to warn of existing hazards

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.

Bunch census in progress

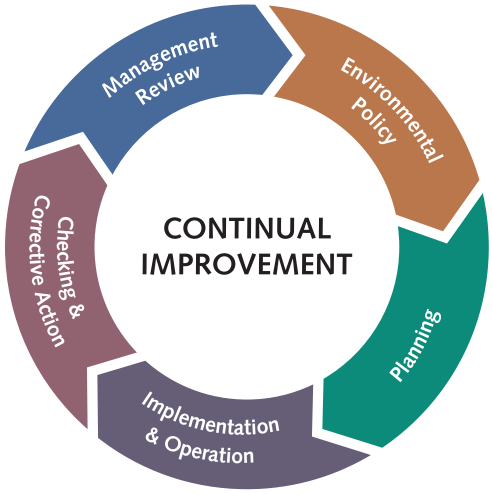
Fauna in surroundings of the plantation

ENVIRONMENT

The protection and preservation of the environment is an integral part of the Group's 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

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 µ10 (PM_{10})
Ambient Noise Quality (Duration: 8 hours and 24 hours)	La_{eq}
	La_{min}
	La_{max}
	L_{10}
	L_{50}
	L_{90}
River Water Quality (Effluent Discharge)	PH
	Total Suspended Solid (TSS)
	Temperature
	Biological Oxygen Demand (BOD)
	Chemical Oxygen Demand (COD)
	Dissolved Oxygen (DO)
	Escherichia Coli (E.Coli)
	Ammonical Nitrogen (NH_3N)
Discharge from Silt Trap	Total Suspended Solid (TSS)

At our construction sites, the technical staff are also trained by the Department of Drainage and Irrigation and the Department of Public Works under the Best Environmental Practices Series programme including exercises on 'Introduction to Manual Saliran Mesra Alam' and 'Erosion and Sedimentation Pollution Control'.

As for 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.

Environmental Preservation And Conservation

In its continuous efforts to safeguard the environment, year-on-year, the Group introduces 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.

Construction

Waste Management

The Construction and Property Divisions' waste management system 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

In the initial planning stages of a project, drainage and water discharge systems are considered and assessed by specialists to determine anticipated problems and the estimated cost of control. Water quality and public health parameters are also monitored throughout the project. The monitoring includes qualitative and quantitative assessment of a river eco-system.

The Company has an Erosion and Sedimentation Control Plan in place to maintain water quality and control flood in the construction and property sites through various preventive measures, which include:

- grading of 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 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 to prevent from being 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.

Air and Noise Pollution Control

At construction sites, there are many activities that can impact ambient air and noise quality. IJM has established practices and measures to reduce and control air and noise pollution. All new projects need to prepare environmental risk assessments for construction activities and materials

Riverbank protection at project sites

Soothing green walkways at our Ampersand @ Kia Peng property likely to cause pollution. Specific measures were taken to mitigate the air and noise pollution:

- open burning is strictly prohibited at construction 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.

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

optimisation, use of sustainable recycled materials, and renewable energy features in the residential precinct.

The Property 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

The Plantation Division through IJM Plantations and as a member of the Roundtable on Sustainable Palm Oil, 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.

Lush green parks nestled within our properties

Oxbow lake conservation in Sugut

Property

Green Properties

As a responsible developer, IJM Land 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.

The property 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 to reduce heat, use of natural lighting, installing inverter air-conditioning ready piping and incorporating lush green areas, court-yards and openings for better cross-ventilation for a healthier environment.

Penang's first green development, IJM Land's waterfront project 'The Light' unveiled 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

Soil Conservation

In the estates, various soil conservation measures are carried out including 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.

The lush greenery of legume cover crops contributes to the rich eco-system and biodiversity of the oil palm estates. Legume cover crops such as Mucuna bracteata serve as ground cover and also fix the nitrogen into the soil which improves fertility and lowering soil temperature and maintaining high moisture level.

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 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.

In addition, 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.

Zero-Burning Policy

IJM enforces zero-burning policy in all replanting activities. Best management practices for replanting are being carried out.

Integrated Pest Management

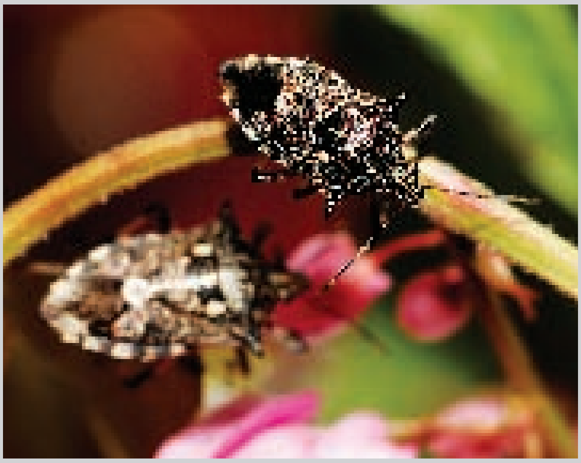
The Plantation Division embraces integrated pest management which involves a combination of pest management techniques to maintain a high level of biodiversity within the ecosystem. Beneficial plants like Turnera subulata, Antigonon leptopus and Cassia cobanensis are planted to keep populations of oil palm insect pests in balance with nature resulting in reduced use of insecticides for bagworm and nettle caterpillar.

IJM also breeds 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 pesticides has allowed a variety of flora and fauna to thrive.

Forest Conservation

Pockets of natural forest within the estates are maintained 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 trees and medicinal plants. Over time, mammals and birds have become permanent residents in the site.

Drip irrigation in the nursery



Integrated pest management

Conservation in "Hundred-Acre Wood" Sugut

The arboretum also hosts a garden of medicinal plants with over 150 species of medicinal and herbaceous plants collected and planted for both conservation and educational purposes. Another conservation area covering over 300 acres surrounding an oxbow lake in Sugut has been left intact for purposes of research, education and conservation through collaboration with Universiti Malaysia Sabah.

Unsuitable areas 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 been planted with timber tree species such as mahogany (Swietenia spp.) and sentang (Azadirachta excelsa).

Industry

Stringent standard operating procedures are employed by the Industry Division to 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

Turfing of hillsides is adopted by the quarrying operations as preventive action for landslides and other adverse effects to the environment.

Air and Noise Pollution Control

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

Sprinkler system used to dampen down the load on the lorries at our quarries

Use of smart card system at our toll plazas to save paper

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.

Toll

Paper Wastage Control

To foster a greener earth, the Toll Division employs the 'Smart Card' system at its tolled highways as a substitute for conventional tickets. Besides reducing paper consumption, the '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.

Oil spill exercise where an oil boom is released into the Kuantan Port water basin to restrict the spread of leaked oil

Port

Sea Pollution Control

The 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.

TRAINING AND AWARENESS PROGRAMME

The Group is committed to increase HSE awareness and accountability at all levels of the organisation. A comprehensive webpage managed by the HSE Department in the Group's Internal Information Portal 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.

Training and awareness on HSE practices

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.

Every quarter, the 'Environmental Aspects and Impacts' workshop is conducted to train the site personnel to identify potential risks and the implications of the Group's operations toward the environment. This is further supplemented with regular training, road shows and awareness programmes.

HSE AWARDS

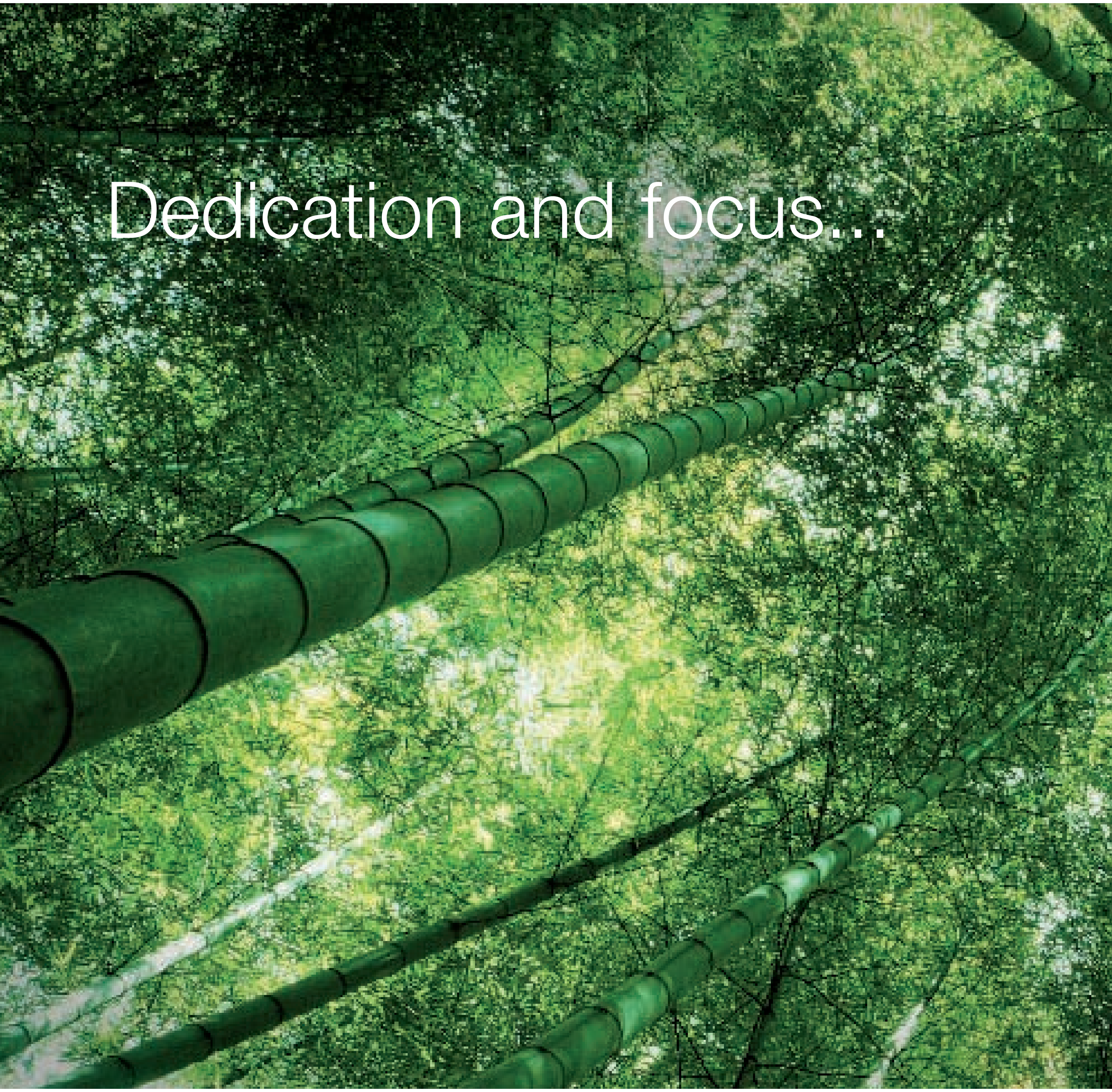
To promote best practices in HSE and improved performances in HSE Management System, HSE Awards are presented annually to projects/sites and factories, which have performed well amongst its peers based on set criteria encompassing compliance with legal requirements and IJM HSE Management System; these include:

1. Commitment towards system implementation;
2. Hazards and risks management;
3. Legal compliance;
4. Awareness and competency;
5. Best practices;
6. Incident statistics;
7. Surprise inspection rating;
8. Internal safety audit results; and
9. Public safety.

The awards also serve to promote healthy competition and continuously raise the standards of our operations.

Safety and Health Award presented to the top scoring construction project

Industry Division's Safety & Health Competition Award 2009 went to Kapar factory


Dedication and focus...

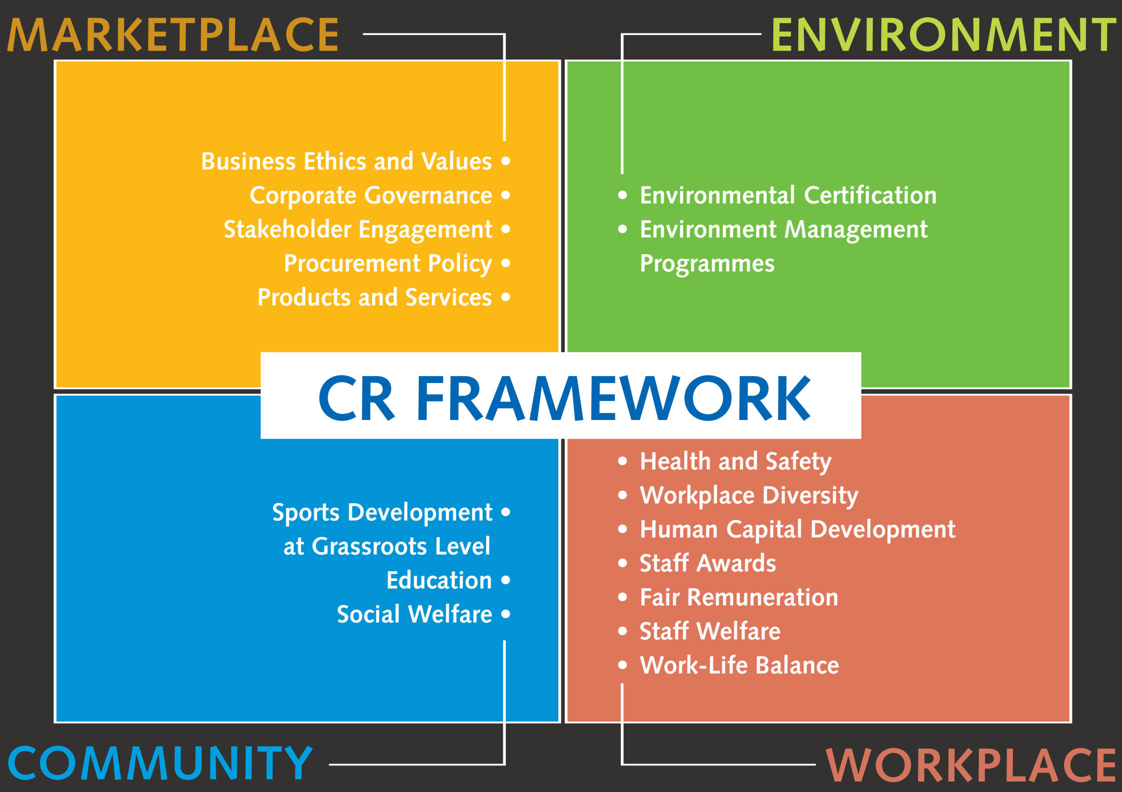
Corporate Responsibility

CORPORATE RESPONSIBILITY

In every area of our business, our strive for sustainable improvements requires that we adopt a holistic approach to the way we think and operate so that our stakeholders may mutually benefit from our accomplishments. We therefore firmly believe that our objective of generating lasting returns to our shareholders can only be achieved if accompanied by comprehensive Corporate Responsibility ("CR") 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**.

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



MARKETPLACE

The ability to command the confidence of our 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, procurement systems, and quality and innovative products and services.

Directors and staff at the Senior Management Dialogue to discuss Group performance and strategies

Business Ethics & 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 Resources 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.

Corporate Governance

A culture of good corporate governance and accountability is cultivated throughout the Group, as promulgated 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.

The Board is also 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 risk management framework adopted by the Group uses a risk-based approach and the 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 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 the Bursa Securities, 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 in the most confidential and discreet means to the Group Internal Auditor, Chief Executive Officer & 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 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.

Our Chairman, Y. Bhg. Tan Sri Dato' Wan Abdul Rahman having a friendly discussion with a shareholder

Products & Services - Quality

In its effort to deliver superior quality products and services to its customers and comply with applicable legal requirements, the Group has in place the highest standards of policies, procedures and best practices with the adoption of ISO 9001 quality system certification. This is in line with the Group's policy statement to "...ensure the quality of our products and services exceeds customers' satisfaction". To date, the Group's ISO 9001certified 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 - Contractor of the Year Award 2009.

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

Biggest pile developed with diameter of 1400mm by ICP Jiangmen, China

Plantation Division's R&D efforts produced quality oil palm fruits

Products & Services - Innovation, Research & 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 has a Central Research and Development Laboratory at its Klang factory accredited by the Department of Standards, Malaysia for calibration scope covering dimension and mass since 2000. In its continuous efforts to enhance the quality and durability of its pretensioned spun concrete ("PSC") piles, the laboratory has successfully commercialized the use of polymer based additive to achieve higher engineering standards of concrete strength and and durability. In addition, the adoption of zero energy system and green technology material has drastically reduced the emission of carbon dioxide into the atmosphere. At its China plant, in order to meet the higher loading and bending moment capacity demand for the foundation structure of deep sea/water port projects, ICP Jiangmen, has successfully re-engineered and developed the 1400mm diameter PHC pile.

The Plantation Division continuously carries out R&D activities through its Quality, Training and Research Centre ("QTRC") to improve the performance and quality of its oil palm products. Such efforts included the implementation of biological controls to reduce the use of chemical pesticides. Other R&D efforts included 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 endeavour 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.

ENVIRONMENT

The protection and preservation of the environment are essential parts of the Group's corporate philosophy and business policy. Key targets set by the Group in its Corporate Environmental policy are pollution prevention, natural resource management, reinstatement of landscaping 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 and contribute to sustainable development.

IJM's vision for a sustainable future is translated into action in the public events it has participated in the year under review. Three key events stand out for the global messages it conveyed.

Eager participants at the Raptor Watch Fun Challenge

Raptor Watch Fun Challenge Race 2010

IJM sponsored the Raptor Watch Fun Challenge Race in conjunction with Malaysian Nature Society's ("MNS") Raptor Watch event in March 2010 at Tanjung Tuan, Melaka. The festival celebrated the return of migratory birds of prey or raptors to their breeding grounds in the northern hemisphere. The event served to raise public awareness on the conservation of raptors and their habitats.

Earth Hour

Earth Hour, a global 'lights out' initiative created by WWF ("World Wildlife Fund"), saw millions of people around the globe and in Malaysia, turned off their lights for one hour on Saturday, March 27, 2010 at 8.30 p.m. to show support for action on climate change.

IJM nature lovers enjoying a day out at the Mulu Caves, Sarawak

For the second consecutive year, IJMers participated in the event by turning off non-essential lights at its headquarters, branches, sites and subsidiaries in Malaysia and overseas. Staff were reminded to turn-off their computers, electrical appliances and non-essential lights at their workplace before leaving for the weekend and also, encouraged to spread the word to their families and friends; and to celebrate Earth Hour in their own homes.

Mulu Caves, Sarawak

As part of the Kelab Sukan IJM ("KSIJM")'s activities to expose its members to the beauty of mother nature, a trip to the Mulu Caves, Sarawak was organised for 40 participants. They visited the enchanting Deer, Lang, Clear Water and Wind caves, and relished the natural flora and fauna surroundings.

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

IJM nature lovers at one of the enchanting Mulu Caves, Sarawak

The public trying to catch a glimpse of the Raptors at Tanjung Tuan, Melaka

COMMUNITY

"Giving back to the community" in which it operates is firmly entrenched in IJM's philosophy. 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

In IJM, we appreciate the role of sports in enhancing physical and mental well-being of youths. To that end, the Group continued its focus on sports development at grassroots level.

IJM's sponsorship of grassroots sports development is conducted through effective collaborations and hands-on approach on the games we are nurturing, which to date has yielded some level of success.

It is important to note that the development programmes and tournaments IJM supports are managed entirely by volunteers comprising sports enthusiasts, supporters and families of the sportsperson. Starting as local and community events, they have grown in size and stature and over the years attracting international participation and recognition.

Rugby

IJM continues to maintain its involvement in rugby which was initiated in the 90's and conducted in cooperation with local rugby clubs, rugby unions and the state education departments.

IJM has a long standing partnership with the Combined Old Boys Rugby Association ("COBRA"), one of Malaysia's most successful rugby clubs. Meanwhile the Plantation Division has aligned itself to the Sandakan Rugby Club.

These partnerships have resulted in long-term concerted programmes being initiated and implemented at national and state level to uplift rugby standards at schools. The results can be witnessed in two areas, namely development activities and international tournaments.

In Peninsular Malaysia, IJM has been the co-sponsor of the COBRA-CIMB Schools Rugby Development Programme since 2005. The programme which is now in its second phase, recorded tremendous success in the first phase that saw the creation of qualified rugby coaches; promotion of rugby in schools; exposing students to higher levels of competition; improved technical proficiency in rugby and also enhanced rugby organisational skills amongst teachers. Two main activities that stand-out is the tournament for schools at various levels that has culminated into an Invitational Schools Tournament involving foreign schools and the development of a junior team.

Rugby Coaching Clinic

IJM continuously sponsors the COBRA Rugby 10s to promote the sport of rugby in Malaysia

Phase 2 of the programme saw a continuation of the activities introduced in Phase 1 with new thrust being injected into the programme. These include promoting self-sufficiency amongst teachers to coach and conduct tournaments; securing International Rugby Board (IRB) accreditation for the programme as well as for teachers qualified under the programme, increasing the level of involvement of the Ministry of Education, Malaysia; utilising Level 2 qualified teachers as facilitators for Level 1 courses and the promotion and support of district and state level development activities.

IJM sponsors the biennial international inter-club rhythmic gymnastics competition

IJM Scholarship 2009 recipients

Year 2009 saw for the first time a junior team being registered in the Selangor Rugby League. This was further strengthened with the rise of another junior team to benefit the state. In Sabah, the Plantation Division has a similar programme that is carried out through the Academy of Rugby Excellence. It has also made rugby development and promotion a national-level agenda in their CR efforts.

The COBRA Rugby 10s is one of Malaysia's oldest rugby tournaments recognised for attracting some of the best club teams from rugby-playing nations. IJM has been a long-term sponsor of the tournament as a strategic step to support rugby development at schools by displaying world-class rugby, sportsmanship and teamwork to students. By doing this, IJM hopes to promote the rugby sport in Malaysia.

The Plantation Division is the co-organiser and main sponsor of the Borneo Invitational Club 7s, which is now in its ninth year. In 2009, they were also given the honour of hosting the Malaysian leg of the Asian Sevens Series, an event that is supported by the Malaysian Rugby Union, Sabah Rugby Union and more importantly, the International Rugby Board.

Gymnastics

Continuing its efforts in developing sports at grassroots level, IJM continues to support the Serdang Rhythmic Angels Club. Established in 1998, the gymnastics club which is managed 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.

The biennial international inter-club rhythmic gymnastics competition is next scheduled to be held in August 2010. The competition provides an avenue for young gymnasts to compete at international level as well as a platform for Malaysian coaches and judges to sharpen their skills, besides putting Malaysia in the world map as an international sporting destination.

Education

IJM Scholarship

Since 1994, IJM has been awarding educational scholarships to deserving students to help develop and nurture bright, young Malaysian talents into capable leaders of the future. The scholarship covers fields of study such as Civil, Mechanical & Electrical, Chemical & Industrial Engineering; Accounting; Quantity Surveying; Applied Sciences; Economics; Business Administration; Agricultural Science/Agribusiness; and Material Science/Geology.

To date, a total of 144 students have benefited from the programme, many of whom have returned to work with the Group. In August 2009, the scholarships were awarded to 20 recipients. Successful scholars not only received RM10,000 per annum, but also the added advantage of having an IJM mentor to guide and counsel them during their studies and when they join the Group. In addition, IJM has an ongoing internship programme which provides IJM scholars the opportunity to perform industrial training with the Group as part of their course requirements.

Career Talks

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 of their intellectual and interpersonal development. In April 2009, IJM was represented by Mr Eric Ho, Project Manager who presented in the career talk on 'Civil Engineering' organised by EXCO Research Development and Civil Engineering Society of University Technology Malaysia.

Education Programme at the Plantations

The Plantation Division has an established programme that provides basic education for the children of 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. More information on the programme can be found at (http://www.borneochildaid.org/).

Basic education is provided for children of estate workers

Strong support from participants of the SSL Walk

Social Welfare

"Making a difference to the lives of people we touch" remains at the forefront of IJM's Social Welfare efforts. Whilst such efforts remain Division oriented, the common treads are evident in the nature of activities undertaken. At headquarters level, IJM continued its support of annual charity events like the Kuala Lumpur Rat Race 2009, National Stroke Association of Malaysia ("NASAM")'s fund raising events and blood donation drives for University Malaya Medical Centre, whilst broadening its scope to respond to current issues and take on new challenges in keeping with its CR Framework.

In conjunction with World Diabetes Day in November 2009, IJM teamed up with the non-profit organisation, Sau Seng Lam ("SSL") Diabetes Care Centre in Puchong, Selangor as the Gold Sponsor and co-organiser for the 5km fun walk to create awareness on diabetes and promote early prevention. About 1,500 caring Malaysians participated in the event.

During the year, IJM supported two of NASAM's fund raising events. In August 2009, IJM for the second year running, manned the ais-kacang and BBQ stalls and in November 2009, IJM/KSIJM joined other companies and outlets in organising the Malaysia's Biggest Breakfast by selling sandwiches and nasi lemak to raise funds in support of NASAM and its stroke survivors.

In IJM's celebration of the festivities such as Aidilfitri, Chinese New Year and Deepavali, the less fortunate are not forgotten. Annually, IJM invites the orphanages such as San Pedro Orphanage, Rumah Nur Hikmah and Rumah Charis, to join the IJMers in the celebrations.

Last year, IJMers showed their compassionate side and donated generously to raise RM187,283 for the daughter of their colleague, nine-year old Chew Cai Ying who was diagnosed with Fanconi Anaemia, a blood disease which requires a Haematopoietic Stem Cell Transplant costing approximately RM160,000. To date, she has yet to undergo a transplant and her father, Chew Koon Chuan has been continuously updating the Group with her health progress.

While embracing the commitment to create an environment that encourages inclusive growth of our local communities, the Group is also dedicated to its global philanthropic initiatives. Continuing the Group's CR efforts, the Plantation Division contributed RM50,000 to the

Children of Rumah Charis joined our Chinese New Year Celebration

CIMB-The Star Padang Relief Fund to purchase immediate emergency supplies and also to fund the reconstruction works for the victims of the Padang earthquake in Indonesia while the Property Division had donated blankets in support of BAKTI's (an association of the wives of Malaysian Ministers) campaign to aid the Palestinian Refugees at the Syrian Border.

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. In December 2009, the Division upgraded the stretch of public road in front of its factory, Jalan Kg. Tok Muda in Kapar, Selangor. In March 2010, its Ulu Choh quarry contributed about 200 tonnes of crusher run to SRJK(C) Woon Hwa in Bandar Baru Kangkar, Pulai, Johore for the building of a school hall.

The Toll Division which includes the NPE, Besraya and LEKAS highways, continues to play an important role in creating road safety awareness especially during the festive seasons by working closely with the Royal Malaysian Police, Road Safety Department (JKJR), Malaysian Highway Authority and the media. In addition, there is a continuous agenda to support the Government's enforcement of national-level initiatives like the Buy Malaysian Products campaign in June 2009 and C.A.R.E. (Courteous, Attitude, Rational, Etiquette) campaign promoting good and safe driving etiquette in November 2009.

The Port Division made contributions towards various charity organisations and schools aimed at helping the less fortunate and needy students. In December 2009, Kuantan Port contributed food stuff through the UMNO-Indera Mahkota Kuantan in aid of flood victims in Pahang.

Donation of blankets for a BAKTI campaign in aid of Palestinian refugees at Syrian Border

C.A.R.E. (Courteous, Attitude, Rational, Etiquette) campaign promoting good and safe driving etiquette

WORKPLACE

The Group believes that employees are its key resource that drives long term organisational successes. As such, the well-being of its employees is critical to the Group and this is addressed through the Group's Workplace initiatives to ensure healthy and safe working environment for its people, continuous investment in training and development programmes to create opportunities for professional growth, fair remuneration and staff benefits to improve staff performance and instil loyalty and lastly, to attain work-life balance.

Health & Safety

The Group cares for the health and safety of its employees and the general public. Various training and awareness programmes were held to promote collective responsibility among employees for the prevention of injuries and occupational health hazards.

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

- all applicable HSE legislations, guidelines and other requirements are being met;
- all employees and stakeholders are engaged on training, information and facilities available to them;
- extensive efforts are made to raise awareness and responsibility at all levels;
- assessment of performance against safety improvement objectives is performed on a regular basis;
- health and safety objectives are continuously monitored, reviewed and improved; and
- HSE audits and surprise inspections are conducted.

Further information on the Group's health and safety practices, policies and procedures are available in the *Health, Safety and Environment Report*.

Regular health and safety checks at our factories

IJMers from all walks of life having a good time at the Staff Party

Various training programmes are organised for staff development

Workplace Diversity

Guided by its policy statement, "We strive to respect the different cultures, gender, religion, human rights and dignity of our stakeholders", the Group understands that a positive and respectful culture across the organisation is important for the overall business sustainability.

The Group is committed to providing an environment where all employees, regardless of age, gender, race, religion, nationality and education, have equal opportunity to thrive. This healthy mix encourages the employees to strive to reach their full potential whilst working together in harmony to achieve organisational goals and sustainable growth.

IJM Toastmasters session in progress

Recipients of the Long Service Awards 2009

The *Employees & Productivity Report* further illustrates the breakdown of employees by classification, ethnic composition and productivity.

Human Capital Development

The Group places emphasis on human capital development and provides ample opportunities for employees to actively participate in trainings which suit their roles and responsibilities. Various trainings are held throughout the year to enhance the job performance of employees and to create opportunities for both personal and occupational advancement.

These internal and external trainings ranged from technical-related and skills management courses to soft skills and life-long learning. Amongst the trainings made available to the staff were:

i) Building Supervisors' Programme - a programme conducted by experts from Holmesglen Institute of TAFE, Australia to equip project supervisors with skills and knowledge related to the construction industry. Staff are awarded the Certificate IV in Building and Construction upon successful completion.

ii) Challenge of Sales Excellence Training - to provide the sales teams with qualities, practices and attitudes of super sales achievers.

iii) Team Building for Peak Performance - to encourage mutual support and engagement among team members to achieve common goals.

Besides the above trainings, the IJM Toastmasters Club also serves as a platform to harness effective communication skills of its employees. It provides a mutually supportive and positive learning environment in which every member has the opportunity to develop public speaking and leadership skills, which in turn foster self-confidence and personal growth.

Graduate engineers who join the Group are exposed to various aspects of the construction fraternity to gain in-depth knowledge of the industry through the Engineers' Training Programme in order to prepare them to assume the role of Project Manager in the future.

In addition, the Group has developed a Training Needs Analysis ("TNA") database, which aims to collate and identify gaps between the current knowledge or skills of employees with knowledge or skills the job requires. This helps the Training Department to plan the annual training programme whilst facilitates the Group to track the capabilities and training requirements of its employees.

In its continuous efforts to develop human capital potential, the Group has provided employees with education subsidies and study and examination leaves for approved Masters, Degree, or Professional Qualification programmes.

Staff Awards

Loyalty Appreciation

Long Service Awards are presented to employees who have served the Company for 20 years and gifts are presented as an appreciation of their loyalty, hard work and dedication towards the Group. In 2009, a total of 21 staff were conferred the long service awards during the Company's Staff Party.

Retirement Awards

As a token of appreciation, the Retirement Awards are conferred to staff who have reached the retirement age of 55 and served for more than 15 years in the Group. These staff are presented with a commemorative gift during the service recognition luncheon with senior management. A total of 9 employees were awarded this round.

Performance Awards

To promote best practices in HSE and improved performances in HSE Management System, HSE Awards are presented annually to projects/sites and factories, which have performed well amongst its peers. These awards also serve to promote healthy competition and continuously raise the standards of our operations.

In addition, Staff Performance Awards are presented to best performing and dedicated staff in the Toll Division as a form of personal motivation and to show a positive example to the other staff. LEKAS and NPE present the Best Staff and Toll Collector Awards to its employees quarterly and annually.

Fair Remuneration

The Group endeavours to provide employees an attractive work environment with good prospects for advancement and fair remuneration. To maintain a competitive remuneration package for its employees, the Group constantly assesses and benchmarks its compensation structure against industry standards as well as the marketplace. The Group does not aspire to be a market leader for basic salary but will give a higher weightage on performance-related bonuses to attract and retain quality employees. Employees are appropriately remunerated based on his or her job scope/requirements, qualification, experience, ability and performance.

Performance incentives/bonuses are designed to reward employees for good performance achieved by the Group through their participation and efforts. In addition, the Group grants Employee Share Option Schemes and allots warrants to eligible employees to encourage better work performance and instil loyalty.

Staff Welfare

The following benefits are available for IJM staff:

Employee Protection

The Group continuously focuses on the well-being of its employees and has implemented various employee protection schemes such as the Group Multiple Insurance Benefits Scheme ("GMIBS") covering term life and total permanent disability, critical illnesses and provides investment returns as well. It offers employees a comprehensive protection up to the age of 70 and can be extended to spouses at affordable rates.

Employees are also covered by the Group's Personal Accident Insurance Policy for total permanent disablement and/or death as a result of accidents arising from work. In addition, the Group offers outpatient medical attention and dental, hospitalisation and surgical benefits and annual physical examination for all employees.

Former Senior General Manager & Executive Director, Mr Soo Heng Chin giving a farewell message on his retirement after 31 years with IJM

An Academic Excellence Award recipient with his father

KSIJM Bowling Competition

Continuing its efforts, the Group makes contributions which are higher than the statutory rate for the employer's portion of the Employees Provident Fund contributions as part of its efforts to care for its employees after retirement.

Assistance to Purchase Residential Property

The Group's Property Division develops a wide variety of residential properties, ranging from basic apartments to luxury condominiums, affordable terrace houses to semi-detached homes and bungalows in major townships all over the country. Staff enjoys 5% discount for purchase of a residential property developed by IJM Land.

Blood Donation Campaign at Durabon's factory

Residents and IJM Land staff joined the Street Party at S2 Heights, Negeri Sembilan

Academic Excellence Awards for the Children of Employees

In line with the Ministry of Education's effort in encouraging parents to play a more important role in their children's education, the Group has presented prizes to the children of employees for outstanding achievements in the SPM, STPM and A-Level examinations. In 2009, a total of 41 children were awarded with the Academic Excellence Awards and cash prizes as an encouragement to the children to excel in their studies, besides raising awareness of the need of parental involvement in their children's education.

Work-Life Balance

To achieve the right balance between professional and personal lives, the Group has organised various sports and fun events throughout the year.

Healthy Living

The Group manages the Kompleks Sukan IJM-COBRA which houses many indoor and outdoor sports activities. Staff were encouraged to participate in various tournaments and games such as bowling, futsal and mini games which featured carrom, table tennis and darts, to promote the spirit of healthy living and bonding. All staff demonstrated camaraderie and good sportsmanship during the events.

A series of health talks and screening were organised for employees during the year to create awareness on diseases and various precautionary measures. Blood donation campaigns were held regularly and had drawn large participation and support from the IJMers.

The Group understands the importance of financial health and protection to achieve a healthy lifestyle. Therefore, various talks on personal financial management and the importance of writing a will were organised to educate employees.

Social Events

The Group continues to ensure that a sense of being in one IJM-family is emphasised. Many social events were held throughout the year to foster closer relationships among IJM staff from various divisions, departments and branches. Amongst many events held during the year were the Staff Dinner Party, Majlis Berbuka Puasa, Hari Raya & Deepavali, Christmas and Chinese New Year celebrations.

The Property Division also carried out various events at their property townships where families of staff also participated. During IJM Land's Seremban 2 show house launch in June 2009, about 500 people attended the activity-packed event with Kiddie-Lympic games and 'Makan Cendol' sessions.

Recognising the importance of its people towards organisation successes, the Group strives to maintain the best values and practices in the workplace. The Group remains focused on what it has to do and will look to further improve its current initiatives.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Financial Statements & Others

DIRECTORS' REPORT AND STATEMENT

The Directors have pleasure in submitting their 26th annual report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2010.

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	423,164	82,043
Attributable to:		
Equity holders of the Company	332,580	82,043
Minority interest	90,584	–
	423,164	82,043

DIVIDENDS

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

	RM'000
In respect of the financial year ended 31 March 2009:	
A second interim dividend of 5 sen per share less income tax at 25%, paid on 21 August 2009	35,199

On 26 May 2010, the Directors have declared an interim dividend in respect of the financial year ended 31 March 2010 of 11% less tax at 25% to be paid on 24 August 2010 to every member who is entitled to receive the dividend as at 5:00pm on 30 July 2010.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2010.

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 RM941,951,233 to RM1,327,215,357 by way of:

(a) The issuance of 377,420,983 new ordinary shares of RM1.00 each on 1 October 2009 arising from the bonus issue on the basis of 2 bonus shares for every 5 existing shares held ("2:5 Bonus Issue");

(b) The issuance of 1,601,600 and 5,517,480 new ordinary shares of RM1.00 each arising from the exercise of Warrants 2005/2010 at the exercise price of RM4.77 and RM3.41 per share respectively in accordance with the Deed Poll dated 22 June 2005; and

(c) The issuance of 724,061 new ordinary shares of RM1.00 each arising from the exercise of Warrants 2009/2014 at the exercise price of RM4.00 per share in accordance with the Deed Poll dated 18 September 2009.

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 10,000 of its issued share capital from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM56,913. The price paid for the shares repurchased was approximately RM5.65 per share. Subsequently, the Company disposed its entire holding of treasury shares totalling 3,397,500 shares in the open market on Bursa Malaysia at prices ranging from RM5.91 to RM6.05 per share.

Details of the treasury shares are set out in Note 14(C) 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:

(a) 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

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

On 2 October 2009, the Company allotted 8,098,689 new Warrants 2005/2010 at an issue price of RM0.05 per Warrant on the basis of 2 new Warrants 2005/2010 for every 5 existing Warrants 2005/2010 held in the Company on 1 October 2009 following the 2:5 Bonus Issue.

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 exercise price was 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. The exercise price was subsequently adjusted to RM3.41 on 1 October 2009 following the 2:5 Bonus Issue and the rights issue of new Warrants 2009/2014 on the basis of 1 Warrant for every 10 existing ordinary shares of RM1 each in the Company held after the 2:5 Bonus Issue. 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, 22,827,950 Warrants 2005/2010 (2009: 21,848,341) 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.

WARRANTS 2009/2014

The Warrants 2009/2014 are constituted by a Deed Poll dated 18 September 2009.

On 26 October 2009, the Company allotted 132,097,381 new Warrants 2009/2014 at an issue price of RM0.25 per Warrant on the basis of 1 Warrant for every 10 existing ordinary shares of RM1.00 each in the Company held after the 2:5 Bonus Issue.

Each Warrant 2009/2014 entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 26 October 2009 to 24 October 2014, at an exercise price of RM4.00 in accordance with the provisions in the Deed Poll. Any Warrants 2009/2014 not exercised at the date of maturity will lapse and cease to be valid for any purpose. As at the balance sheet date, 131,373,320 Warrants 2009/2014 remained unexercised.

The ordinary shares issued from the exercise of Warrants 2009/2014 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 2009/2014.

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*
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*
Datuk Hj Hasni bin Harun, *Non-Executive Director*
Datuk Lee Teck Yuen*, *Non-Executive Director*
Dato' David Frederick Wilson, *Non-Executive Director*
Dato' Goh Chye Koon, *Non-Executive Director (redesignated as an Non-Executive Director on 30 June 2009)*
Tan Gim Foo, *Alternate to Dato' Goh Chye Koon (ceased as an Alternate Director to Soo Heng Chin on 30 January 2010, and appointed as an Alternate Director to Dato' Goh Chye Koon on 30 January 2010)*
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad *(retired as an Non-Executive Director on 25 August 2009)*
Soo Heng Chin *(resigned on 30 January 2010)*

* members of the Nomination and Remuneration Committee

According to the Register of Directors' Shareholdings, particulars of interest of Directors who held office at the end of the financial year in 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 1.4.2009	**Acquired**	**Disposed**	**Balance at 31.3.2010**
<u>IJM Corporation Berhad</u>				
<u>Name of Director</u>				
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob				
Direct interest	50,000	20,000	–	**70,000**
Dato' Tan Boon Seng @ Krishnan				
Direct interest	1,411,800	1,267,380	–	**2,679,180**
Indirect interest	782,240(1)	312,896(1)	–	**1,095,136(1)**
Teh Kean Ming				
Direct interest	80,000	24,000	20,000	**84,000**
Indirect interest	96,000(1)	29,000(1)	34,000(1)	**91,000(1)**
Datuk Yahya bin Ya'acob				
Direct interest	50,000	20,000	–	**70,000**
Dato' Goh Chye Koon				
Direct interest	329,352	43,740	270,000	**103,092**

DIRECTORS (cont'd)

	Number of ordinary shares of RM0.50 each			
	Balance at 1.4.2009	Acquired	Disposed	Balance at 31.3.2010
IJM Plantations Berhad (a subsidiary)				
Name of Director				
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob				
Direct interest	35,000	10,000	–	45,000
Dato' Tan Boon Seng @ Krishnan				
Direct interest	505,879	140,121	–	646,000
Indirect interest	327,879[(1)]	102,103[(1)]	–	429,982[(1)]
Teh Kean Ming				
Direct interest	30,000	–	30,000	–
Dato' Goh Chye Koon				
Direct interest	153,484	48,516	–	202,000
Datuk Oh Chong Peng				
Direct interest	70,000	30,000	–	100,000

	Number of ordinary shares of RM1 each			
	Balance at 1.4.2009	Acquired	Disposed	Balance at 31.3.2010
IJM Land Berhad (a subsidiary)				
Name of Director				
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[(1)]	–	–	20,000[(1)]
Tan Sri Abdul Halim bin Ali				
Direct interest	10,000	–	–	10,000
Datuk Lee Teck Yuen				
Direct interest	3,932,000	7,132,693	–	11,064,693

	Number of Warrants 2005/2010				
	Balance at 1.4.2009	Acquired	Disposed	Exercised	Balance at 31.3.2010
IJM Corporation Berhad					
Name of Director					
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[(1)]	–	2,000[(1)]	3,000[(1)]	–
Datuk Lee Teck Yuen					
Direct interest	1,500,000	600,000	–	–	2,100,000
Indirect interest	700,000[(1)]	280,000[(1)]	–	–	980,000[(1)]
Dato' Goh Chye Koon					
Direct interest	113,000	29,200	142,200	–	–
Tan Gim Foo					
Direct interest	10,000	–	10,000	–	–

DIRECTORS (cont'd)

	Number of Warrants 2009/2014				
	At date of issuance on 26.10.2009	Acquired	Disposed	Exercised	Balance at 31.3.2010
IJM Corporation Berhad					
Name of Director					
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob					
Direct interest	7,000	–	–	–	7,000
Dato' Tan Boon Seng @ Krishnan					
Direct interest	274,348	–	–	–	274,348
Indirect interest	114,700(1)	–	–	–	114,700(1)
Teh Kean Ming					
Direct interest	9,300	–	–	–	9,300
Indirect interest	9,800(1)	–	–	–	9,800(1)
Datuk Yahya bin Ya'acob					
Direct interest	7,600	–	–	–	7,600
Dato' Goh Chye Koon					
Direct interest	15,400	–	–	–	15,400

	Number of Warrants 2008/2013				
	Balance at 1.4.2009	Acquired	Disposed	Exercised	Balance at 31.3.2010
IJM Land Berhad (a subsidiary)					
Name of Director					
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	1,303,150	150,000	–	1,248,610
Indirect interest	13,000(1)	–	–	–	13,000(1)
Teh Kean Ming					
Direct interest	2,000	703,700	478,700	–	227,000
Indirect interest	5,200(1)	–	–	–	5,200(1)
Datuk Yahya bin Ya'acob					
Direct interest	5,000	–	–	–	5,000
Dato' Goh Chye Koon					
Direct interest	29,871	675,000	704,871	–	–
Tan Gim Foo					
Direct interest	–	473,000	343,000	–	130,000

DIRECTORS (cont'd)

	Number of Warrants 2009/2014				
	At date of issuance on 9.11.2009	Acquired	Disposed	Exercised	Balance at 31.3.2010
IJM Plantations Berhad (a subsidiary)					
Name of Director					
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob					
Direct interest	5,000	–	–	–	**5,000**
Dato' Tan Boon Seng @ Krishnan					
Direct interest	70,060	–	–	–	**70,060**
Indirect interest	51,051(1)	–	–	–	**51,051**(1)
Datuk Oh Chong Peng					
Direct interest	10,000	–	–	–	**10,000**
Dato' Goh Chye Koon					
Direct interest	24,258	–	–	–	**24,258**

(1) Held through a family member

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 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 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.

OTHER STATUTORY INFORMATION (cont'd)

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

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

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

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

In the opinion of the Directors:

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

(b) the financial statements of the Group and of the Company set out on pages 139 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 2010 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 2010

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	Note	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
Operating revenue	4,13	4,013,530	4,601,294	225,672	411,016
Cost of sales		(3,060,100)	(3,703,848)	(139,673)	(188,886)
Gross profit		953,430	897,446	85,999	222,130
Other operating income		208,933	157,265	133,878	324,149
Tendering, selling and distribution expenses		(93,927)	(93,413)	–	–
Administrative expenses		(182,681)	(154,698)	(22,816)	(18,697)
Other operating expenses		(137,057)	(111,044)	(65,742)	(38,581)
Operating profit before finance cost	5	748,698	695,556	131,319	489,001
Finance cost	9	(201,421)	(189,090)	(38,303)	(21,410)
Operating profit after finance cost		547,277	506,466	93,016	467,591
Share of profits of associates		19,676	19,046	–	–
Share of profits of jointly controlled entities		11,071	3,158	–	–
Profit before taxation	13	578,024	528,670	93,016	467,591
Income tax expense	10,13	(154,860)	(126,703)	(10,973)	(54,912)
Net profit for the financial year	13	423,164	401,967	82,043	412,679
Attributable to:					
Equity holders of the Company		332,580	290,212	82,043	412,679
Minority interest		90,584	111,755	–	–
Net profit for the financial year	13	423,164	401,967	82,043	412,679
Dividends per share	12			11.00 Sen	34.99 Sen
Earnings per share					
Net profit attributable to ordinary equity holders of the Company		332,580	290,212		
Earnings per share attributable to ordinary equity holders of the Company:					
- Basic	11(a)	25.21 Sen	23.46 Sen*		
- Fully diluted	11(b)	24.84 Sen	N/A		

** Restated earnings per share after adjusting for 2:5 Bonus Issue (Note 11(a))*

N/A denotes not applicable because the Warrants were anti-dilutive and hence diluted earnings per share was not calculated for the financial year ended 31 March 2009.

BALANCE SHEETS
AS AT 31 MARCH 2010

	Note	The Group 2010 RM'000	The Group 2009 RM'000 (Restated)	The Company 2010 RM'000	The Company 2009 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	14	1,327,216	941,952	1,327,216	941,952
Share premium	14	1,776,547	2,128,037	1,776,547	2,128,037
Treasury shares	14	–	(16,298)	–	(16,298)
Revaluation reserve		36,395	36,441	–	–
Exchange translation reserve		(58,416)	(72,232)	(835)	(743)
Other reserves	15	75,258	37,903	33,138	653
Retained profits	10	1,972,221	1,714,347	808,192	761,348
		5,129,221	4,770,150	3,944,258	3,814,949
MINORITY INTEREST		1,328,138	845,917	–	–
TOTAL EQUITY		6,457,359	5,616,067	3,944,258	3,814,949
NON-CURRENT LIABILITIES					
Bonds	16	568,886	652,704	–	–
Commercial Papers and Medium Term Notes	17	691,848	233,380	650,000	150,000
Term loans	18	1,388,610	1,073,621	300,000	–
Government support loans	19	204,157	280,175	–	–
Hire purchase and lease creditors	20	510	5,843	–	–
Deferred tax liabilities	21	363,172	350,093	–	–
Trade and other payables	22	80,364	84,888	–	–
Retirement benefits	23	5,914	5,839	–	–
		3,303,461	2,686,543	950,000	150,000
Government grants	24	112,250	73,343	–	–
		9,873,070	8,375,953	4,894,258	3,964,949
NON-CURRENT ASSETS					
Property, plant and equipment	25	1,226,819	1,299,035	9,060	11,221
Leasehold land	26	383,658	320,799	–	–
Investment properties	27	388,543	163,521	5,165	5,294
Concession assets	28	1,948,606	1,991,344	–	–
Subsidiaries	29	–	–	4,314,710	3,707,146
Associates	30	442,120	415,263	87,546	87,706
Jointly controlled entities	31	1,064,518	817,981	348,158	119,646
Long term investments	32	4,560	18,135	2,050	2,050
Long term receivables	33	157,417	72,986	–	–
Intangible assets	34	74,804	83,078	–	–
Deferred tax assets	21	92,088	65,773	339	856
Land held for property development	35	702,138	734,233	281	281
Plantation development expenditure	36	474,258	430,972	–	–
		6,959,529	6,413,120	4,767,309	3,934,200

	Note	The Group 2010 RM'000	The Group 2009 RM'000 (Restated)	The Company 2010 RM'000	The Company 2009 RM'000
CURRENT ASSETS					
Property development costs	35	1,513,061	1,699,730	–	–
Inventories	37	529,320	390,726	12,122	19,732
Trade and other receivables	38	2,173,187	2,103,848	764,959	1,122,158
Short term investments	39	108,176	73,350	82,681	12,588
Deposits, cash and bank balances	40	1,221,511	945,654	117,004	166,829
Assets held for sale	41	501	29,830	–	–
Tax recoverable		53,010	69,905	11,754	5,677
		5,598,766	5,313,043	988,520	1,326,984
Less:					
CURRENT LIABILITIES					
Trade and other payables	42	1,689,300	1,831,432	845,208	877,773
Current tax liabilities		37,199	29,567	–	–
Borrowings					
- Bank overdrafts	43	55,917	123,801	–	–
- Others	43	902,809	1,365,410	16,363	418,462
		2,685,225	3,350,210	861,571	1,296,235
NET CURRENT ASSETS		2,913,541	1,962,833	126,949	30,749
		9,873,070	8,375,953	4,894,258	3,964,949

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

The Group	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
		Attributable to equity holders of the Company									
At 1 April 2009		941,952	2,128,037	(16,298)	36,441	(72,232)	37,903	1,714,347	4,770,150	845,917	5,616,067
Exchange differences arising from translation of net investment in foreign subsidiaries, associates and branch		–	–	–	–	13,816	–	–	13,816	4,165	17,981
Realisation of revaluation reserve of a subsidiary		–	–	–	(46)	–	–	181	135	(135)	–
Share of realisation of capital reserve in an associate	15	–	–	–	–	–	(130)	130	–	–	–
Transfer to capital reserve upon redemption of preference shares in a subsidiary	15	–	–	–	–	–	5,000	(5,000)	–	–	–
Dilution of interests in a subsidiary		–	–	–	–	–	–	(34,818)	(34,818)	253,553	218,735
Income and expense recognised directly in equity		–	–	–	(46)	13,816	4,870	(39,507)	(20,867)	257,583	236,716
Net profit for the financial year		–	–	–	–	–	–	332,580	332,580	90,584	423,164
Total recognised income and expense for the year		–	–	–	(46)	13,816	4,870	293,073	311,713	348,167	659,880

The Group	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
		Attributable to equity holders of the Company									
Capital distribution to minority shareholders upon capital reduction		–	–	–	–	–	–	–	–	(584)	(584)
Second interim dividend:											
- Year ended 31 March 2009	12	–	–	–	–	–	–	(35,199)	(35,199)	–	(35,199)
Dividends paid by subsidiaries to minority shareholders		–	–	–	–	–	–	–	–	(34,484)	(34,484)
Issuance of shares:											
- Exercise of Warrants 2005/2010	14	7,119	19,692	–	–	–	(357)	–	26,454	–	26,454
- Exercise of Warrants 2009/2014	14	724	2,354	–	–	–	(182)	–	2,896	–	2,896
- Bonus Issue	14	377,421	(377,421)	–	–	–	–	–	–	–	–
Issuance of Warrants 2009/2014	15	–	–	–	–	–	33,024	–	33,024	–	33,024
Shares buy back	14	–	–	(57)	–	–	–	–	(57)	–	(57)
Disposal of treasury shares	14	–	3,885	16,355	–	–	–	–	20,240	–	20,240
Disposal of subsidiary's warrants to minority shareholders		–	–	–	–	–	–	–	–	18,120	18,120
Issuance of shares and warrants by subsidiaries to minority shareholders		–	–	–	–	–	–	–	–	151,002	151,002
At 31 March 2010		**1,327,216**	**1,776,547**	**–**	**36,395**	**(58,416)**	**75,258**	**1,972,221**	**5,129,221**	**1,328,138**	**6,457,359**

The Group	Note	Attributable to equity holders of the Company									
		Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
At 1 April 2008		859,314	1,991,180	(1,774)	36,196	17,793	37,919	1,687,622	4,628,250	936,026	5,564,276
Exchange differences arising from translation of net investment in foreign subsidiaries, associates and branch		–	–	–	–	(90,025)	–	–	(90,025)	(10,077)	(100,102)
Realisation of revaluation reserve of a subsidiary		–	–	–	(329)	–	–	194	(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
Acquisition of additional interest from minority shareholders		–	–	–	–	–	–	(8,061)	(8,061)	(12,821)	(20,882)
Deemed disposal of subsidiaries		–	–	–	–	–	–	(736)	(736)	736	–
Income and expense recognised directly in equity		–	–	–	245	(90,025)	–	(9,335)	(99,115)	(22,027)	(121,142)
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)	–	280,877	191,097	89,728	280,825

The Group	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
		Attributable to equity holders of the Company									
Acquisition of subsidiaries		–	–	–	–	–	–	–	–	63	63
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
At 31 March 2009		941,952	2,128,037	(16,298)	36,441	(72,232)	37,903	1,714,347	4,770,150	845,917	5,616,067

STATEMENTS OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

			Non-distributable				Distributable	
The Company	**Note**	**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**	**Total RM'000**
At 1 April 2009		941,952	2,128,037	(16,298)	(743)	653	761,348	3,814,949
Exchange differences arising from translation of a foreign branch and projects		–	–	–	(92)	–	–	(92)
Expense recognised directly in equity		–	–	–	(92)	–	–	(92)
Net profit for the financial year		–	–	–	–	–	82,043	82,043
Total recognised income and expense for the year		–	–	–	(92)	–	82,043	81,951
Second interim dividend:								
- Year ended 31 March 2009	12	–	–	–	–	–	(35,199)	(35,199)
Issuance of shares:								
- Exercise of Warrants 2005/2010	14	7,119	19,692	–	–	(357)	–	26,454
- Exercise of Warrants 2009/2014	14	724	2,354	–	–	(182)	–	2,896
- Bonus Issue	14	377,421	(377,421)	–	–	–	–	–
Issuance of Warrants 2009/2014	15	–	–	–	–	33,024	–	33,024
Shares buy back	14	–	–	(57)	–	–	–	(57)
Disposal of treasury shares	14	–	3,885	16,355	–	–	–	20,240
At 31 March 2010		**1,327,216**	**1,776,547**	**–**	**(835)**	**33,138**	**808,192**	**3,944,258**

The Company								
At 1 April 2008		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)
At 31 March 2009		941,952	2,128,037	(16,298)	(743)	653	761,348	3,814,949

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	Note	2010 RM'000	2009 RM'000
OPERATING ACTIVITIES			
Receipts from customers		3,958,480	4,732,049
Payments to contractors, suppliers and employees		(3,328,782)	(4,078,705)
Government grant received		2,720	16,102
Compensation received from Government		83,456	100,000
Interest received		66,034	42,564
Interest paid		(205,734)	(226,142)
Income tax paid		(135,183)	(155,560)
Net cash flow from operating activities		440,991	430,308
INVESTING ACTIVITIES			
Acquisition of subsidiaries	46	–	(30,235)
Acquisition of shares from minority shareholders in subsidiaries		–	(20,882)
Subscription of redeemable convertible unsecured loan stocks in Lebuhraya Kajang Seremban Sdn Bhd, a jointly controlled entity		(219,000)	(41,621)
Investments in associates		(258)	(17,315)
Disposal of shares to minority shareholders	47	218,735	–
Disposal of subsidiaries	47	23,108	–
Disposal of investments		69,714	18,088
Proceeds from liquidation of associates		2,565	–
Purchase of development land held for property development		(12,996)	(74,478)
Purchase of property, plant and equipment, leasehold land and investment properties		(341,003)	(406,252)
Cost incurred on concession assets		(74,254)	(83,766)
Additions to plantation development expenditure		(39,432)	(10,926)
Advances for land acquisition and plantation development expenditure		(63,465)	–
Deferred expenditure incurred	34	(1,793)	(3,071)
Disposal of property, plant and equipment, leasehold land and investment properties		14,866	72,022
Disposal of assets held for sale		24,743	132,000
Dividends received from associates		4,147	2,951
Dividends received from other investments		968	1,861
Net proceeds received from capital reduction in investments		336	–
Advances to associates		(600)	(723)
Repayment of advances from associates		–	7,134
Advances to jointly controlled entities		(75,560)	(96,098)
Repayment of advances from jointly controlled entities		34,049	99,492
Net cash flow used in investing activities		(435,130)	(451,819)

CONSOLIDATED CASH FLOW STATEMENT (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	Note	2010 RM'000	2009 RM'000
FINANCING ACTIVITIES			
Issuance of shares by the Company:			
- Exercise of ESOS		–	2,083
- Exercise of Warrants 2005/2010		26,454	1,503
- Exercise of Warrants 2009/2014		2,896	–
Issuance of Warrants		33,024	–
Issuance of shares and warrants by subsidiaries to minority shareholders		151,002	16,411
Repayment of Bonds		(190,000)	(70,000)
Drawdown of Commercial Papers ("CP") and Medium Term Notes ("MTN")		650,000	150,000
Repayments of CP and MTN		(380,000)	(95,000)
Proceeds from bank borrowings		1,009,276	781,455
Repayments of bank borrowings		(792,360)	(344,774)
Net advances from/(repayments to) the State Government		3,680	(1,500)
Repayment of Government Support Loan		(2,500)	(2,500)
Repayments to hire purchase and lease creditors		(8,999)	(15,600)
Payment of MTN and bonds interests		(30,008)	(19,283)
Dividends paid by subsidiaries to minority shareholders		(34,484)	(37,245)
Dividends paid by the Company		(35,199)	(160,641)
Decrease/(increase) in bank deposits assigned to trustees		54,569	(18,981)
Re-purchase of treasury shares	14(C)	(57)	(14,524)
Disposal of treasury shares	14(C)	20,240	–
Net cash flow from financing activities		477,534	171,404
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		483,395	149,893
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		787,697	626,805
FOREIGN EXCHANGE DIFFERENCES ON OPENING BALANCES		(303)	10,999
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	48	1,270,789	787,697

COMPANY CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	Note	2010 RM'000	2009 RM'000
OPERATING ACTIVITIES			
Receipts from customers		149,242	197,244
Payments to contractors, suppliers and employees		(162,710)	(245,008)
Interest received		3,141	6,915
Interest paid		(11,034)	(7,175)
Income tax paid		(7,177)	(16,053)
Net cash flow used in operating activities		(28,538)	(64,077)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(192)	(499)
Disposal of property, plant and equipment		246	113
Acquisition of additional interests in subsidiaries		(55,824)	(655,351)
Disposal of shares in subsidiaries	47	235,659	354,000
Disposal of investments		18	95
Income from investment in unit trust		863	–
Proceeds from liquidation of associates		2,546	–
Net proceeds received from capital reduction in a subsidiary		2,287	–
Acquisition of shares in associates		–	(11)
Dividends received from subsidiaries		62,403	104,085
Dividends received from associates		2,965	531
Dividends received from other investments		921	703
Net (advances to)/repayment of advances from subsidiaries		(406,401)	520,149
Net (advances to)/repayment of advances from associates		(579)	5,421
Repayment of advances from jointly controlled entities		622	1,339
Subscription of redeemable convertible unsecured loan stocks ("RCULS") in IJM Land Berhad, a subsidiary		–	(400,000)
Subscription of RCULS in Lebuhraya Kajang Seremban Sdn Bhd, a jointly controlled entity		(219,000)	(20,000)
Net cash flow used in investing activities		(373,466)	(89,425)
FINANCING ACTIVITIES			
Issuance of shares by the Company:			
- Exercise of ESOS		–	2,083
- Exercise of Warrants 2005/2010		26,454	1,503
- Exercise of Warrants 2009/2014		2,896	–
Issuance of Warrants		33,024	–
Proceeds from bank borrowings		451,215	262,540
Repayments of bank borrowings		(400,764)	(14,881)
Payment of MTN interests		(25,630)	(11,283)
Dividends paid by the Company		(35,199)	(160,641)
Re-purchase of treasury shares		(57)	(14,524)
Disposal of treasury shares		20,240	–
Drawdown of Commercial Papers ("CP") and Medium Term Notes ("MTN")		650,000	150,000
Repayments of CP and MTN		(300,000)	–
Net cash flow from financing activities		422,179	214,797
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		20,175	61,295
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		176,829	115,534
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	48	197,004	176,829

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

There are no new accounting standards, amendments to published standards and interpretations that are effective for the Group's and the Company's financial year beginning on or after 1 April 2009.

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group, but are not yet effective and have not been early adopted

The new standards, amendments to published standards and 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:

<u>Applicable for the Group's financial year beginning on or after 1 April 2010:</u>

- FRS 7 "Financial Instruments: Disclosures" (effective for accounting periods beginning on or after 1 January 2010) provides information to users of financial statements about an entity's exposure to risks and how the entity manages those risks. The improvement to FRS 7 clarifies that entities must not present total interest income and expense as a net amount within finance costs on the face of the income statement.

- 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 reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker.

  The improvement to FRS 8 (effective for annual accounting periods beginning on or after 1 January 2010) clarifies that entities that do not provide information about segment assets to the chief operating decision-maker will no longer need to report this information. Prior year comparatives must be restated.

- FRS 101 (revised) "Presentation of Financial Statements" (effective for accounting periods beginning on or after 1 January 2010) prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. 'Non-owner changes in equity' are to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

  Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period.

  It is likely that both the income statement and statement of comprehensive income will be presented as performance statements.

1 BASIS OF PREPARATION (cont'd)

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group, but are not yet effective and have not been early adopted (cont'd)

The new standards, amendments to published standards and 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: (cont'd)

<u>Applicable for the Group's financial year beginning on or after 1 April 2010:</u> (cont'd)

- FRS 123 "Borrowing Costs" (effective for accounting periods beginning on or after 1 January 2010) replaces FRS 123_{2004}. The new standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The standard has removed the option of immediately expensing those borrowing costs to income statement.

  The improvement to FRS 123 clarifies that the definition of borrowing costs includes interest expense calculated using the effective interest method defined in FRS 139.

- FRS 139 "Financial Instruments: Recognition and Measurement" (effective for accounting periods beginning on or after 1 January 2010) establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted under strict circumstances.

  The amendments to FRS 139 provide further guidance on eligible hedged items. The amendment provides guidance for two situations. On the designation of a one-sided risk in a hedged item, the amendment concludes that a purchased option designated in its entirety as the hedging instrument of a one-sided risk will not be perfectly effective. The designation of inflation as a hedged risk or portion is not permitted unless in particular situations.

  The improvement to FRS 139 clarifies that the scope exemption in FRS 139 only applies to forward contracts but not options for business combinations that are firmly committed to being completed within a reasonable timeframe.

- The amendment to FRS 1 "First-time Adoption of Financial Reporting Standards" and FRS 127 "Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate" (effective for accounting periods beginning on or after 1 January 2010) allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from FRS 127 and requires investors to present dividends as income in the separate financial statements.

- The amendment to FRS 2 "Share-based Payment: Vesting Conditions and Cancellations" (effective for accounting periods beginning on or after 1 January 2010) deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation there of subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

- The amendment to FRS 132 "Financial Instruments: Presentation" (effective for accounting periods beginning on or after 1 January 2010) removed the transitional provision that exempted entities from applying the split accounting for compound instruments issued before reporting periods of 1 January 2003.

  The amendment to FRS 132 "Financial Instruments: Presentation" and FRS 101 (revised) "Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation" (effective for accounting periods beginning on or after 1 January 2010) require entities to classify puttable financial instruments and instruments that impose on the entity an obligation to deliver to another party a prorate share of the net assets of the entity only on liquidation as equity, if they have particular features and meet specific conditions.

  The amendment to FRS 132 "Financial Instruments: Presentation" (effective for accounting periods beginning on or after 1 March 2010) deals with accounting for rights issues (rights, options or warrants) which are denominated in currency other than the functional currency of the issuer. Previously, such rights issues were accounted for as derivative liabilities. The amendment to FRS 132 requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated.

1 BASIS OF PREPARATION (cont'd)

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group, but are not yet effective and have not been early adopted (cont'd)

The new standards, amendments to published standards and 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: (cont'd)

Applicable for the Group's financial year beginning on or after 1 April 2010: (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.
- IC Interpretation 10 "Interim Financial Reporting and Impairment" (effective for accounting periods beginning on or after 1 January 2010) 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.
- IC Interpretation 11 "FRS 2 Group and Treasury Share Transactions" (effective for accounting periods beginning on or after 1 January 2010) provides guidance on whether share-based transactions involving treasury shares or involving group entities should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies.
- IC Interpretation 14 "FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction" (effective for accounting periods beginning on or after 1 January 2010) provides guidance on assessing the limit in FRS 119 on the amount of the surplus that can be recognised as an asset.
- The following amendments are part of the MASB improvements project effective for accounting periods beginning on or after 1 January 2010:
  - Improvement to FRS 5 "Non-current Assets Held for Sale and Discontinued Operations" clarifies that FRS 5 disclosures apply to non-current assets or disposal groups that are classified as held for sale and discontinued operations.
  - Improvement to FRS 107 "Statement of Cash Flows" clarifies that only expenditure resulting in a recognised asset can be categorised as a cash flow from investing activities.
  - Improvement to FRS 110 "Events after the Balance Sheet Date" reinforces existing guidance that a dividend declared after the reporting date is not a liability of an entity at that date given that there is no obligation at that time.
  - Improvement to FRS 116 "Property, Plant and Equipment" (consequential amendment to FRS 107 "Statement of Cash Flows") requires entities whose ordinary activities comprise renting and subsequently selling assets to present proceeds from the sale of those assets as revenue and should transfer the carrying amount of those assets to inventories when those assets become held for sale. A consequential amendment to FRS 107 states that cash flows arising from purchase, rental and sale of those assets are classified as cash flows from operating activities.
  - Improvement to FRS 117 "Leases" clarifies that the default classification of the land element in a land and building lease is no longer an operating lease. As a result, leases of land should be classified as either finance or operating, using the general principles of FRS 117.
  - Improvement to FRS 118 "Revenue" provides more guidance when determining whether an entity is acting as a "principal" or as an "agent".

1 BASIS OF PREPARATION (cont'd)

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group, but are not yet effective and have not been early adopted (cont'd)

The new standards, amendments to published standards and 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: (cont'd)

Applicable for the Group's financial year beginning on or after 1 April 2010: (cont'd)

- The following amendments are part of the MASB improvements project effective for accounting periods beginning on or after 1 January 2010: (cont'd)
  - Improvement to FRS 119 "Employee Benefits" clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation. The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation.
  - Improvement to FRS 120 "Accounting for Government Grants" clarifies that the benefit of a below market rate government loan is accounted for in accordance with FRS 120.
  - Improvement to FRS 127 "Consolidated and Separate Financial Statements" clarifies that where an investment in a subsidiary that is accounted for under FRS 139 is classified as held for sale under FRS 5, FRS 139 would continue to be applied.
  - Improvement to FRS 128 "Investments in Associates" clarifies that an investment in an associate is treated as a single asset for impairment testing purposes. Reversals of impairment are recorded as an adjustment to the carrying amount of the investment to the extent that the recoverable amount of the associate increases.
  - Improvements to FRS 128 "Investments in Associates" and FRS 131 "Interests in Joint Ventures" (consequential amendments to FRS 132 "Financial Instruments: Presentation" and FRS 7 "Financial Instruments: Disclosure") clarify that where an investment in associate or joint venture is accounted for in accordance with FRS 139, only certain, rather than all disclosure requirements in FRS 128 or FRS 131 need to be made in addition to disclosures required by FRS 132 and FRS 7.
  - Improvement to FRS 134 "Interim Financial Reporting" clarifies that basic and diluted earnings per share ("EPS") must be presented in an interim report only in the case when the entity is required to disclose EPS in its annual report.
  - Improvement to FRS 136 "Impairment of Assets" clarifies that the largest cash generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment before the aggregation of segments with similar economic characteristics. The improvement also clarifies that where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those value in use should be made.
  - Improvement to FRS 138 "Intangible Assets" clarifies that a prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. It confirms that the unit of production method of amortisation is allowed.
  - Improvement to FRS 140 "Investment Property" requires assets under construction or development for future use as investment property to be accounted as investment property rather than property, plant and equipment. Where the fair value model is applied, such property is measured at fair value. However, where fair value is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and fair value becomes reliably measurable. It also clarifies that if a valuation obtained for an investment property held under lease is net of all expected payments, any recognised lease liability is added back in order to determine the carrying amount of the investment property under the fair value model.

1 BASIS OF PREPARATION (cont'd)

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group, but are not yet effective and have not been early adopted (cont'd)

The new standards, amendments to published standards and 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: (cont'd)

<u>Applicable for the Group's financial year beginning on or after 1 April 2011:</u>

- FRS 3 (revised) "Business Combinations" (effective prospectively for accounting periods beginning on or after 1 July 2010) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair vale or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.
- FRS 127 (revised) "Consolidated and Separate Financial Statements" (effective prospectively for accounting periods beginning on or after 1 July 2010) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The revised standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.
- Amendment to FRS 7 "Improving Disclosures about Financial Instruments" (effective for annual period beginning on or after 1 January 2011) requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.
- IC Interpretation 12 "Service Concession Agreements" (effective for annual period beginning on or after 1 July 2010) applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. Depending on the contractual terms, this interpretation requires the operator to recognise a financial asset if it has an unconditional contractual right to receive cash or an intangible asset if it receives a right (license) to charge users of the public service. Some contractual terms may give rise to both a financial asset and an intangible asset.
- IC Interpretation 15 "Agreements for Construction of Real Estates" (effective for annual period beginning on or after 1 July 2010) clarifies whether FRS 118 "Revenue" or FRS 111 "Construction contracts" should be applied to particular transactions. It is likely to result in FRS 118 being applied to a wider range of transactions. The Group is still in the process of quantifying the financial impact of IC Interpretation 15 on the financial statements of the Group in the initial year of application.
- IC Interpretation 16 "Hedges of a Net Investment in a Foreign Operation" (effective for annual period beginning on or after 1 July 2010) clarifies the accounting treatment in respect of net investment hedging. This includes the fact that net investment hedging relates to differences in functional currency not presentation currency, and hedging instruments may be held by any entity in the group. The requirements of FRS 121 "The Effects of Changes in Foreign Exchange Rates" do apply to the hedged item.
- IC Interpretation 17 "Distribution of Non-cash Assets to Owners" (effective for annual period beginning on or after 1 July 2010) provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. FRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.

1 BASIS OF PREPARATION (cont'd)

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group, but are not yet effective and have not been early adopted (cont'd)

The new standards, amendments to published standards and 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: (cont'd)

Applicable for the Group's financial year beginning on or after 1 April 2011: (cont'd)

- The following amendments are part of the MASB improvements project effective for accounting periods beginning on or after 1 July 2010:
  - Improvement to FRS 5 "Non-current Assets Held for Sale and Discontinued Operations" clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met.
  - Improvement to FRS 138 "Intangible Assets" clarifies that a group of complementary intangible assets acquired in a business combination is recognised as a single asset if the individual asset has similar useful lives.
  - Improvement to IC Interpretation 9 "Reassessment of Embedded Derivatives" clarifies that this interpretation does not apply to embedded derivatives in contracts acquired in a business combination, businesses under common control or the formation of a joint venture.

The above standards, amendments to published 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, unless otherwise disclosed above.

The Group has applied the transitional provisions in the following respective standards, amendments to published standards and interpretations which exempt entities from disclosing the possible impact arising from the initial application of the following standards, amendments to published standards and interpretations on the financial statements of the Group and of the Company.

- FRS 139, Amendment to FRS 139, IC Interpretation 9, Improvement to FRS 139 and Improvement to IC Interpretation 9
- FRS 7 and Improvements to FRS 7
- IC Interpretation 12

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.

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(a) Subsidiaries (cont'd)

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

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

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

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a 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.

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(c) Associates (cont'd)

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.

(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 comprises 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 deprecation 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 estimated useful life of five years.

The Group amortises plantation infrastructure development expenditure in equal annual instalments over the period of the respective leases ranging from 21 years to 884 years. Other property, plant and equipment are depreciated on a straight-line basis to write-off the cost of the assets, or their revalued amounts, to their residual values over their estimated useful lives. The annual rates of depreciation are:

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.

Compensation received relating to variations in terms of concession agreements are recognised as deferred income and are credited to the income statement over the expected lives of the related assets, on bases consistent with amortisation of the related assets.

(b) Heavy repairs

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

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

9 REVENUE AND PROFIT RECOGNITION

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

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

9 REVENUE AND PROFIT RECOGNITION (cont'd)

(a) Construction contracts

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

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

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

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

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

(b) Property development activities

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

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

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

(c) Sale of goods

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

(d) Toll concession revenue

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

(e) Port revenue

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

(f) Hotel and club operations revenue

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.

9 REVENUE AND PROFIT RECOGNITION (cont'd)

(g) Other revenue

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

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

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

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.

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 2012004 on "Property Development Activities". Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of assets.

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

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

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

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

12 INVENTORIES

(a) Completed buildings

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

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

(b) Finished goods, quarry products, raw materials, construction materials, crude palm oil, crude palm kernel oil, oil palm nurseries, stores and spares

Inventories are valued at the lower of cost and net realisable value, other than contracted crude palm oil / crude palm kernel oil 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.

15 LEASES (cont'd)

(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.

19 INCOME TAXES (cont'd)

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.

(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, under which equity instruments (warrant) are given to employees as consideration for the services received. The fair value of the employee services received in exchange for grant or offer for sale of the warrants is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the warrants granted or sold excluding the impact of any non-market vesting conditions.

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, interest rate swap contracts and crude palm oil ("CPO") pricing 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.

23 FINANCIAL INSTRUMENTS (cont'd)

(b) Financial instruments not recognised on the balance sheet (cont'd)

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.

CPO pricing swap contracts

The Group enters into CPO pricing swap contracts to protect the Group from movements in CPO prices. The gains or losses on the CPO pricing swap contracts are recognised in the income statement based on average prices quoted by Bursa Malaysia Derivative Berhad.

(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. The fair value of CPO pricing swap contracts is based on quoted market prices at the balance sheet date.

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 and operational maintenance of the concession assets are included in non-current 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, estate administration, finance cost and upkeep of plantation up to its maturity and are stated at cost or valuation. All expenditure incurred subsequent to maturity, replanting expenditure and upkeep and maintenance expenditure including fertilising costs are charged to the income statement when incurred.

Certain plantation expenditure of the subsidiaries of the Company has been revalued in 1997. The Directors have not adopted a policy of regular revaluations of such assets and no later valuation has been recorded.

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

Leasehold land that normally has a definite economic life and title is not expected to pass to the lessee by end of the lease term is treated as an operating lease. Prepaid lease rentals are carried at cost or surrogate carrying amount and are amortised on a straight line basis over the lease terms in accordance with the pattern of benefits provided.

Leasehold land are amortised over the lease period of the respective leases ranging from 20 to 884 years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

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 55 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

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 2010.

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. Due to the complexity of transactions entered into by the Group, significant judgement is required in determining capital allowances, deductibility of certain expenses and the chargeability of certain income during the estimation of the provision for income taxes. In determining the tax treatment, the Directors have relied upon industry practice and experts opinion. 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.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(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 todate 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.

(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. 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 reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's test for impairment of assets.

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, interest rate swap contracts and commodity swap contracts to hedge certain exposures, but it does not trade in financial instruments.

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

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, Pakistan 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 transactions 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.

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.

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.

Other than the above, 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.

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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Construction contract revenue	1,366,068	1,745,486	139,617	190,870
Property development revenue	933,525	807,837	2,100	–
Sale of quarry and manufactured products	840,781	998,286	–	–
Sale of goods	104,494	238,961	–	–
Toll concession revenue	189,485	165,031	–	–
Port revenue	116,677	102,851	–	–
Sale of crude palm oil and plantations related products	406,745	491,604	–	–
Management services	17,114	8,757	577	1,634
Dividend income	1,120	802	83,135	218,248
Rental of properties	6,987	3,276	243	264
Rendering of other services	30,534	38,403	–	–
	4,013,530	4,601,294	225,672	411,016

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:

	2010 RM'000	2009 RM'000
Operating revenue of the Group	4,013,530	4,601,294
Share of operating revenue of:		
Associates	439,381	355,843
Jointly controlled entities	429,518	348,169
	4,882,429	5,305,306

5 OPERATING PROFIT BEFORE FINANCE COST

(a) The following expenses (excluding finance cost and income tax expense) by nature have been debited in arriving at operating profit before finance cost:

	Note	The Group		The Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Construction contract costs		1,190,551	1,813,192	137,508	188,886
Property development costs		835,286	729,081	2,165	–
Cost of quarry and manufactured products sold		628,738	778,616	–	–
Cost of plantation products sold		213,805	262,500	–	–
Toll operation costs		57,694	55,834	–	–
Port operation costs		62,115	59,960	–	–
Costs of rendering of other services		71,911	4,665	–	–
Employee benefits cost	6	209,415	194,082	17,962	16,791
Property, plant and equipment:					
- depreciation	25	89,070	82,859	1,039	2,336
- written off	25	1,834	1,476	–	–
- loss on disposal		451	17	–	2
- impairment	25	2,086	338	–	–
Amortisation of leasehold land	26	5,809	5,228	–	–
Investment properties					
- depreciation	27	3,564	1,884	129	129
- impairment	27	–	561	–	–
Rental of land and buildings		3,788	3,509	1,276	1,276
Hire of plant and equipment		18,466	24,028	–	–

5 OPERATING PROFIT BEFORE FINANCE COST (cont'd)

(a) The following expenses (excluding finance cost and income tax expense) by nature have been debited in arriving at operating profit before finance cost: (cont'd)

	Note	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
Port lease and licence		**3,829**	3,829	**–**	–
Auditors' remuneration					
- statutory audit	8				
Current year		**2,172**	2,176	**270**	295
Under accrual in respect of prior years		**123**	429	**–**	–
Foreign exchange loss:					
- unrealised		**30,302**	1,661	**2,465**	1,192
- realised		**2,153**	887	**–**	–
Allowance for diminution in value of quoted investments		**82**	2,581	**46**	1,780
Allowance for diminution in value of unquoted investments		**14,250**	4	**–**	–
Impairment of investment in a subsidiary		**–**	–	**1,035**	11,880
Impairment of investment in associates		**–**	15,455	**–**	13,445
Impairment losses on land held for property development	35(a)	**845**	2,649	**–**	–
Impairment losses on property development costs	35(b)	**3,689**	–	**–**	–
Amortisation of concession assets	28	**50,270**	54,865	**–**	–
Amortisation of quarry development expenditure	34	**2,974**	3,234	**–**	–
Amortisation of licence fees	34	**–**	157	**–**	–
Amortisation of construction order book	34	**3,284**	3,283	**–**	–
Amortisation of discount on bonds issue	16	**599**	90	**–**	–
Amortisation of premium on acquisition of marketable securities		**49**	218	**–**	–
Allowance for doubtful debts		**22,851**	4,366	**46,039**	–
Allowance for obsolete stocks		**–**	245	**–**	–
Bad debts written off		**1,316**	955	**–**	–
Building stocks written down		**757**	4,383	**–**	–

Direct operating expenses from investment properties that generated rental income for the Group and the Company during the financial year amounted to RM884,000 (2009: RM498,000) and RM78,815 (2009: RM76,506) respectively.

Direct operating expenses from investment properties that did not generate rental income for the Group during the financial year amounted to RM275,000 (2009: RM259,000).

5 OPERATING PROFIT BEFORE FINANCE COST (cont'd)

(b) The following amounts have been credited in arriving at operating profit before finance cost:

	Note	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
Gross dividends received from:					
- subsidiaries					
(quoted)		–	–	8,506	12,546
(unquoted)		–	–	63,147	204,188
- associates					
(quoted)		–	–	–	325
(unquoted)		–	–	10,364	388
- other investments					
(quoted)		1,178	2,408	1,118	801
Interest income		78,954	50,467	70,967	69,276
Foreign exchange gain:					
- unrealised		81,546	7,274	2,386	115
- realised		7,813	317	846	–
Gain on disposal of property, plant and equipment		3,102	22,547	99	–
Gain on disposal of leasehold land		2,232	–	–	–
Gain on disposal of assets held for sale		3,279	39,083	–	–
Rental income from properties		10,531	11,155	243	264
Rental income from plant, machinery, equipment and vehicles		3,822	3,454	277	313
Bad debts recovered		822	8	–	–
Write back of allowance for doubtful debts		1,614	36	–	–
Write back of allowance for diminution in value of investments		1,864	41	1,187	–
Amortisation of government grants	24	5,083	4,421	–	–
Gain on disposal of shares in subsidiaries		12,388	–	54,232	254,000
Gain on liquidation of associates		115	–	2,386	–
Gain on disposal of short term investments		11	74	11	54
Gain on disposal of long term investments		423	1,000	–	–
Income from quoted unit trusts		1,445	698	863	–
Negative goodwill arising from acquisition of subsidiaries		–	117	–	–
Waiver of debts		–	598	–	–

6 EMPLOYEE BENEFITS COST

	Note	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
Wages, salaries and bonus		236,462	233,693	14,318	13,212
Defined contribution retirement plan		24,904	24,716	2,000	2,220
Defined benefit retirement plan	23	1,087	1,247	–	–
Other employee benefits		14,991	13,320	1,644	1,359
		277,444	272,976	17,962	16,791
Less expenses capitalised into:					
- Concession assets	28	(66)	–	–	–
- Property development costs	35(b)	(379)	(472)	–	–
- Plantation development expenditure	36(b)	(7,028)	(4,077)	–	–
- Construction contract work in progress	44	(60,556)	(74,345)	–	–
		209,415	194,082	17,962	16,791

7 DIRECTORS' REMUNERATION

	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
Directors of the Company:				
Fees	883	619	575	498
Defined contribution retirement plan	984	1,028	779	765
Other emoluments	9,113	6,140	7,206	4,636
	10,980	7,787	8,560	5,899
Directors of subsidiaries:				
Fees	426	181	–	–
Defined contribution retirement plan	1,072	887	–	–
Other emoluments	9,845	6,142	–	–
	11,343	7,210	–	–

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 RM1,625,000 (2009: RM337,000) and RM432,000 (2009: RM134,000) 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 allotted warrants under the Warrants 2005/2010 (see Note 14A(c)) and Warrants 2008/2013 of IJM Land Berhad, a subsidiary of the Company, pursuant to the offer for sale by the Company to all its eligible employees as follows:

		Number of Warrants 2005/2010 of the Company			
Expiry Date	**Exercise Price RM/Warrant**	**Balance at 1.4.2009 '000**	**Disposed '000**	**Exercised '000**	**Balance at 31.3.2010 '000**
22 August 2010	4.80/4.77*/3.41**	440	(62)	(378)	–

The exercise price of the Warrants 2005/2010 had been adjusted on 19 August 2008(*) and 1 October 2009(**) pursuant to the provisions of the Deed Poll dated 22 June 2005 constituting the Warrants 2005/2010.

		Number of Warrants 2008/2013 of IJM Land Berhad, a subsidiary			
Expiry Date	**Exercise Price RM/Warrant**	**At date of issuance on 27.5.2009 '000**	**Disposed '000**	**Exercised '000**	**Balance at 31.3.2010 '000**
11 September 2013	1.35	3,005	(1,549)	–	1,456

8 AUDITORS' REMUNERATION - STATUTORY AUDIT

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
PricewaterhouseCoopers Malaysia *	1,735	1,524	270	295
Other member firms of PricewaterhouseCoopers International Limited *	433	604	–	–
Other auditors of subsidiaries	127	477	–	–
	2,295	2,605	270	295

* PricewaterhouseCoopers Malaysia and other member firms of PricewaterhouseCoopers International Limited are separate and independent legal entities.

9 FINANCE COST

	Note	The Group		The Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Interest expenses arising from:					
- Interest bearing bank borrowings		140,392	152,125	8,745	6,276
- Advances from subsidiaries		–	–	2,518	2,952
- Hire purchase and leasing		1,195	2,030	–	–
- Bonds		46,550	56,719	–	–
- Commercial Papers and Medium Term Notes ("MTN")		33,047	25,149	24,751	11,283
- Amortisation of government support loan		6,771	9,292	–	–
- Others		11,590	9,368	2,289	899
		239,545	254,683	38,303	21,410
Less interest capitalised into:					
- Concession assets	28	(7,449)	(16,827)	–	–
- Property development costs	35(b)	(25,701)	(13,215)	–	–
- Plantation development expenditure	36(b)	(4)	(35)	–	–
- Construction contract work-in-progress	44	(4,970)	(35,516)	–	–
		(38,124)	(65,593)	–	–
		201,421	189,090	38,303	21,410

10 INCOME TAX EXPENSE

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current tax:				
- Malaysian income tax	163,698	123,755	10,456	54,262
- Overseas taxation	4,398	236	–	–
	168,096	123,991	10,456	54,262
Deferred taxation (Note 21)	(13,236)	2,712	517	650
	154,860	126,703	10,973	54,912

10 INCOME TAX EXPENSE (cont'd)

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current tax:				
- Current year	158,588	131,229	10,579	52,463
- Benefits from previously unrecognised temporary differences	(1,942)	(3,322)	–	–
- Under/(over) accrual in prior years (net)	11,450	(3,916)	(123)	1,799
	168,096	123,991	10,456	54,262
Deferred taxation:				
- Origination and reversal of temporary differences	(13,236)	2,712	517	650
	154,860	126,703	10,973	54,912

The explanation of the relationship between income tax expense and profit before taxation is as follows:

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit before taxation	578,024	528,670	93,016	467,591
Tax calculated at the Malaysian tax rate of 25% (2009: 25%)	144,506	132,168	23,254	116,898
Tax effects of:				
- Different tax rates in other countries	(3,354)	1,473	–	–
- Expenses not deductible for tax purposes	25,249	23,467	15,720	7,137
- Income not subject to tax	(16,608)	(15,228)	(27,878)	(70,922)
- Utilisation of tax incentives	(4,223)	(13,878)	–	–
- Current year's deferred tax assets not recognised	33,458	12,471	–	–
- Utilisation of previously unrecognised tax losses	(267)	(3,322)	–	–
- Utilisation of previously unrecognised deductible temporary difference	(1,675)	–	–	–
- Share of results of jointly-controlled entities and associates	(6,522)	(5,927)	–	–
- Recognition of previously unrecognised deferred tax assets	(26,973)	–	–	–
- Others	(181)	(605)	–	–
Under/(over) accrual in prior years	11,450	(3,916)	(123)	1,799
Income tax expense	154,860	126,703	10,973	54,912

Included in income tax expense of the Group are tax savings from utilisation of tax losses as follows:

	The Group	
	2010 RM'000	2009 RM'000
Tax losses:		
Tax savings as a result of the utilisation of tax losses brought forward for which the related credit is recognised during the year	267	3,322

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 2010 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 RM243,900,000 (2009: RM256,129,000) out of its retained profits.

11 EARNINGS PER SHARE

(a) Basic

The basic earnings per share for the financial year has been calculated based on the Group's profit attributable to ordinary equity holders of the Company for the financial year and the weighted average number of ordinary shares in issue during the financial year. The weighted average number of ordinary shares in issue was derived at after taking into account the 2:5 Bonus Issue, the exercise of Warrants 2005/2010 and Warrants 2009/2014.

	The Group	
	2010 RM'000	2009 RM'000
Net profit attributable to ordinary equity holders of the Company	332,580	290,212
	'000	'000
Weighted average number of ordinary shares in issue, as previously reported	–	883,708
Basic earnings per share, as previously reported (sen)	–	32.84

	The Group	
	2010 '000	2009 '000 (Restated)
Weighted average number of ordinary shares in issue including adjustment for 2:5 Bonus Issue	1,319,420	1,237,191
Basic earnings per share (sen)	25.21	23.46

(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 RM332,580,000 (2009: RM290,212,000) by the weighted average number of ordinary shares in issue, adjusted to assume the conversion of all dilutive potential ordinary shares, i.e. the Warrants 2005/2010 and Warrants 2009/2014. 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 Warrants 2005/2010 and Warrants 2009/2014. 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	
	2010 RM'000	2009 RM'000
Net profit attributable to ordinary equity holders of the Company	332,580	290,212
	'000	'000
Weighted average number of ordinary shares in issue	1,319,420	883,708
Adjustments for Warrants 2005/2010	7,503	–
Adjustments for Warrants 2009/2014	11,856	–
Weighted average number of ordinary shares for diluted earnings per share	1,338,779	883,708
Diluted earnings per share (sen)	24.84	N/A

N/A denotes not applicable because the Warrants were anti-dilutive and hence the diluted earnings per share was not calculated for the financial year ended 31 March 2009.

12 DIVIDENDS

Dividends declared in respect of the current financial year are as follows:

	The Company			
	2010		2009	
	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
Interim dividend, net of 25% tax	11.00	**	–	–
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	35,199
	11.00	**	34.99	238,721

* 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 30 July 2010.

On 26 May 2010, the Directors have declared an interim dividend in respect of the financial year ended 31 March 2010 of 11% less 25% tax to be paid on 24 August 2010 to every member who is entitled to receive the dividend as at 5:00pm on 30 July 2010. The first 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 2010 (2009: 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.

13 SEGMENTAL REPORTING (cont'd)

(a) Primary reporting – Business segments

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
2010							
REVENUE:							
Total revenue	1,974,113	1,106,535	877,436	406,745	306,162	155,572	4,826,563
Less: Inter-segment revenue	(622,478)	(318)	(36,655)	–	–	(153,582)	(813,033)
Total segment revenue	1,351,635	1,106,217	840,781	406,745	306,162	1,990	4,013,530
RESULTS:							
Segment results	85,453	174,559	180,738	121,214	193,447	(6,713)	748,698
Finance cost	(83,789)	(4,160)	(7,476)	(4,409)	(101,587)	–	(201,421)
Share of results of associates	5,658	1,724	1,116	34	11,144	–	19,676
Share of results of jointly controlled entities	23,568	(228)	–	(5,147)	(7,122)	–	11,071
Profit before taxation	30,890	171,895	174,378	111,692	95,882	(6,713)	578,024
Income tax expense							(154,860)
Net profit for the financial year							423,164
NET ASSETS:							
Segment assets	1,695,462	4,106,698	907,278	1,354,876	2,713,777	128,468	10,906,559
Investment in associates	74,982	38,272	15,154	12,842	300,858	12	442,120
Investment in jointly controlled entities	229,000	442,572	–	12,164	380,782	–	1,064,518
							12,413,197
Unallocated corporate assets							145,098
Consolidated total assets							12,558,295
Segment liabilities	1,062,654	453,645	121,760	41,559	289,381	6,376	1,975,375
Interest bearing instruments	1,043,370	519,053	91,298	186,000	1,773,219	–	3,612,940
Unallocated corporate liabilities							400,371
Consolidated total liabilities							5,988,686
Government grants	–	–	–	–	112,250	–	112,250

13 SEGMENTAL REPORTING (cont'd)

(a) Primary reporting – Business segments (cont'd)

	Note	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
2010								
OTHER INFORMATION:								
Capital expenditure:								
- Property, plant and equipment	25	7,522	8,360	25,210	95,119	12,309	39	148,559
- Leasehold land	26	–	75	348	23,842	–	–	24,265
- Investment properties	27	–	173,241	20	–	–	–	173,261
- Concession assets	28	–	–	–	–	218,414	–	218,414
- Plantation development expenditure	36	–	–	–	42,050	–	–	42,050
								606,549
Depreciation charged to income statement:								
- Property, plant and equipment	25	14,964	4,754	30,371	25,901	13,074	6	89,070
- Investment properties	27	129	3,341	94	–	–	–	3,564
								92,634
Amortisation of:								
- Leasehold land	26	232	1,731	1,066	1,874	85	821	5,809
- Concession assets	28	–	–	–	–	50,270	–	50,270
- Quarry development expenditure	34	–	–	2,974	–	–	–	2,974
- Construction order book	34	3,284	–	–	–	–	–	3,284
- Government grants	24	–	–	–	–	(5,083)	–	(5,083)
								57,254

13 SEGMENTAL REPORTING (cont'd)

(a) Primary reporting – Business segments (cont'd)

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
2009							
REVENUE:							
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
RESULTS:							
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
NET ASSETS:							
Segment assets	1,933,707	3,749,702	913,188	969,542	2,737,988	53,114	10,357,241
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
							11,590,485
Unallocated corporate assets							135,678
Consolidated total assets							11,726,163
Segment liabilities	1,159,276	472,257	144,251	49,510	362,011	9,100	2,196,405
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							6,036,753
Government grants	–	–	–	–	73,343	–	73,343

13 SEGMENTAL REPORTING (cont'd)

(a) Primary reporting – Business segments (cont'd)

	Note	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
2009								
OTHER INFORMATION:								
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	–	–	–	12,232	–	–	12,232
								527,345
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	–	–	–	–	54,865	–	54,865
- Quarry development expenditure	34	–	–	3,234	–	–	–	3,234
- Construction order book	34	3,283	–	–	–	–	–	3,283
- Licence fees	34	157	–	–	–	–	–	157
- Government grants	24	–	–	–	–	(4,421)	–	(4,421)
								62,346

13 SEGMENTAL REPORTING (cont'd)

(a) Primary reporting – Business segments (cont'd)

Supplementary information on segmental reporting on revenue of the Group inclusive of the Group's share of revenue of associates and jointly controlled entities are as follows:

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
2010							
Revenue of the Group	**1,351,635**	**1,106,217**	**840,781**	**406,745**	**306,162**	**1,990**	**4,013,530**
Share of operating revenue of associates and jointly controlled entities	**489,584**	**69,420**	**42,072**	**35,072**	**232,751**	**–**	**868,899**
	1,841,219	**1,175,637**	**882,853**	**441,817**	**538,913**	**1,990**	**4,882,429**
2009							
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
	2,355,258	985,953	1,069,052	541,564	349,625	3,854	5,305,306

(b) Secondary reporting – Geographical segments

	Revenue from external customers RM'000	Total assets RM'000	Capital expenditure incurred during the year RM'000
Geographical markets			
2010			
Malaysia	**3,437,597**	**9,318,156**	**437,614**
India	**499,061**	**1,442,772**	**88,335**
Other countries	**76,872**	**290,729**	**80,600**
	4,013,530	**11,051,657**	**606,549**
Associates and jointly controlled entities:			
- India		**377,376**	
- Malaysia		**808,196**	
- Argentina		**58,815**	
- Singapore		**73,178**	
- Vietnam		**25,138**	
- Australia		**32,197**	
- Other countries		**131,738**	
		12,558,295	

13 SEGMENTAL REPORTING (cont'd)

(b) Secondary reporting – Geographical segments (cont'd)

	Revenue from external customers RM'000	Total assets RM'000	Capital expenditure incurred during the year RM'000
Geographical markets			
2009			
Malaysia	3,714,869	9,038,998	369,828
India	655,926	1,230,880	138,455
Other countries	230,499	223,041	19,062
	4,601,294	10,492,919	527,345
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	
		11,726,163	

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 Group and The Company			
	2010		2009	
	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 / At 31 March	3,000,000	3,000,000	3,000,000	3,000,000
Issued and fully paid:				
At 1 April	941,952	941,952	859,314	859,314
Issuance of shares:				
- Arising from the bonus issue	377,421	377,421	–	–
- Arising from the acquisition of remaining shareholdings in a subsidiary	–	–	81,820	81,820
- Exercise of ESOS	–	–	505	505
- Exercise of Warrants 2005/2010	7,119	7,119	313	313
- Exercise of Warrants 2009/2014	724	724	–	–
At 31 March	1,327,216	1,327,216	941,952	941,952

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 RM941,951,233 to RM1,327,215,357 by way of:

(i) The issuance of 377,420,983 new ordinary shares of RM1.00 each on 1 October 2009 arising from the bonus issue on the basis of 2 bonus shares for every 5 existing shares held in the Company ("2:5 Bonus Issue");

(ii) The issuance of 1,601,600 and 5,517,480 new ordinary shares of RM1.00 each arising from the exercise of Warrants 2005/2010 at the exercise price of RM4.77 and RM3.41 per share respectively in accordance with the Deed Poll dated 22 June 2005. The exercise price was adjusted to RM3.41 on 1 October 2009 following the 2:5 Bonus Issue and the allotment of 132,097,381 new Warrants 2009/2014 on the basis of 1 Warrant for every 10 existing ordinary shares of RM1 each in the Company held after the 2:5 Bonus Issue; and

(iii) The issuance of 724,061 new ordinary shares of RM1.00 each arising from the exercise of Warrants 2009/2014 at the exercise price of RM4.00 per share in accordance with the Deed Poll dated 18 September 2009.

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

(b) Employee Share Option Scheme

The ESOS expired on 10 November 2008. The weighted average quoted price of shares of the Company at the time when the options were exercised in the preceding financial year was RM5.19 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; and

On 2 October 2009, the Company allotted 8,098,689 new Warrants 2005/2010 at an issue price of RM0.05 per Warrant on the basis of 2 new Warrants 2005/2010 for every 5 existing Warrants 2005/2010 held in the Company on 1 October 2009 following the 2:5 Bonus Issue.

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 exercise price was 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's ("IJMLB") warrants on the basis of 1 IJMLB warrant for every 10 IJM shares held. The Warrants 2005/2010 is listed on the Main Market of Bursa Malaysia with effect from 2 September 2005. The exercise price was subsequently adjusted to RM3.41 on 1 October 2009 following the 2:5 Bonus Issue and the allotment of 132,097,381 new Warrants 2009/2014 on the basis of 1 Warrant for every 10 existing ordinary shares of RM1 each in the Company held after the 2:5 Bonus Issue.

Warrants exercised during the financial year resulted in 1,601,600 and 5,517,480 new ordinary shares being issued at RM4.77 and RM3.41 each respectively. The weighted average quoted price of shares of the Company at the time when the warrants were exercised was RM5.02 (2009: RM5.40) per share.

As at the balance sheet date, 22,827,950 Warrants 2005/2010 (2009: 21,848,341) remained unexercised.

14 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (cont'd)

(A) SHARE CAPITAL (cont'd)

(d) Warrants 2009/2014

The Warrants 2009/2014 are constituted by a Deed Poll dated 18 September 2009.

On 26 October 2009, the Company allotted 132,097,381 new Warrants 2009/2014 at an issue price of RM0.25 per Warrant on the basis of 1 Warrant for every 10 existing ordinary shares of RM1.00 each in the Company held after the 2:5 Bonus Issue.

Each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 26 October 2009 up to the date of expiry on 24 October 2014, at an exercise price of RM4.00 per share in accordance with the Deed Poll dated 18 September 2009. The Warrants 2009/2014 is listed on the Main Market of Bursa Malaysia on 28 October 2009.

Warrants exercised during the financial year resulted in 724,061 new ordinary shares being issued at RM4.00 each. The weighted average quoted price of shares of the Company at the time when the warrants were exercised was RM4.61 per share.

As at the balance sheet date, 131,373,320 Warrants 2009/2014 remained unexercised.

(B) SHARE PREMIUM

	Note	The Group and The Company 2010 RM'000	2009 RM'000
At 1 April		2,128,037	1,991,180
Arising from:			
- Bonus issue		(377,421)	–
- Acquisition of remaining shareholdings in a subsidiary	46(a)(iii)	–	134,073
- Exercise of ESOS		–	1,578
- Exercise of Warrants 2005/2010		19,692	1,206
- Exercise of Warrants 2009/2014		2,354	–
- Disposal of treasury shares		3,885	–
At 31 March		1,776,547	2,128,037

(C) TREASURY SHARES

	The Group and The Company			
	2010		2009	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
At 1 April	3,388	16,298	347	1,774
Shares buy back	10	57	3,041	14,524
Disposal of treasury shares	(3,398)	(16,355)	–	–
At 31 March	–	–	3,388	16,298

14 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (cont'd)

(C) TREASURY SHARES (cont'd)

The shareholders of the Company had approved an ordinary resolution at the Extraordinary General Meeting held on 25 August 2009 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 were committed to enhancing the value of the Company and believed that the repurchase plan was being applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 10,000 (2009: 3,040,800) of its issued share capital from the open market on Bursa Malaysia for RM56,913 (2009: RM14,523,342). The average price paid for the shares repurchased was approximately RM5.65 (2009: RM4.78) 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.

Subsequently, the Company disposed its entire holding of treasury shares totalling 3,397,500 shares in the open market on Bursa Malaysia at prices ranging from RM5.91 to RM6.05 per share for cash consideration of RM20,240,000. The excess of sales consideration received over the carrying amount of the treasury shares of RM3,885,000 was credited to the share premium account (Note 14(B)).

15 OTHER RESERVES

		The Group	
		2010 RM'000	2009 RM'000
(a)	Capital reserve		
	At 1 April	37,250	37,250
	Share of realisation of capital reserve in an associate	(130)	–
	At 31 March	37,120	37,250
(b)	Warrants reserve		
	At 1 April	653	669
	Addition arising from issuance of new Warrants 2009/2014	33,024	–
	Transferred to share premium upon exercise of:		
	- Warrants 2005/2010	(357)	(16)
	- Warrants 2009/2014	(182)	–
	At 31 March	33,138	653
(c)	Capital redemption reserve		
	At 1 April	–	–
	Transfer to capital reserve upon redemption of preference shares in a subsidiary	5,000	–
	At 31 March	5,000	–
	At 31 March	75,258	37,903

	The Company	
	2010 RM'000	2009 RM'000
Warrants reserve		
At 1 April	653	669
Addition arising from issuance of new Warrants 2009/2014	33,024	–
Transferred to share premium upon exercise of:		
- Warrants 2005/2010	(357)	(16)
- Warrants 2009/2014	(182)	–
At 31 March	33,138	653

16 BONDS

	8% Secured Fixed Rate Bonds 1999/2009 (a) RM'000	Secured Junior Bai Bithaman Ajil Notes (b) RM'000	Secured Senior Bai Bithaman Ajil Notes (b) RM'000	Unsecured Al-Bai' Bithaman Ajil Bonds (c) RM'000	Total RM'000
The Group					
2010					
At 1 April	100,000	267,774	443,017	35,000	845,791
Redeemed during the year	(100,000)	–	(55,000)	(35,000)	(190,000)
At 31 March	–	267,774	388,017	–	655,791
Less:					
Discount on amortisation	(4,932)	–	–	(159)	(5,091)
Accumulated amortisation	4,932	–	(2,777)	159	2,314
	–	–	(2,777)	–	(2,777)
	–	267,774	385,240	–	653,014
Less:					
Amount redeemable within 12 months (Note 43)	–	–	(84,128)	–	(84,128)
	–	267,774	301,112	–	568,886
2009					
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)	–	–	(159)	(5,091)
Accumulated amortisation	4,685	–	(524)	117	4,278
	(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

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
2010							
Secured							
Junior Bai Bithaman Ajil Notes	**267,774**	**–**	**–**	**–**	**–**	**–**	**267,774**
Senior Bai Bithaman Ajil Notes	**385,240**	**84,128**	**94,194**	**104,910**	**102,008**	**–**	**–**
	653,014	**84,128**	**94,194**	**104,910**	**102,008**	**–**	**267,774**
2009							
Secured							
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	–
	810,020	157,316	84,128	94,194	104,910	101,698	267,774
Unsecured							
Al-Bai' Bithaman Ajil Bonds	34,958	34,958	–	–	–	–	–
	844,978	192,274	84,128	94,194	104,910	101,698	267,774

(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 were 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 were 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 ranked parri passu and rateably among themselves and in priority to all other unsecured indebtedness of the subsidiary.

(ii) The Bonds carried a fixed coupon rate of 8% per annum payable semi-annually in arrears. At the end of its tenure, the Bonds were 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.

During the financial year, NPE is restructuring the outstanding Senior BBA Notes by:

- redeeming at par 30% of the outstanding Senior BBA Notes on a pro-rata basis on a date prior to their respective maturity dates;
- rescheduling 20% of the outstanding Senior BBA Notes on a pro-rata basis; and
- creating another series of primary Senior BBA Notes with a profit rate of 5.55% per annum.

(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 financial 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.

16 BONDS (cont'd)

(C) Principal features of Bonds (cont'd)

(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 1.4.2009 RM'000	Redeemed during the year RM'000	At 31.3.2010 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	–*	–	–
5	7.18	15 December 2009	35,000	(35,000)	–
			35,000	(35,000)	–

* Redeemed in previous financial years

(ii) The fixed profit rates were payable semi-annually in arrears. At the end of the respective tenure, the bonds were 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 2009. This bond carried a profit rate of 7.18% per annum.

(iii) The bonds were 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 should 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 should be secured equally and rateably with such borrowings.

17 COMMERCIAL PAPERS AND MEDIUM TERM NOTES ("CP/MTN")

	Note	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
Current					
Secured:					
- RM100 million CP 2007/2014	(a)	49,000	49,000	–	–
Unsecured:					
- RM400 million CP 2006/2013	(b)	–	40,000	–	–
- RM400 million MTN 2006/2013	(b)	41,532	41,004	–	–
- RM300 million CP/MTN 2005/2012	(c)	–	150,000	–	150,000
		41,532	231,004	–	150,000
		90,532	280,004	–	150,000
Non-current					
Unsecured:					
- RM400 million MTN 2006/2013	(b)	41,848	83,380	–	–
- RM300 million CP/MTN 2005/2012	(c)	–	150,000	–	150,000
- RM1 billion CP/MTN 2009/2016	(d)	650,000	–	650,000	–
		691,848	233,380	650,000	150,000
		782,380	513,384	650,000	300,000

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	4 - 5 years RM'000	> 5 years RM'000
The Group									
2010									
Secured									
RM100 million CP 2007/2014	2.31	49,000	RM	49,000	–	–	–	–	–
Unsecured									
RM400 million MTN 2006/2013	6.00-6.30	83,380	RM	41,532	41,848	–	–	–	–
RM1 billion CP/MTN 2009/2016	5.25	650,000	RM	–	–	–	200,000	200,000	250,000
		782,380		90,532	41,848	–	200,000	200,000	250,000
2009									
Secured									
RM100 million CP 2007/2014	3.50 – 3.60	49,000	RM	49,000	–	–	–	–	–
Unsecured									
RM300 million CP/MTN 2005/2012	4.35 – 5.50	300,000	RM	150,000	–	150,000	–	–	–
RM400 million MTN 2006/2013	5.50 – 6.30	164,384	RM	81,004	41,532	41,848	–	–	–
		513,384		280,004	41,532	191,848	–	–	–
The Company									
2010									
Unsecured									
RM1 billion CP/MTN 2009/2016	5.25	650,000	RM	–	–	–	200,000	200,000	250,000
2009									
Unsecured									
RM300 million CP/MTN 2005/2012	4.35 – 5.50	300,000	RM	150,000	–	150,000	–	–	–

17 COMMERCIAL PAPERS AND MEDIUM TERM NOTES ("CP/MTN") (cont'd)

(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:

(i) a second debenture creating a fixed and floating charge over all the assets, rights and interest, both present and future, of Besraya;

(ii) 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;

(iii) 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;

(iv) an additional letter of comfort from Road Builder (M) Holdings Bhd ("RBH"), a subsidiary of the Company; and

(v) an additional letter of undertaking from RBH that it will not require Besraya to redeem any preference shares prior to the full repayment of the RM100 million CP/MTN facility.

(b) RM400 million CP/MTN 2006/2013

The MTN was issued by Road Builder (M) Sdn Bhd ("RBM"), a subsidiary of the Company on 23 March 2006 under a RM400 million nominal value CP/MTN Programme and is secured by way of a charge and assignment over the Finance Service Reserve Account of RBM upon maturity and full redemption of the Secured Stapled Bond issued by RBM.

The Secured Stapled Bond had been fully redeemed by RBM in the previous financial year.

The RM 400 million CP/MTN facility contains covenants which require RBM to maintain its debt to equity ratio.

(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 should not exceed RM150 million at any time; and

(b) the aggregate nominal value of outstanding MTNs should 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 contained covenants which required the Group to maintain its debt to equity ratio.

During the financial year, RM300 million CP/MTN 2005/2012 was fully repaid.

17 COMMERCIAL PAPERS AND MEDIUM TERM NOTES ("CP/MTN") (cont'd)

(B) Principal features of CP/MTN (cont'd)

(d) RM1 billion CP/MTN 2009/2016

The MTN was issued by the Company under a RM1 billion nominal value Commercial Papers ("CP") and MTN Programme ("CP/MTN Programme") which was implemented on 4 September 2009. 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 23 October 2009 for a total amount of up to RM1 billion nominal value subject to:

(a) the aggregate nominal value of outstanding CPs shall not exceed RM1 billion at any time; and

(b) the aggregate nominal value of outstanding MTNs shall not exceed RM1 billion at any time;

provided always that the outstanding nominal value of the CPs and MTNs issued under the CP/MTN Programme should not exceed RM1 billion.

The CP/MTN Programme contains covenants which require the Group to maintain its debt to equity ratio.

18 TERM LOANS

	Note	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
Current:					
Secured	43	169,377	282,443	–	–
Unsecured	43	468,986	146,265	–	–
		638,363	428,708	–	–
Non-current:					
Secured		610,563	566,125	–	–
Unsecured		778,047	507,496	300,000	–
		1,388,610	1,073,621	300,000	–
		2,026,973	1,502,329	300,000	–

A. Currency profile of term loans

The currency exposure profile of term loans is as follows:

	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
Ringgit Malaysia	814,734	433,076	300,000	–
Indian Rupee	546,249	514,849	–	–
United States Dollar	663,590	547,048	–	–
Chinese Renminbi	2,400	7,356	–	–
	2,026,973	1,502,329	300,000	–

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 2010

Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Note	Floating interest rate < 1 year RM'000	Floating interest rate 1-2 years RM'000	Floating interest rate 2-3 years RM'000	Floating interest rate 3-4 years RM'000	Floating interest rate 4-5 years RM'000	Floating interest rate >5 years RM'000	Fixed interest rate <1 year RM'000	Fixed interest rate 1-2 years RM'000	Fixed interest rate 2-3 years RM'000	Fixed interest rate 3-4 years RM'000	Fixed interest rate 4-5 years RM'000
2010															
Secured															
Term loan 1	10.7	329,460	Rs	(a)	56,394	42,952	35,592	43,037	33,990	117,495	–	–	–	–	–
Term loan 2	7.0	43,000	RM	(b)	–	–	–	–	–	–	43,000	–	–	–	–
Term loan 3	3.6	7,890	RM	(c)	–	2,630	2,630	2,630	–	–	–	–	–	–	–
Term loan 4	4.1	12,600	RM	(d)	6,300	6,300	–	–	–	–	–	–	–	–	–
Term loan 5	6.0	750	RM	(e)	–	–	–	–	–	–	750	–	–	–	–
Term loan 6	3.8	44,240	RM	(f)	13,600	13,600	13,600	3,440	–	–	–	–	–	–	–
Term loan 7	4.0	15,000	RM	(g)	15,000	–	–	–	–	–	–	–	–	–	–
Term loan 8	4.2	320,000	RM	(h)	32,000	32,000	56,064	56,064	71,936	71,936	–	–	–	–	–
Term loan 9	3.6	7,000	RM	(i)	2,333	2,333	2,334	–	–	–	–	–	–	–	–
		779,940			125,627	99,815	110,220	105,171	105,926	189,431	43,750	–	–	–	–

18 TERM LOANS (cont'd)

(B) Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loan to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

At 31 March 2010

					Floating interest rate						Fixed interest rate				
Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Note	< 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
2010															
Unsecured															
Term loan 11	5.8	2,400	RMB		1,200	1,200	–	–	–	–	–	–	–	–	–
Term loan 12	12.0	913	Rs		–	–	–	–	–	–	730	183	–	–	–
Term loan 13	11.9	3,194	Rs		–	–	–	–	–	–	1,278	1,278	638	–	–
Term loan 14	5.5	16,301	RM		–	–	–	–	–	–	5,753	5,753	4,795	–	–
Term loan 15	5.0	13,542	RM		–	–	–	–	–	–	6,250	6,250	1,042	–	–
Term loan 16	1.1	245,437	USD	(k)	81,813	81,813	81,811	–	–	–	–	–	–	–	–
Term loan 17	0.9	58,177	USD		21,816	29,090	7,271	–	–	–	–	–	–	–	–
Term loan 18	0.9	26,180	USD		13,090	13,090	–	–	–	–	–	–	–	–	–
Term loan 19	0.9	55,633	USD		19,635	19,635	16,363	–	–	–	–	–	–	–	–
Term loan 20	5.0	34,411	RM		–	–	–	–	–	–	10,588	10,588	10,588	2,647	–
Term loan 21	10.0	5,338	Rs		–	–	–	–	–	–	1,314	1,314	1,314	1,314	82
Term loan 22	3.6	300,000	RM		–	25,000	100,000	100,000	75,000	–	–	–	–	–	–
Term loan 23	2.8	98,175	USD		98,175	–	–	–	–	–	–	–	–	–	–
Term loan 24	2.3	65,450	USD		–	–	29,453	35,997	–	–	–	–	–	–	–
Term loan 25	2.3	114,538	USD		–	38,179	76,359	–	–	–	–	–	–	–	–
Term loan 26	10.3	207,344	Rs		207,344	–	–	–	–	–	–	–	–	–	–
		1,247,033			443,073	208,007	311,257	135,997	75,000	–	25,913	25,366	18,377	3,961	82
		2,026,973			568,700	307,822	421,477	241,168	180,926	189,431	69,663	25,366	18,377	3,961	82

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

					Floating interest rate						Fixed interest rate				
Group	**Effective interest rate as at year end % p.a**	**Total carrying amount RM'000**	**Currency**	**Note**	**< 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															
Secured															
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	3.5	6,575	RM	(c)	2,630	2,630	1,315	–	–	–	–	–	–	–	–
Term loan 4	4.5	26,000	RM	(d)	5,000	10,000	11,000	–	–	–	–	–	–	–	–
Term loan 5	6.0	2,550	RM	(e)	–	–	–	–	–	–	1,800	750	–	–	–
Term loan 6	3.2	44,240	RM	(f)	–	13,600	13,600	13,600	3,440	–	–	–	–	–	–
Term loan 7	4.0	30,000	RM	(g)	15,000	15,000	–	–	–	–	–	–	–	–	–
Term loan 8	4.1	128,000	RM	(h)	–	12,800	12,800	22,426	22,426	57,548	–	–	–	–	–
Term loan 9	3.5	7,000	RM	(i)	–	1,750	2,333	2,333	584	–	–	–	–	–	–
Term loan 10	4.9	15,864	RM	(j)	15,864	–	–	–	–	–	–	–	–	–	–
		848,568			237,643	96,717	82,881	72,907	73,608	196,262	44,800	43,750	–	–	–

18 TERM LOANS (cont'd)

(B) Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loan to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

At 31 March 2009

Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Note	Floating interest rate < 1 year RM'000	Floating interest rate 1-2 years RM'000	Floating interest rate 2-3 years RM'000	Floating interest rate 3-4 years RM'000	Floating interest rate 4-5 years RM'000	Floating interest rate >5 years RM'000	Fixed interest rate <1 year RM'000	Fixed interest rate 1-2 years RM'000	Fixed interest rate 2-3 years RM'000	Fixed interest rate 3-4 years RM'000	Fixed interest rate 4-5 years RM'000
2009															
Unsecured															
Term loan 11	6.4	7,356	RMB		4,682	1,337	1,337	–	–	–	–	–	–	–	–
Term loan 12	12.0	1,620	Rs		–	–	–	–	–	–	720	720	180	–	–
Term loan 13	11.9	4,410	Rs		–	–	–	–	–	–	1,260	1,260	1,260	630	–
Term loan 14	5.5	22,055	RM		–	–	–	–	–	–	5,753	5,753	5,753	4,796	–
Term loan 15	5.0	19,792	RM		–	–	–	–	–	–	6,250	6,251	6,251	1,040	–
Term loan 16	2.4	365,950	USD	(k)	91,488	91,487	91,487	91,488	–	–	–	–	–	–	–
Term loan 17	1.2	73,190	USD		8,132	32,529	32,529	–	–	–	–	–	–	–	–
Term loan 18	1.2	36,595	USD		7,319	14,638	14,638	–	–	–	–	–	–	–	–
Term loan 19	1.2	62,212	USD		–	21,957	21,957	18,298	–	–	–	–	–	–	–
Term loan 20	5.0	45,000	RM		–	–	–	–	–	–	10,588	10,588	10,588	10,588	2,648
Term loan 21	10.0	6,480	Rs		–	–	–	–	–	–	972	1,296	1,296	1,296	1,620
Term loan 27	1.8	4,519	USD		4,519	–	–	–	–	–	–	–	–	–	–
Term loan 28	5.5	4,582	USD		4,582	–	–	–	–	–	–	–	–	–	–
		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

Company	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Floating interest rate < 1 year RM'000	Floating interest rate 1-2 years RM'000	Floating interest rate 2-3 years RM'000	Floating interest rate 3-4 years RM'000	Floating interest rate 4-5 years RM'000	Floating interest rate >5 years RM'000	Fixed interest rate <1 year RM'000	Fixed interest rate 1-2 years RM'000	Fixed interest rate 2-3 years RM'000	Fixed interest rate 3-4 years RM'000	Fixed interest rate 4-5 years RM'000
2010														
Unsecured														
Term loan 22	3.6	300,000	RM	–	25,000	100,000	100,000	75,000	–	–	–	–	–	–
		300,000		–	25,000	100,000	100,000	75,000	–	–	–	–	–	–

18 TERM LOANS (cont'd)

(C) Principal features of secured term loans

(a) Term loan 1 of RM329,460,000 (2009: RM502,339,000) is 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, certain subsidiaries of IJMII and IJM Investments (M) Limited, a subsidiary of the Company.

(b) Term loan 2 of RM43,000,000 (2009: RM86,000,000) is secured by way of:

(i) land titles of RB Land Sdn Bhd ("RBLSB"), a subsidiary of the Company and its subsidiaries, 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 RBLSB to open Housing Development Accounts with the Bank during the duration of the loan; and

(iii) assignment of the said Housing Development Accounts to the Bank.

(c) Term loan 3 of RM7,890,000 (2009: RM6,575,000) is secured by way of:

(i) a facilities agreement for the sum of RM7,890,000;

(ii) a registered open all monies first party charge over certain parcels of freehold vacant commercial land of RBLSB (Note 35); and

(iii) a corporate guarantee by IJM Land Berhad ("IJMLB"), a subsidiary of the Company.

(d) Term loan 4 of RM12,600,000 (2009: 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.

(e) Term loan 5 of RM750,000 (2009: RM2,550,000) 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.

(f) Term loan 6 of RM44,240,000 (2009: RM44,240,000) 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.

(g) Term loan 7 of RM15,000,000 (2009: RM30,000,000) 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.

(h) Term loan 8 of RM320,000,000 (2009: RM128,000,000) 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 or comfort from the Company.

18 TERM LOANS (cont'd)

(C) Principal features of secured term loans (cont'd)

(i) Term loan 9 of RM7,000,000 (2009: RM7,000,000) is secured by way of:

(i) a facilities agreement for the sum of RM9,000,000;

(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.

(j) Term loan 10 of RM Nil (2009: RM15,864,000) 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 RBLSB (Note 35);

(iii) a negative pledge over all present and future assets of a subsidiary of RBLSB; and

(iv) 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.

19 GOVERNMENT SUPPORT LOANS - UNSECURED

	Note	The Group 2010 RM'000	The Group 2009 RM'000
Government Support Loans:			
- Government Support Loan 1	(a)	103,161	99,740
- Government Support Loan 2	(b)	–	80,289
- Government Support Loan 3	(c)	103,478	102,628
		206,639	282,657
Less: Payable within 12 months (Note 42)		(2,482)	(2,482)
		204,157	280,175

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
2010							
Government Support Loan 1	103,161	–	–	–	–	–	103,161
Government Support Loan 3	103,478	2,482	4,800	4,641	4,486	6,073	80,996
	206,639	2,482	4,800	4,641	4,486	6,073	184,157
2009							
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
	282,657	2,482	2,400	4,641	9,258	13,566	250,310

19 GOVERNMENT SUPPORT LOANS - UNSECURED (cont'd)

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.

Subsequent to the abolishment of toll at Salak Jaya Toll Plaza, the Government has agreed to waive the outstanding balance of reimbursable land cost as part of the abolishment compensation (Note 28).

(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:

(a) the balance of the revenue from the scheduled leases, tenancies and new sub leases and tenancies granted after the commencement date of the Privatisation Agreement after deducting the amounts payable to Kuantan Port Authority; and

(b) all other revenue received from its port operations.

20 HIRE PURCHASE AND LEASE CREDITORS

	The Group	
	2010 RM'000	2009 RM'000
Minimum payments:		
- Payable within 1 year	4,710	7,468
- Payable between 1 and 5 years	519	6,209
	5,229	13,677
Less: Future finance charges	(359)	(1,905)
Present value of liabilities	4,870	11,772
Present value of liabilities:		
- Payable within 1 year (Note 42)	4,360	5,929
- Payable between 1 and 5 years (included in non-current liabilities)	510	5,843
	4,870	11,772

20 HIRE PURCHASE AND LEASE CREDITORS (cont'd)

The currency exposure profile of hire purchase and lease creditors is as follows:

	The Group	
	2010 RM'000	2009 RM'000
Ringgit Malaysia	6	9
Indian Rupee	4,860	11,654
Singapore Dollar	–	25
UAE Dirham	4	84
	4,870	11,772

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 12.15% (2009: 11.5%) 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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deferred tax assets	92,088	65,773	339	856
Deferred tax liabilities	(363,172)	(350,093)	–	–
	(271,084)	(284,320)	339	856
At 1 April	(284,320)	(281,940)	856	1,506
(Charged)/credited to income statement (Note 10)				
- Property, plant and equipment	6,258	5,013	98	691
- Concession assets	(831)	(6,837)	–	–
- Post–employment benefit	(196)	173	–	–
- Intangible assets	406	127	–	–
- Plantation development expenditure	(3,591)	(1,896)	–	–
- Inventories	(185)	399	(329)	–
- Tax losses	4,936	(19,841)	–	–
- Payables	1,435	134	(286)	112
- Development properties	(2,003)	9,418	–	–
- Foreseeable loss	(1,017)	(4,400)	–	(1,453)
- Finance lease receivables	(184)	11,408	–	–
- Borrowings	801	2,370	–	–
- Leasehold land	8,511	93	–	–
- Ports	(403)	(403)	–	–
- Others	(701)	1,530	–	–
	13,236	(2,712)	(517)	(650)
Acquisition of subsidiaries (Note 46(a))	–	332	–	–
At 31 March	(271,084)	(284,320)	339	856

21 DEFERRED TAXATION (cont'd)

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Subject to income tax				
Deferred tax assets (before offsetting)				
- Property, plant and equipment	8,515	4,663	–	–
- Development properties	39,298	35,463	–	–
- Post-employment benefit	1,690	1,886	–	–
- Intangible assets	82	–	–	–
- Inventories	292	710	–	329
- Payables	9,548	8,033	816	1,102
- Tax losses	26,685	21,749	–	–
- Foreseeable loss	754	1,771	–	–
- Borrowings	9,415	10,307	–	–
- Concession assets	6,250	1,553	–	–
- Ports	11,321	11,917	–	–
- Others	158	1,346	–	–
	114,008	99,398	816	1,431
Offsetting	(21,920)	(33,625)	(477)	(575)
Deferred tax assets (after offsetting)	92,088	65,773	339	856
Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	(105,853)	(108,259)	(477)	(575)
- Plantation development expenditure	(87,806)	(84,215)	–	–
- Development properties	(56,822)	(50,984)	–	–
- Intangible assets	(1,242)	(1,566)	–	–
- Finance lease receivables	(1,056)	(872)	–	–
- Port	(5,019)	(5,212)	–	–
- Borrowings	(24,312)	(26,005)	–	–
- Payables	(80)	–	–	–
- Inventories	(1,050)	(1,283)	–	–
- Leasehold land	(3,655)	(12,166)	–	–
- Concession assets	(98,117)	(92,589)	–	–
- Others	(80)	(567)	–	–
	(385,092)	(383,718)	(477)	(575)
Offsetting	21,920	33,625	477	575
Deferred tax liabilities (after offsetting)	(363,172)	(350,093)	–	–

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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unutilised deductible temporary differences	106,727	143,486	–	–
Unused tax losses	185,575	130,645	–	–
	292,302	274,131	–	–
Deferred tax assets not recognised	73,076	68,533	–	–

22 TRADE AND OTHER PAYABLES

	Note	The Group 2010 RM'000	The Group 2009 RM'000
Other payables:			
Advances from the State Government	(a)	33,180	28,000
Land premium payable to State Government	(b)	18,100	19,600
Less: Payable within 12 months (Note 42)		(3,000)	(1,500)
Payable after 12 months		15,100	18,100
Interests in projects	(c)	25,974	32,609
Refundable membership securities	(d)	6,110	6,179
		80,364	84,888

(a) 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
2010	5,180
	33,180

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 (1st Payment)	30
12 months from the date of the Certificate of Completion of the entire Jelutong Expressway or from the date of the 1st Payment, whichever is later (2nd Payment)	30
12 months from the date of the 2nd Payment	40
	100

As at 31 March 2010, 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 road side encumbrances by the Penang 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 Penang State Government and the completion period is approximately 24 months upon commencement.

The advances on reimbursable land cost are interest free. However, if JDSB fails to pay the Penang State Government any of the instalment payments above by their respective due dates, JDSB shall be liable to pay to the Penang State Government interest at the rate of 8% per annum on any such outstanding instalment payments.

22 TRADE AND OTHER PAYABLES (cont'd)

(b) 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	3,000
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	3,100
	18,100

As at 31 March 2010, the status of Jelutong Expressway construction works is disclosed in Note 22(a).

(c) 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.

(d) 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.

23 RETIREMENT BENEFITS (cont'd)

(b) Unfunded defined benefit plan (cont'd)

The movements during the financial year on the amounts recognised in the consolidated balance sheet are as follows:

	The Group	
	2010 RM'000	2009 RM'000
At 1 April	6,638	6,146
Charged to income statement	1,087	1,247
Contributions paid during the financial year	(1,013)	(755)
At 31 March	6,712	6,638
Present value of liabilities:		
- Payable within 1 year (Note 42)	798	799
- Payable between 1 and 5 years	4,297	3,609
- Payable after 5 years	1,617	2,230
Payable after 1 year (included in non-current liabilities)	5,914	5,839
	6,712	6,638

The amounts of unfunded defined benefit recognised in the balance sheet may be analysed as follows:

	The Group	
	2010 RM'000	2009 RM'000
Present values of unfunded defined benefit obligations	7,647	7,323
Unrecognised actuarial losses	(935)	(685)
Liability in the balance sheets	6,712	6,638
Analysed as:		
Current (included in other payables - Note 42)	798	799
Non-current	5,914	5,839
	6,712	6,638

The expenses recognised in the income statements were analysed as follows:

	The Group	
	2010 RM'000	2009 RM'000
Current service cost	686	706
Interest cost	401	376
Amortisation of transitional liability	–	165
Total unfunded defined benefit retirement plan (Note 6)	1,087	1,247

23 RETIREMENT BENEFITS (cont'd)

(b) Unfunded defined benefit plan (cont'd)

The charges to the income statements were included in the following line items:

	The Group	
	2010 RM'000	2009 RM'000
Cost of sales	815	935
Administrative expenses	272	312
Total included in employee benefits cost (Note 6)	1,087	1,247

The principal actuarial assumptions used in respect of the Group's unfunded defined benefit plan were as follows:

	The Group	
	2010 %	2009 %
Discount rate	5.0	5.5
Expected rate of salary increases	5.0	5.5

24 GOVERNMENT GRANTS

	The Group	
	2010 RM'000	2009 RM'000
Cost		
Government grants	131,463	96,657
Exchange translation differences	560	(8,734)
	132,023	87,923
Accumulated amortisation		
At 1 April	(14,580)	(11,603)
Current amortisation (Note 5(b))	(5,083)	(4,421)
Exchange translation differences	(110)	1,444
At 31 March	(19,773)	(14,580)
	112,250	73,343

The government grants represent grants received from the Indian Government for certain toll road concessions awarded to the Group.

25 PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

	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
The Group									
2010									
Net book value									
At 1 April 2009	47,069	104,867	190,062	553,084	35,414	119,297	111,991	137,251	1,299,035
Disposal of a subsidiary Note 47(a)(i)	–	–	–	(361)	(38)	–	–	–	(399)
Additions	–	29,818	5,117	68,427	6,560	1,254	–	37,383	148,559
Disposals	–	–	–	(7,056)	(214)	–	–	(4)	(7,274)
Written off	–	–	(127)	(498)	(604)	–	–	(605)	(1,834)
Depreciation charges for the year	–	(2,055)	(11,713)	(98,585)	(8,152)	(4,323)	(2,074)	–	(126,902)
Impairment	–	–	–	(1,977)	(109)	–	–	–	(2,086)
Exchange differences arising from translation of assets of foreign entities	84	111	(1,121)	(3,061)	88	–	–	6	(3,893)
Reclassifications	–	973	24,175	11,489	(1,145)	17,758	–	(53,250)	–
Transferred to leasehold land (Note 26)	–	–	–	–	–	–	–	(59)	(59)
Transferred to investment properties (Note 27)	–	–	(126)	–	–	–	–	(80,142)	(80,268)
Transferred from assets held for sale (Note 41)	–	–	1,940	–	–	–	–	–	1,940
At 31 March 2010	**47,153**	**133,714**	**208,207**	**521,462**	**31,800**	**133,986**	**109,917**	**40,580**	**1,226,819**
2009									
Net book value									
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)(ii))	–	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)
At 31 March 2009	47,069	104,867	190,062	553,084	35,414	119,297	111,991	137,251	1,299,035

25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (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
The Group (cont'd)									
Net book value									
At 31 March 2010									
Cost	47,153	145,851	333,089	1,177,914	121,392	156,300	132,269	40,580	2,154,548
Valuation	–	–	4,802	3,668	–	–	–	–	8,470
Accumulated depreciation	–	(12,137)	(101,177)	(634,360)	(89,483)	(22,314)	(22,352)	–	(881,823)
Accumulated impairment	–	–	(28,507)	(25,760)	(109)	–	–	–	(54,376)
Net book value	47,153	133,714	208,207	521,462	31,800	133,986	109,917	40,580	1,226,819
At 31 March 2009									
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

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, fittings and renovations RM'000	Capital work in progress RM'000	Total RM'000
The Company						
2010						
Net book value						
At 1 April 2009	900	511	8,579	1,231	–	11,221
Additions	–	–	21	171	–	192
Disposal	–	–	(147)	–	–	(147)
Depreciation charges for the year	–	(11)	(1,697)	(561)	–	(2,269)
Exchange differences	–	–	63	–	–	63
At 31 March 2010	900	500	6,819	841	–	9,060
2009						
Net book value						
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)
At 31 March 2009	900	511	8,579	1,231	–	11,221
At 31 March 2010						
Cost	900	577	8,247	6,726	–	16,450
Accumulated depreciation	–	(77)	(1,428)	(5,885)	–	(7,390)
Net book value	900	500	6,819	841	–	9,060
At 31 March 2009						
Cost	900	577	9,627	6,555	–	17,659
Accumulated depreciation	–	(66)	(1,048)	(5,324)	–	(6,438)
Net book value	900	511	8,579	1,231	–	11,221

(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 RM1,266,000 (2009: RM1,693,000) been carried at cost less accumulated depreciation, the net book values would have been as follows:

	The Group	
	2010 RM'000	**2009 RM'000**
Buildings	295	354
Plant	482	664
	777	1,018

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 2010 RM'000	The Group 2009 RM'000
Plant, machinery, equipment and vehicles	9,854	32,166

(c) Net book values of assets pledged as security for term loans of certain subsidiaries (Note 18):

	The Group 2010 RM'000	The Group 2009 RM'000
Freehold land	207	205
Building	69,620	–
Plant, machinery, equipment and vehicles	1,682	1,585
Office equipment, furniture and fittings and renovations	662	344
	72,171	2,134

(d) During the financial year, the following depreciation charges have been included in the aggregate costs incurred to-date within amounts due from/(to) customers on construction contracts of the Group and capitalised as plantation development expenditure respectively:

	Note	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
Included in the aggregate costs incurred to-date within amounts due from/(to) customers on construction contracts	44	35,940	32,131	1,230	–
Capitalised as plantation development expenditure	36(b)	1,892	849	–	–

26 LEASEHOLD LAND

	Note	The Group 2010 RM'000	The Group 2009 RM'000
Cost			
At 1 April		346,875	330,334
Additions		24,265	37,371
Disposals		(2,858)	–
Transferred from property, plant and equipment	25	59	–
Transferred from property development costs	35(b)	41,822	–
Transferred from/(to) assets held for sale	41	6,607	(21,464)
Exchange differences arising from translation of assets of foreign entities		(472)	634
At 31 March		416,298	346,875
Accumulated amortisation			
At 1 April		26,076	20,666
Charge for the financial year	5(a)	6,531	5,412
Transferred from assets held for sale	41	181	–
Disposals		(149)	–
Exchange differences		1	(2)
At 31 March		32,640	26,076
Net book value			
At 31 March		383,658	320,799

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.

The carrying values of leasehold land amounting to RM84,379,000 (2009: RM Nil) are pledged as security for Term loan 8 of a subsidiary (Note 18).

During the financial year, amortisation expenses of RM722,000 (2009: RM184,000) 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
The Group					
2010					
Net book value					
At 1 April 2009		13,678	29,253	120,590	163,521
Additions		–	20	173,241	173,261
Transferred from property, plant and equipment	25	–	–	80,268	80,268
Transferred from property development costs	35(b)	–	–	25,110	25,110
Transferred to assets held for sale	41	–	(501)	–	(501)
Disposal of a subsidiary	47(a)(ii)	–	–	(49,270)	(49,270)
Reversal		–	(138)	(144)	(282)
Depreciation charges for the year	5(a)	–	(635)	(2,929)	(3,564)
At 31 March 2010		13,678	27,999	346,866	388,543
2009					
Net book value					
At 1 April 2008		9,607	5,927	19,955	35,489
Additions		1,653	–	52,015	53,668
Transferred from property, plant and equipment	25	2,418	23,843	1,276	27,537
Transferred from property development costs	35(b)	–	–	49,573	49,573
Disposals		–	–	(301)	(301)
Depreciation charges for the year	5(a)	–	(517)	(1,367)	(1,884)
Impairment	5(a)	–	–	(561)	(561)
At 31 March 2009		13,678	29,253	120,590	163,521
At 31 March 2010:					
Cost		13,678	31,624	352,800	398,102
Accumulated depreciation		–	(3,093)	(4,187)	(7,280)
Accumulated impairment		–	(532)	(1,747)	(2,279)
Net book value		13,678	27,999	346,866	388,543
At 31 March 2009:					
Cost		13,678	32,243	123,897	169,818
Accumulated depreciation		–	(2,458)	(1,560)	(4,018)
Accumulated impairment		–	(532)	(1,747)	(2,279)
Net book value		13,678	29,253	120,590	163,521

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 RM452,633,000 (2009: RM178,500,000) 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.

The carrying values of investment properties amounting to RM19,675,000 (2009: RM Nil) are pledged as security for Term loan 8 of a subsidiary (Note 18).

	Note	Freehold buildings RM'000	Total RM'000
The Company			
2010			
Net book value			
At 1 April 2009		**5,294**	**5,294**
Depreciation charges for the year	5(a)	**(129)**	**(129)**
At 31 March 2010		**5,165**	**5,165**
2009			
Net book value			
At 1 April 2008		–	–
Transferred from property, plant and equipment	25	5,423	5,423
Depreciation charges for the year	5(a)	(129)	(129)
At 31 March 2009		5,294	5,294
At 31 March 2010			
Cost		**6,475**	**6,475**
Accumulated depreciation		**(1,310)**	**(1,310)**
Net book value		**5,165**	**5,165**
At 31 March 2009			
Cost		6,475	6,475
Accumulated depreciation		(1,181)	(1,181)
Net book value		5,294	5,294

28 CONCESSION ASSETS

	Note	The Group 2010 RM'000	2009 RM'000 (Restated)
Cost			
At 1 April		2,291,859	2,249,751
Additions during the financial year		218,414	100,593
Exchange translation differences		5,411	(58,485)
At 31 March		2,515,684	2,291,859
Accumulated amortisation			
At 1 April		(116,590)	(64,948)
Current amortisation	5(a)	(55,817)	(55,350)
Exchange translation differences		(247)	3,708
At 31 March		(172,654)	(116,590)
		2,343,030	2,175,269
Less: Deferred income			
Cost			
At 1 April		(184,410)	–
Additions during the financial year		(216,046)	(184,410)
At 31 March		(400,456)	(184,410)
Accumulated amortisation			
At 1 April		485	–
Current amortisation	5(a)	5,547	485
At 31 March		6,032	485
		(394,424)	(183,925)
		1,948,606	1,991,344

Deferred income comprises:

(a) compensation received by New Pantai Expressway Sdn Bhd ("NPE"), a subsidiary of the Group, from the Malaysian Government as a result of the cessation of toll collections with effect from 14 February 2009 at the PJS2 Toll Plaza for Kuala Lumpur bound road users on the NPE; and

(b) compensation received by Besraya Sdn Bhd, a subsidiary of the Group, from the Malaysian Government as a result of the cessation of toll collections with effect from 24 February 2009 at the Salak Jaya Toll Plaza (Note 19(C)).

The concession assets in India with a net carrying value of RM603,831,000 (2009: RM540,805,000) are pledged as security for Term Loan 1 (Note 18).

Finance cost and employee benefits cost of RM7,449,000 (2009: RM16,827,000) (Note 9) and RM66,000 (2009: RM Nil) (Note 6) respectively have been capitalised and included in additions during the financial year.

29 SUBSIDIARIES

	Note	The Company 2010 RM'000	The Company 2009 RM'000
At cost:			
Quoted shares:			
- in Malaysia		935,902	1,079,566
Unquoted Redeemable Convertible Unsecured Loan Stocks ("RCULS")	(a)	400,000	400,000
Unquoted shares:			
- in Malaysia	(b)	3,174,956	3,179,955
- outside Malaysia		4,995	6,436
		4,515,853	4,665,957
Less: Accumulated impairment			
Unquoted warrants		–	(11,880)
Unquoted shares			
- in Malaysia		(942,761)	(942,761)
- outside Malaysia		(4,018)	(4,170)
		(946,779)	(958,811)
		3,569,074	3,707,146
Amounts owing by subsidiaries		745,636	–
		4,314,710	3,707,146
Market value			
Quoted shares:			
- in Malaysia		2,049,222	856,346

(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 Sdn Bhd ("ICP") (formerly known as Industrial Concrete Products Berhad), a subsidiary of the Company, was delisted from the Main Market of Bursa Malaysia 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 in the preceding financial year.

(c) The Group's effective equity interest in the subsidiaries and their respective principal activities and countries of incorporation are set out in Note 55 to the financial statements.

30 ASSOCIATES

	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
(a) Associates other than Grupo Concesionario del Oeste S.A ("Grupo")	383,305	355,914	43,252	43,412
(b) Grupo	58,815	59,349	44,294	44,294
	442,120	415,263	87,546	87,706
Represented by:				
Group's share of net assets	442,120	415,263		
Market value				
Quoted shares:				
- in Malaysia	55,567	25,663	55,567	25,663
- outside Malaysia (Grupo)	28,622	18,987	28,622	18,987
	84,189	44,650	84,189	44,650

The Group's effective equity interest in the associates and their respective principal activities and countries of incorporation are set out in Note 55 to the financial statements.

	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 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	90,597	91,486	42,277	42,437
- outside Malaysia	189,802	191,536	1,776	1,776
	331,063	333,686	94,717	94,877
Share of post-acquisition retained profits	109,675	112,436	–	–
Share of post-acquisition reserves	11,940	(20,835)	–	–
	452,678	425,287	94,717	94,877
Less: Accumulated impairment	(69,373)	(69,373)	(51,465)	(51,465)
	383,305	355,914	43,252	43,412
(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	16,521	17,055	–	–
Less: Accumulated impairment	(47,000)	(47,000)	(45,000)	(45,000)
	58,815	59,349	44,294	44,294

The renegotiation of the Concession Agreement on the extension of the concession period and the tariff adjustment formula of Grupo with the Argentine Government is expected to be finalised by financial year 2011.

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	
	2010 RM'000	2009 RM'000
Current year share of losses	(3,980)	(4,001)
Cumulative share of losses	(22,917)	(18,937)

(d) The Group's share of assets and liabilities of the associates are as follows:

	The Group	
	2010 RM'000	2009 RM'000
Non-current assets	683,236	691,389
Current assets	330,967	311,034
Non-current liabilities	(358,388)	(369,804)
Current liabilities	(217,031)	(220,692)
Net assets	438,784	411,927
Premium on acquisition	3,336	3,336
	442,120	415,263

The Group's share of the revenue and expenses of the associates are as follows:

	The Group	
	2010 RM'000	2009 RM'000
Revenue	439,381	355,843
Expenses including taxation	(419,705)	(336,797)
Net profit for the financial year	19,676	19,046

31 JOINTLY CONTROLLED ENTITIES

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Share of net assets of jointly controlled entities	449,406	229,147	–	–
Amounts owing by jointly controlled entites	624,112	597,834	348,158	119,646
Less: Allowance for doubtful debts	(9,000)	(9,000)	–	–
	615,112	588,834	348,158	119,646
	1,064,518	817,981	348,158	119,646

31 JOINTLY CONTROLLED ENTITIES (cont'd)

(a) Details of the jointly controlled entities are as follows:

	Group's effective interest in jointly controlled entities 2010 %	2009 %	Principal activity
Astaka Tegas Sdn Bhd	50	50	Property development
Elegan Pesona Sdn Bhd	50	50	Property development
Ambang Usaha Sdn Bhd	50	50	Construction
IJM-SCL Joint Venture	50	50	Construction
IJM-Gayatri Joint Venture	60	60	Construction
LCL-IJMII International Interiors Private Limited	49	49	Manufacturing custom-made furniture, interior design, advisory, consultancy and fit-out works for buildings, offices and homes
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	50	Construction
IJMC-Norwest Joint Venture	70	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	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
Vijayawada Tollway Pte Ltd	50	50	Highway development
Lebuhraya Kajang Seremban Sdn Bhd	50	50	Toll road operations
Larut Leisure Enterprise (Hong Kong) Limited	50	50	Investment holding
IJMP – RPSB Joint Venture	60	60	Sand mining operations

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	
	2010 RM'000	2009 RM'000
Non-current assets	1,144,328	1,020,761
Current assets	723,722	588,192
Non-current liabilities	(1,086,896)	(796,204)
Current liabilities	(331,748)	(583,602)
Net assets	449,406	229,147

The Group's share of the revenue and expenses of the jointly controlled entities are as follows:

	The Group	
	2010 RM'000	2009 RM'000
Revenue	429,518	348,169
Expenses including taxation	(418,447)	(345,011)
Net profit for the financial year	11,071	3,158

Capital commitment and contingent liability relating to the Group's interest in jointly controlled entities are disclosed in Notes 52 and 53 respectively.

32 LONG TERM INVESTMENTS

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cost				
Quoted shares:				
- in Malaysia	2,469	17,861	–	–
Unquoted shares:				
- in Malaysia	36,385	36,385	6,500	6,500
- outside Malaysia	260	264	260	260
	36,645	36,649	6,760	6,760
Quoted warrants in Malaysia	181	181	–	–
Transferable club membership	234	234	–	–
	39,529	54,925	6,760	6,760
Allowance for diminution in value				
Quoted shares	(138)	(16,204)	–	–
Unquoted shares:				
- in Malaysia	(34,325)	(20,075)	(4,450)	(4,450)
- outside Malaysia	(260)	(264)	(260)	(260)
Quoted warrants in Malaysia	(166)	(167)	–	–
Transferable club membership	(80)	(80)	–	–
	(34,969)	(36,790)	(4,710)	(4,710)
	4,560	18,135	2,050	2,050
Market value				
Quoted shares:				
- in Malaysia	2,823	1,657	–	–
Quoted warrants in Malaysia	15	14	–	–
	2,838	1,671	–	–

33 LONG TERM RECEIVABLES

	Note	The Group 2010 RM'000	The Group 2009 RM'000
Lease receivables	(a)	23,452	23,294
Less: Amount receivable within 12 months (included in trade and other receivables - Note 38)		(2,785)	(2,527)
		20,667	20,767
Receivable for construction of the Kementerian Kerja Raya Office Blocks	(b)	3,227	10,902
Less:			
- Amount receivables within 12 months (included in trade and other receivables - Note 38)		(3,227)	(7,675)
		–	3,227
Advances for land acquisition and plantation development expenditure	(c)	112,457	48,992
Government grant receivables	(d)	40,487	–
Less:			
- Amount receivables within 12 months (included in trade and other receivables - Note 38)		(16,194)	–
		24,293	–
		157,417	72,986

(a) Lease receivables

	The Group 2010 RM'000	The Group 2009 RM'000
Lease receivables	46,340	46,340
Less: Unearned interest income	(22,888)	(23,046)
	23,452	23,294
Lease receivables		
- Receivable within 1 year	2,785	2,527
- Receivable between 1 and 5 years	11,708	11,424
- Receivable after 5 years	8,959	9,343
	23,452	23,294

IJM Properties Sdn Bhd, a subsidiary of the Company, entered into a lease arrangement with a third party to lease a building 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 advances made by IJM Plantations Berhad, a subsidiary of the Company for the subsidiary's applications to acquire certain parcels of leasehold land and plantation development activities.

(d) This represents the operational grants receivable from the Indian Government for certain toll road concessions awarded to the Group.

34 INTANGIBLE ASSETS

	Goodwill on consolidation RM'000	Construction order book RM'000	Quarry development expenditure RM'000	Premium paid on quarry rights RM'000	Licence fees RM'000	Total RM'000
The Group						
2010						
Cost						
At 1 April 2009	1,018,150	9,850	18,867	202	287	1,047,356
Additions	–	–	1,793	–	–	1,793
Reversal	–	–	(279)	–	–	(279)
Disposal of subsidiaries (Note 47(a))	(3,530)	–	–	–	–	(3,530)
At 31 March 2010	**1,014,620**	**9,850**	**20,381**	**202**	**287**	**1,045,340**
Accumulated amortisation						
At 1 April 2009	–	(6,566)	(12,147)	(202)	(287)	(19,202)
Current amortisation	–	(3,284)	(2,974)	–	–	(6,258)
At 31 March 2010	**–**	**(9,850)**	**(15,121)**	**(202)**	**(287)**	**(25,460)**
Accumulated impairment						
At 1 April 2009/ At 31 March 2010	**(945,076)**	**–**	**–**	**–**	**–**	**(945,076)**
	69,544	–	5,260	–	–	74,804
2009						
Cost						
At 1 April 2008	1,018,150	9,850	15,796	202	287	1,044,285
Additions	–	–	3,071	–	–	3,071
At 31 March 2009	1,018,150	9,850	18,867	202	287	1,047,356
Accumulated amortisation						
At 1 April 2008	–	(3,283)	(8,913)	(202)	(130)	(12,528)
Current amortisation	–	(3,283)	(3,234)	–	(157)	(6,674)
At 31 March 2009	–	(6,566)	(12,147)	(202)	(287)	(19,202)
Accumulated impairment						
At 1 April 2008/ At 31 March 2009	(945,076)	–	–	–	–	(945,076)
	73,074	3,284	6,720	–	–	83,078

34 INTANGIBLE ASSETS (cont'd)

	The Group 2010 RM'000	The Group 2009 RM'000
Amortisation for the current financial year was included in the following income statement line items:		
- Cost of sales	**2,974**	3,234
- Other operating expenses	**3,284**	3,440
	6,258	6,674

35 PROPERTY DEVELOPMENT

(a) Land held for property development

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Freehold land, at cost	**496,094**	537,619	**281**	281
Leasehold land, at cost	**88,608**	83,241	**–**	–
Leasehold land, at valuation	**63,523**	63,465	**–**	–
Development costs	**82,756**	77,906	**–**	–
Accumulated impairment	**(28,843)**	(27,998)	**–**	–
	702,138	734,233	**281**	281
At 1 April	**734,233**	638,891	**281**	281
Arising from the acquisition of subsidiaries (Note 46(a)(i))	**–**	13,000	**–**	–
Additions during the year	**12,996**	74,478	**–**	–
Transferred (to)/from property development costs (Note 35(b)):				
- Land cost	**(39,771)**	7,354	**–**	–
- Development costs	**(3,345)**	9,709	**–**	–
	(43,116)	17,063	**–**	–
Disposals during the year	**(1,130)**	(6,550)	**–**	–
Impairment during the year (Note 5(a))	**(845)**	(2,649)	**–**	–
At 31 March	**702,138**	734,233	**281**	281

Leasehold land of RM63,310,000 was revalued in 1994 based on the valuation conducted by an independent firm of professional valuers on 6 November 1992 on an open market basis.

Leasehold land of RM155,000 was revalued in 1989 based on valuation conducted by an independent firm of professional valuers on an open market basis.

The revalued amounts are retained as surrogate costs as allowed under transitional provisions of FRS 2012004.

The carrying values of freehold land and leasehold land amounting to RM99,630,000 (2009: RM26,130,000) and RM3,371,000 (2009: RM3,371,000) respectively are pledged as security for Term Loan 8 of a subsidiary (Note 18).

35 PROPERTY DEVELOPMENT (cont'd)

(b) Property development costs

	Note	The Group 2010 RM'000	The Group 2009 RM'000
At 1 April			
Freehold land – at cost		639,482	429,288
Leasehold land – at cost		443,217	377,702
Development costs		2,472,375	2,254,797
Accumulated costs charged to income statement		(1,789,192)	(1,361,404)
Completed units transferred to building stocks		(63,806)	(30,849)
Accumulated impairment		(2,346)	(2,346)
		1,699,730	1,667,188
Less: Completed development properties:			
Freehold land – at cost		(71,573)	(76,581)
Leasehold land – at cost		(28,866)	(43,323)
Development costs		(707,218)	(413,810)
Accumulated costs charged to income statement		752,789	512,801
Completed units transferred to building stocks		54,868	20,913
		–	–
		1,699,730	1,667,188
Costs incurred during the financial year:			
- Purchase of land		16,975	71,109
- Development costs		605,175	710,685
		622,150	781,794
Transferred from/(to) land held for property development:	35(a)		
- Land cost		39,771	(7,354)
- Development costs		3,345	(9,709)
		43,116	(17,063)
Costs charged to income statement		(619,308)	(614,778)
Impairment losses during the year	5(a)	(3,689)	–
Completed units transferred to inventories		(162,616)	(51,384)
Land transferred to leasehold land	26	(41,822)	–
Development costs transferred to investment properties	27	(25,110)	(49,573)
Exchange differences		610	(16,454)
At 31 March		1,513,061	1,699,730
At 31 March:			
Freehold land – at cost		559,593	639,482
Leasehold land – at cost		489,740	443,217
Development costs		2,406,139	2,472,375
Accumulated costs charged to income statement		(1,759,164)	(1,789,192)
Completed units transferred to building stocks		(177,212)	(63,806)
Accumulated impairment		(6,035)	(2,346)
		1,513,061	1,699,730

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:

	Note	The Group 2010 RM'000	The Group 2009 RM'000
Employee benefits cost	6	379	472
Finance cost	9	25,701	13,215

The carrying values of freehold land and leasehold land amounting to RM138,548,000 (2009: RM190,929,000) and RM68,198,000 (2009: RM59,621,000) respectively are pledged as security for Term Loans 3, 4, 6, 8 and 9 (2009: Term Loans 3, 4, 6, 8, 9 and 10) of a subsidiary (Note 18).

The title deeds to the leasehold land of a subsidiary with net book values amounting to RM32,769,000 (2009: RM33,859,000) are currently being processed by the relevant authorities and have yet to be issued to the subsidiary.

36 PLANTATION DEVELOPMENT EXPENDITURE

	The Group 2010 RM'000	The Group 2009 RM'000
Cost		
At 1 April	262,239	248,165
Additions during the year	42,050	12,232
Exchange difference	1,236	(238)
Acquisition of subsidiaries (Note 46(a)(ii))	–	2,080
At 31 March	305,525	262,239
Valuation		
At 1 April / At 31 March	168,733	168,733
At 31 March	474,258	430,972

(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 (2009: RM64,116,744).

(b) Plantation development expenditure capitalised during the financial year include the following:

	Note	The Group 2010 RM'000	The Group 2009 RM'000
Depreciation of property, plant and equipment	25	1,892	849
Amortisation of leasehold land	26	722	184
Finance cost	9	4	35
Employee benefits cost	6	7,028	4,077

37 INVENTORIES

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cost				
Raw materials:				
- Construction materials	40,979	40,309	10,184	15,627
- Other raw materials	84,855	87,104	–	–
Finished goods:				
- Completed buildings	210,829	96,132	–	–
- Quarry and manufactured products	79,490	66,754	–	–
- Compost	111	150	–	–
- Crude palm oil	–	3,908	–	–
- Palm kernel	1,597	1,081	–	–
Oil palm seeds	1,079	398	–	–
Oil palm nursery	9,744	8,158	–	–
Fertilisers and chemicals	4,476	5,196	–	–
Stores, spares & consumables	17,266	11,980	–	–
Work-in-progress	555	605	–	–
Goods in transit	–	726	–	–
	450,981	322,501	10,184	15,627
Net realisable value				
Finished goods:				
- Completed buildings	48,048	52,507	1,938	4,105
- Crude palm oil	25,975	14,739	–	–
- Consumables	476	618	–	–
- Palm kernel	530	189	–	–
- Crude palm kernel oil	3,310	172	–	–
	78,339	68,225	1,938	4,105
	529,320	390,726	12,122	19,732

38 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade receivables	1,279,491	1,327,327	81,864	89,710
Less: Allowance for doubtful debts	(66,341)	(61,132)	(11,692)	(11,692)
	1,213,150	1,266,195	70,172	78,018
Trade and tender deposits	23,282	26,924	–	–
Trade advances	87,214	131,545	27,362	25,540
Less: Allowance for doubtful debts	(274)	(274)	(274)	(274)
	86,940	131,271	27,088	25,266
Other receivables	254,194	198,494	6,066	6,144
Less: Allowance for doubtful debts	(10,543)	(7,363)	(3,824)	–
	243,651	191,131	2,242	6,144
Compensation receivable	–	89,033	–	–
Amounts owing by subsidiaries	–	–	687,958	991,392
Less: Allowance for doubtful debts	–	–	(42,215)	–
	–	–	645,743	991,392
Amounts owing by associates	31,619	23,955	17,291	14,461
Less: Allowance for doubtful debts	(2,979)	(2,360)	(1,173)	(1,173)
	28,640	21,595	16,118	13,288
	1,595,663	1,726,149	761,363	1,114,108

38 TRADE AND OTHER RECEIVABLES (cont'd)

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Amounts due from customers on construction contracts (Note 44)	387,635	204,154	1,619	3,221
Accrued billings in respect of property development	142,788	124,020	–	–
Deposits and prepayments	47,101	49,525	1,977	4,829
	2,173,187	2,103,848	764,959	1,122,158

The currency exposure profile of trade and other receivables is as follows:

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Ringgit Malaysia	1,261,619	1,337,556	687,433	1,069,335
Indian Rupee	266,272	287,611	73,930	44,773
United States Dollar	16,571	19,312	–	–
UAE Dirham	26,483	14,833	–	–
Singapore Dollar	7,910	53,727	–	–
Indonesia Rupiah	3,767	–	–	–
Pakistan Rupee	12,902	12,902	–	–
Others	139	208	–	–
	1,595,663	1,726,149	761,363	1,114,108

Credit terms of trade receivables range from payment in advance to 120 days (2009: range from payment in advance to 120 days).

The amounts owing by subsidiaries and associates are unsecured, bear interest at rates ranging from 5% to 8.8% (2009: 5.0% to 8.0%) per annum and repayable on demand.

Trade receivables include the current portion of the following items:

	The Group	
	2010 RM'000	2009 RM'000
Lease receivable (Note 33)	2,785	2,527
Amount due for construction of the Kementerian Kerja Raya Office Blocks (Note 33)	3,227	7,675

39 SHORT TERM INVESTMENTS

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cost				
Quoted shares				
- In Malaysia	10,068	10,021	10,068	10,021
Quoted corporate bonds:				
- In Malaysia	–	50,049	–	–
Unquoted shares				
- In Malaysia	233	233	233	233
Quoted warrants in Malaysia	48	48	48	48
Quoted unit trusts in Malaysia (Note 48)	105,495	20,713	80,000	10,000
	115,844	81,064	90,349	20,302

39 SHORT TERM INVESTMENTS (cont'd)

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Allowance for diminution in value of investments				
- Quoted shares in Malaysia	(7,435)	(7,481)	(7,435)	(7,481)
- Unquoted shares in Malaysia	(233)	(233)	(233)	(233)
	(7,668)	(7,714)	(7,668)	(7,714)
	108,176	73,350	82,681	12,588
Market value				
Quoted shares:				
- In Malaysia	9,752	2,540	9,752	2,540
Quoted corporate bonds in Malaysia	–	50,247	–	–
Quoted warrants in Malaysia	381	350	381	350
Quoted unit trusts in Malaysia	106,883	20,893	81,300	10,000
	117,016	74,030	91,433	12,890

40 DEPOSITS, CASH AND BANK BALANCES

	Note	The Group		The Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deposits with licensed banks	(a)	741,633	558,383	43,933	62,324
Cash and bank balances		269,370	253,235	73,071	104,505
Housing Development Accounts	(b)	210,508	134,036	–	–
		479,878	387,271	73,071	104,505
		1,221,511	945,654	117,004	166,829

(a) Included in deposits with licensed banks are the deposits of Nilai Cipta Sdn Bhd, a subsidiary, amounting to RM Nil (2009: RM54,569,000) which were 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 were 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 RM210,508,000 (2009: RM134,036,000) 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 deposits with licensed banks is as follows:

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Ringgit Malaysia	733,437	551,633	43,933	62,324
Australian Dollar	–	2,070	–	–
UAE Dirham	45	546	–	–
Indian Rupee	8,151	4,134	–	–
	741,633	558,383	43,933	62,324

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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Ringgit Malaysia	449,967	357,632	69,765	103,021
Indian Rupee	9,726	8,276	900	973
Hong Kong Dollar	97	127	–	–
Singapore Dollar	917	8,476	430	511
Australian Dollar	75	284	–	–
United States Dollar	10,863	6,893	1,976	–
Korean Won	586	482	–	–
UAE Dirham	1,547	1,639	–	–
Indonesia Rupiah	6,098	3,460	–	–
Others	2	2	–	–
	479,878	387,271	73,071	104,505

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	
	2010 %	2009 %	2010 %	2009 %
Deposits with licensed banks	2.19	2.33	2.15	1.70
Cash at bank held under Housing Development Accounts	1.46	1.29	–	–

The cash and bank balances are deposits held at call with banks and earn no interest.

Deposits with licensed banks have a maturity period ranging between 1 and 365 days (2009: 1 and 365 days).

41 ASSETS HELD FOR SALE

	Note	The Group	
		2010 RM'000	2009 RM'000
Property, plant and equipment (Note 25)	(a)	–	1,940
Leasehold land (Note 26)	(a)	–	6,426
Leasehold land (Note 26)	(b)	–	21,464
Investment properties (Note 27)	(c)	501	–
		501	29,830

(a) As at 31 March 2010, property, equipment and leasehold land held by Kamad Quarry Sdn Bhd, a subsidiary of the Company, did not satisfy the criteria in FRS 5 "Non-current Assets Held for Sale and Presentation of Discontinued Operations" and were therefore reclassified as "Property, Plant and Equipment" and "Leasehold Land" following the termination of the transaction to dispose of these assets.

(b) Industrial Concrete Products Sdn Bhd (formerly known as 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 (net) of RM24.7 million. The disposal was completed on 21 July 2009.

(c) The Directors of ICP Marketing Sdn Bhd, a subsidiary of the Company, had approved the disposal of 3 units of Greenfield apartments for a cash consideration of RM532,000. As at 31 March 2010, the sales and purchase agreements were in the process of being finalised.

42 TRADE AND OTHER PAYABLES

	Note	The Group 2010 RM'000	The Group 2009 RM'000 (Restated)	The Company 2010 RM'000	The Company 2009 RM'000
Trade payables		887,619	992,605	5,502	10,482
Amounts owing to subsidiaries		–	–	784,995	815,270
Amounts owing to associates		3,231	21,782	2,923	13,169
Amounts owing to jointly controlled entities		19,390	8,393	5,494	5,565
Government support loan	19	2,482	2,482	–	–
Hire purchase and lease creditors	20	4,360	5,929	–	–
Trade accruals		74,120	72,555	34,253	21,964
Land premium payable to State Government	22	3,000	1,500	–	–
Other payables and accruals		443,208	400,031	3,340	2,027
Dividend payable		26	120	26	120
Retirement benefits payable	23	798	799	–	–
		1,438,234	1,506,196	836,533	868,597
Progress billings in respect of property development		132,792	133,339	–	–
Amounts due to customers on construction contracts	44	118,274	191,897	8,675	9,176
		1,689,300	1,831,432	845,208	877,773

The currency exposure profile of trade and other payables is as follows:

	The Group 2010 RM'000	The Group 2009 RM'000 (Restated)	The Company 2010 RM'000	The Company 2009 RM'000
Ringgit Malaysia	1,115,724	1,288,836	826,082	802,726
Indian Rupee	275,285	170,912	160	55,254
Singapore Dollar	11,406	5,783	10,291	10,617
United States Dollar	3,390	9,710	–	–
UAE Dirham	22,895	26,546	–	–
Pakistan Rupee	4,406	4,406	–	–
Indonesia Rupiah	5,058	–	–	–
Others	70	3	–	–
	1,438,234	1,506,196	836,533	868,597

The amounts owing to subsidiaries, associates and jointly controlled entities are unsecured, bear interest at rates ranging from 5.0% to 7.5% (2009: 5.0% to 7.5%) per annum and repayable on demand.

Credit terms of trade and other payables range from payments in advance to 120 days (2009: range from payments in advance to 180 days).

43 BORROWINGS

	Note	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
Secured					
Bonds	16	84,128	157,316	–	–
Commercial Papers and Medium Term Notes	17	49,000	49,000	–	–
Term loans	18	169,377	282,443	–	–
Revolving credits		6,000	14,000	–	–
Bank overdrafts	48	33,489	41	–	–
		341,994	502,800	–	–
Unsecured					
Bonds	16	–	34,958	–	–
Commercial Papers and Medium Term Notes	17	41,532	231,004	–	150,000
Term loans	18	468,986	146,265	–	–
Bankers' acceptances		31,702	126,220	–	5,165
Revolving credits		52,084	324,204	16,363	263,297
Bank overdrafts	48	22,428	123,760	–	–
		616,732	986,411	16,363	418,462
		958,726	1,489,211	16,363	418,462

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's Caveat is formalised.

The currency exposure profile of the above bank borrowings is as follows:

	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
Ringgit Malaysia	364,133	987,369	–	400,165
Indian Rupee	317,018	313,284	–	–
United States Dollar	267,255	170,932	16,363	18,297
Chinese Renminbi	10,320	17,626	–	–
	958,726	1,489,211	16,363	418,462

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					
	2010			2009		
	Bankers' acceptance %	Revolving credit %	Bank overdraft %	Bankers' acceptance %	Revolving credit %	Bank overdraft %
Ringgit Malaysia	2.59	4.01	7.05	3.64	3.88	6.24
Indian Rupee	–	10.30	11.41	–	15.60	16.00
United States Dollar	–	1.66	–	–	1.95	–
Chinese Renminbi	–	–	5.10	–	–	5.10

44 AMOUNTS DUE FROM / (TO) CUSTOMERS ON CONSTRUCTION CONTRACTS

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Aggregate costs incurred to-date	11,717,497	8,437,508	674,115	706,604
Attributable profits less recognised losses	1,211,306	721,162	(2,436)	45,461
	12,928,803	9,158,670	671,679	752,065
Less: Progress billings on contracts	(12,659,442)	(9,146,413)	(678,735)	(758,020)
	269,361	12,257	(7,056)	(5,955)
Amounts due from customers on construction contracts (included in trade and other receivables - Note 38)	387,635	204,154	1,619	3,221
Amounts due to customers on construction contracts (included in trade and other payables - Note 42)	(118,274)	(191,897)	(8,675)	(9,176)
	269,361	12,257	(7,056)	(5,955)
Advances received on contracts (included in trade payables)	83,469	71,126	–	–
Retention sums on contracts (included in trade receivables)	157,632	179,676	8,547	20,180

During the financial year, the following expenses have been included in the aggregate costs incurred to-date of the Group and of the Company:

		The Group		The Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Employee benefits cost	6	60,556	74,345	–	–
Finance cost	9	4,970	35,516	–	–
Depreciation of property, plant and equipment	25	35,940	32,131	1,230	–

Amounts due from customers on construction contracts amounting to RM167,806,000 (2009: RM113,858,000) 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 RM205,149,000 (2009: RM57,947,000) 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	Others (individually insignificant) RM'000	Total RM'000
2010				
At 1 April 2009	56,026	13,132	3,916	73,074
Disposal of subsidiaries (Note 47(a))	–	–	(3,530)	(3,530)
At 31 March 2010	56,026	13,132	386	69,544
2009				
At 1 April 2008 / At 31 March 2009	56,026	13,132	3,916	73,074

45 IMPAIRMENT OF ASSETS (cont'd)

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	
		2010	**2009**	**2010**	**2009**
Manufacturing and Quarrying	Financial budgets approved by management based on past performance and expectations of market development	**5%**	5%	**6.2%**	5.8%
Construction	Discounted cash flows of the construction order book	**N/A**	N/A	**10.0%**	10.0%

N/A denotes not applicable.

The discount rate used reflects the specific risks relating to the CGU.

46 ACQUISITION OF SUBSIDIARIES

(a) In the preceding 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 in the preceding financial year were as follows:

Identifiable assets and liabilities	**Note**	**Acquiree's carrying value RM'000**	**Fair value RM'000**
Non-current assets			
Land held for property development	35(a)	11,468	13,000
		11,468	13,000
Current assets			
Receivables		30	30
Cash and bank balances		8	8
		38	38
Non-current liabilities			
Deferred tax liabilities	21	–	(383)
Trade and other payables		(11,163)	(11,163)
		(11,163)	(11,546)
Current liabilities			
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

46 ACQUISITION OF SUBSIDIARIES (cont'd)

(a) In the preceding financial year, the Group acquired the following subsidiaries/additional interest in subsidiaries: (cont'd)

(i) Details of cash flow arising from the acquisition of the additional 50% equity interest in IGV in the preceding financial year were 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).

Details of net assets acquired in the preceding financial year were as follows:

Identifiable assets and liabilities	Note	Acquiree's carrying value RM'000	Fair value RM'000
Non-current assets			
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
Current assets			
Other receivables		25,467	25,467
Inventories		2,864	2,864
Cash and bank balances		7,054	7,054
		35,385	35,385
Current liabilities			
Payables		(42,592)	(42,592)
Identifiable net (liabilities)/assets		(1,515)	180
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 in the preceding financial year 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.

46 ACQUISITION OF SUBSIDIARIES (cont'd)

(a) In the preceding financial year, the Group acquired the following subsidiaries/additional interest in subsidiaries: (cont'd)

(iii) In the preceding 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 Sdn Bhd (formerly known as 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 on 10 December 2008.

The additional interest in ICP had 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 was 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.

The additional interest in RBLSB had 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 was 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% 76.5%.

The net accretion in IJM Group's interest in IJMLB had 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 was 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 had 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 was 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) 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 SUBSIDIARIES

(a) During the current financial year, the Group disposed the following subsidiaries/dilution of interest in subsidiaries:

(i) On 29 January 2010, Insitu Envirotech Pte Ltd ("IEPL"), a wholly-owned subsidiary of IJM Construction Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, entered into an agreement with Insituform Technologies Netherlands BV to dispose 3,000,000 ordinary shares of SGD1 each in Insitu Envirotech (S.E.Asia) Pte Ltd ("IESEA"), representing 100% equity interest in IESEA, for a total cash consideration of SGD1,770,000 (translated to RM4,310,000 based on an exchange rate of 1 Singapore Dollar equivalent to RM2.4350).

Details of the disposal are as follows:

	At date of disposal RM'000
Property, plant and equipment (Note 25)	399
Inventories	283
Trade and other receivables	1,251
Cash and bank balances	1,374
Payables	(4,582)
Net liabilities	(1,275)
Attributable goodwill	3,511
	2,236
Net disposal proceeds	(4,310)
Gain on disposal to the Group	(2,074)

The net cash flows on disposal was determined as follows:

	At date of disposal RM'000
Total proceeds from disposal – cash consideration	4,310
Cash and cash equivalents of subsidiary disposed of	(1,374)
Cash inflow to the Group on disposal	2,936

(ii) On 15 July 2009, IJM Properties Sdn Bhd, a wholly-owned subsidiary of IJM Land Berhad, which in turn is a 62.8%-owned subsidiary of the Company, completed the disposal of 100% equity interest in Kami Builders Sdn Bhd comprising 1,000,000 ordinary shares of RM1 each and 30,000 preference shares of RM1 each to Wawasan Q1 Properties Sdn Bhd for a total cash consideration of RM20,172,615.

Details of the disposal are as follows:

	At date of disposal RM'000
Investment properties (Note 27)	49,270
Trade and other receivables	137
Cash and bank balances	1
Trade and other payables	(39,568)
Net assets	9,840
Attributable goodwill	19
	9,859
Net disposal proceeds	(20,173)
Gain on disposal to the Group	(10,314)

The net cash flows on disposal was determined as follows:

	At date of disposal RM'000
Total proceeds from disposal – cash consideration	20,173
Cash and cash equivalents of subsidiary disposed of	(1)
Cash inflow to the Group on disposal	20,172

47 DISPOSAL OF INTEREST IN SUBSIDIARIES (cont'd)

(a) During the current financial year, the Group disposed the following subsidiaries/dilution of interest in subsidiaries: (cont'd)

(iii) During the financial year, the Company disposed 151,988,800 ordinary shares of RM1.00 each, representing 13.78% of the issued and paid up share capital of IJM Land Berhad ("IJMLB") for a total cash consideration of RM217.5 million. This has resulted in a deemed dilution of the Group's interest in IJMLB from 76.5% to 62.8%.

The deemed dilution of the Group's interest in IJMLB 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 IJMLB amounting to RM34.6 million is charged to equity.

(iv) Industrial Concrete Products Berhad ("ICP"), a wholly-owned subsidiary of the Company, has on 17 August 2009 entered into a shares transfer agreement with Sapphire Plus Sdn Bhd ("SPSB") to dispose 2,400,000 ordinary shares of RMB1 each in ICP Jiangmen Co. Ltd ("ICP Jiangmen"), representing 4% equity interest in ICP Jiangmen, for a total cash consideration of RMB2,400,000 (translated to RM1,196,000 based on an exchange rate of 1RMB equivalent to RM0.4983). This has resulted in a deemed dilution of the Group's interest in ICP Jiangmen from 79% to 75%.

The disposal has 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 Company had completed the disposal of its entire 100,000,000 ordinary shares of RM1.00 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 had 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 was credited to equity.

IJM Group's interest in IJMLB had 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).

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 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
Deposits with licensed banks	40	**741,633**	558,383	**43,933**	62,324
Cash and bank balances	40	**479,878**	387,271	**73,071**	104,505
Bank overdrafts	43				
- Secured		**(33,489)**	(41)	**–**	–
- Unsecured		**(22,428)**	(123,760)	**–**	–
		(55,917)	(123,801)	**–**	–
Short term investments	39	**105,495**	20,713	**80,000**	10,000
		1,271,089	842,566	**197,004**	176,829
Less:					
Restricted deposits with licensed banks	40	**(300)**	(54,869)	**–**	–
		1,270,789	787,697	**197,004**	176,829

49 SIGNIFICANT NON-CASH TRANSACTION

(a) During the financial year, Besraya (M) Sdn Bhd, a wholly-owned subsidiary of the Company, received compensation of RM217 million from the Malaysian Government for the abolishment of the toll collection at the Salak Jaya Toll Plaza. The compensation is settled by way of waiver of government loan given for the construction of Besraya Expressway and the extension of the concession period of the Besraya Highway for an additional of 8 years.

(b) In the preceding financial year, the significant non-cash transactions were as follows:

(i) The Company acquired an additional 36.90% equity interest in Industrial Concrete Products Sdn Bhd (formerly known as 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).

(ii) 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.

(iii) 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).

50 FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. These include, amongst others, investments, deposits, cash and bank balances, receivables, payables, borrowings as well as derivative instruments.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

The fair value of a financial instrument is assumed to be the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

Quoted market prices, when available, are used as a measure of fair values. However, for a significant portion of the Group's and of the Company's financial instruments, quoted market prices do not exist. For such financial instruments, fair values presented are estimates derived using the discounted value of future cash flows or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values.

(a) Off balance sheet financial instruments

(i) Interest Rate Swaps

From floating rate to fixed rate

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 1.05% (2009: 2.44%) per annum (Note 18). After the interest rate swaps, the Group's weighted average effective interest rate during the financial year is 4.11% (2009: 5.01%) per annum.

50 FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES (cont'd)

(a) Off balance sheet financial instruments (cont'd)

(i) Interest Rate Swaps (cont'd)

From floating rate to fixed rate (cont'd)

The remaining terms, notional principal amounts and fair values of the outstanding interest rate swap contracts of the Group at the balance sheet date, which are denominated in United States Dollars, were as follows:

Duration	Floating rate	Fixed rate	Amount in foreign currency USD'000	Amount in RM equivalent '000	Fair value gain/(loss) RM'000
31.10.05 - 30.07.12	6-month LIBOR + 0.7%	4.95%	15,000	49,088	(2,331)
29.07.05 - 30.07.12	6-month LIBOR + 0.7%	5.00%	30,000	98,175	(4,735)
29.07.05 - 29.07.12	6-month LIBOR + 0.7%	5.00%	30,000	98,175	(4,868)
21.04.09 - 05.03.12	3-month LIBOR + 0.6%	2.19%	17,778	58,179	(504)
30.03.09 - 27.09.12	3-month LIBOR + 0.55%	2.43%	17,000	55,633	(676)
30.03.09 - 14.12.11	3-month LIBOR + 0.65%	2.53%	8,000	26,180	(311)

From fixed rate to floating rate

The Company has entered into interest rate swap contract which entitles the Company to pay interest at floating rates on notional principal amounts and oblige it to receive interest at fixed rates on the same amounts. Under the interest rate swaps, the Company 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 Company's interest rate swap contracts are linked to the Kuala Lumpur Inter Bank Offer Rate ("KLIBOR"). The weighted average effective interest rate of the Company fixed rate borrowings during the financial year is 5.5% (2009: Nil) per annum (Note 17). After the interest rate swaps, the Company's weighted average effective interest rate during the financial year is 3.86% (2009: Nil) per annum.

The remaining terms, notional principal amounts and fair value of the outstanding interest rate swap contract of the Company at the balance sheet date, which is denominated in Ringgit Malaysia, were as follows:

Duration	Fixed rate	Floating rate	Amount in RM equivalent '000	Fair value gain/(loss) RM'000
11.01.10 - 23.10.15	5.50%	6-month KLIBOR + 1.28%	200,000	1,433

(ii) Crude Palm Oil Pricing Swap

IJM Plantations Berhad, a subsidiary of the Company has entered into CPO pricing swap contracts for a fixed monthly quantity in the futures market and where required, selling forwards in the physical market.

The terms and fair values of the outstanding CPO pricing swap contracts of the Group at the balance sheet date were as follows:

Crude palm oil pricing swap	Contract quantity	Effective period	Fair value gain/(loss) as at 31 March 2010 (RM/tonne)
To fix crude palm oil selling price at RM2,500 per tonne	1,000 tonnes per month	April 2010 to March 2011	(25)

50 FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES (cont'd)

(b) On balance sheet financial instruments

Except as stated below, the carrying values of other financial assets and financial liabilities of the Group and of the Company at the balance sheet date approximated their fair values.

	Note	The Group Carrying value RM'000	The Group Fair value RM'000	The Company Carrying value RM'000	The Company Fair value RM'000
Financial Assets					
At 31 March 2010					
(i) Long term investments	32				
- Quoted warrants		15	15	–	–
- Quoted shares		2,331	2,823	–	–
- Unquoted shares		2,060	Note (aa)	2,050	Note (aa)
		4,406		2,050	
(ii) Short term investments	39				
- Quoted shares		2,633	2,633	2,633	2,633
- Quoted warrants		48	381	48	381
- Quoted unit trusts		105,495	106,883	80,000	81,300
		108,176		82,681	

(aa) It is not practicable to estimate the fair value of the Group's and the Company'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.

	Note	The Group Carrying value RM'000	The Group Fair value RM'000	The Company Carrying value RM'000	The Company Fair value RM'000
Financial Assets					
At 31 March 2009					
(i) Long term investments	32				
- Quoted warrants		14	14	–	–
- Quoted shares		1,657	1,657	–	–
- Unquoted shares		16,310	Note (aa)	2,050	Note (aa)
		17,981		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	350	48	350
- Quoted unit trusts		20,713	20,893	10,000	10,000
		73,350		12,588	

(aa) It is not practicable to estimate the fair value of the Group's and the Company'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)

	Note	The Group Carrying value RM'000	The Group Fair value RM'000	The Company Carrying value RM'000	The Company Fair value RM'000
Financial Liabilities					
At 31 March 2010					
(i) Bonds	16	568,886	534,718	–	–
(ii) Commercial papers and Medium term notes	17	691,848	714,852	650,000	673,945
(iii) Term loans	18	1,388,610	1,385,806	300,000	300,000
(iv) Government support loans	19	204,157	241,288	–	–
(v) Advances from the State Government	22(a)	33,180	25,921	–	–
(vi) Land premium payable to State Government	22(b)	15,100	13,385	–	–
At 31 March 2009					
(i) Bonds	16	652,704	561,386	–	–
(ii) Commercial papers and 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(a)	28,000	22,825	–	–
(vi) Land premium payable to State Government	22(b)	18,100	15,754	–	–

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 31 July 2009 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 Sdn Bhd ("ICP") (formerly known as Industrial Concrete Products Berhad) 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 and its subsidiaries ("IJM Land Group")
(viii) Kumpulan Europlus Berhad ("KEB Group") and Talam Corporation Berhad ("Talam Group")
(ix) CHEC Guangzhou Port Construction Corp. ("CHEC")*
(x) China Communications Construction Co. Ltd. ("CCCCL")**

* a major shareholder who holds 15% equity shares in ICP Jiangmen Co. Ltd
** a holding company of CHEC

The Group

(a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties.

	2010 RM'000	2009 RM'000
(aa) Associates		
(i) Sales/progress billings in respect of construction contract:		
- Swarna Tollway Pte Ltd	4,009	3,615
(ii) Advances from:		
- Emas Utilities Corporation Sdn Bhd	–	7,133
(iii) Purchase of fertilisers and chemicals:		
- Loongsyn Sdn Bhd	11,538	31,797
(ab) Jointly controlled entities		
(i) Progress billings in respect of construction contracts to/(by):		
- IJM Construction-Perkasa Sutera Joint Venture	(13,284)	(45,682)
- Lebuhraya Kajang Seremban Sdn Bhd	132,131	235,455
- Vijayawada Tollway Pte Limited	5,911	–
- Trichy Tollway Pte Limited	32,127	115,772
(ii) Project management fees charged by:		
- IJM Management Services-Giat Bernas Joint Venture	570	1,820
(iii) Purchase of plant and machinery from:		
- IJM Biofuel Sdn Bhd	37,896	–
- RBM-PATI JV	4,609	–
(iv) Sales and marketing fees charged to:		
- Sierra Ukay Sdn Bhd	2,992	–

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)

	2010 RM'000	2009 RM'000
(ab) Jointly controlled entities (cont'd)		
(v) Interests charged to:		
- Sierra Selayang Sdn Bhd	1,138	1,281
- IJM Properties-JA Manan Development Joint Venture	2,053	2,635
- Radiant Pillar Sdn Bhd	3,515	3,438
- Valencia Terrace Sdn Bhd	2,086	2,812
- Good Debut Sdn Bhd	947	1,525
- Cekap Tropikal Sdn Bhd	3,046	3,328
- Sierra Ukay Sdn Bhd	2,992	1,176
- Larut Leisure Enterprise (Hong Kong) Limited	3,544	3,331
- IJM Biofuel Sdn Bhd	–	2,279
- Lebuhraya Kajang Seremban Sdn Bhd	10,203	–
(vi) Advances to/(repayment from):		
- IJM Properties-JA Manan Development Joint Venture	4,782	(1,034)
- Radiant Pillar Sdn Bhd	8,896	(19,919)
- IJM-Gayatri Joint Venture	537	2,527
- Sierra Ukay Sdn Bhd	17,363	14,069
- Elegan Pesona Sdn Bhd	896	(13,209)
- Good Debut Sdn Bhd	1,968	(18,903)
- Valencia Terrace Sdn Bhd	8,604	(23,211)
- Cekap Tropikal Sdn Bhd	1,206	5,806
- Larut Leisure Enterprise (Hong Kong) Limited	9,230	29,375
- Godrej IJM Palm Oil Limited	–	25,573
- IJM Biofuel Sdn Bhd	(32,768)	–
- Vijayawada Tollway Pte Ltd	14,832	–

The Company

(a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties.

	2010 RM'000	2009 RM'000
(aa) Subsidiaries		
(i) Interest charged to:		
- IJM Construction Sdn Bhd	5,209	8,294
- IJM Properties Sdn Bhd	22,767	32,370
- Jelutong Development Sdn Bhd	10,113	15,535
- Suria Bistari Development Sdn Bhd	4,824	3,441
- Worldwide Ventures Sdn Bhd	767	1,009
- IJM Construction (Middle East) Limited Liability Company	1,603	887
- Industrial Concrete Products Sdn Bhd (formerly known as Industrial Concrete Products Berhad)	12,000	–
(ii) Interest charged by:		
- Nilai Cipta Sdn Bhd	2,246	2,583
(iii) Management fees charged to:		
- IJM Construction (Middle East) Limited Liability Company	577	1,622

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)

	2010 RM'000	2009 RM'000
(aa) Subsidiaries (cont'd)		
(iv) Advances to:		
- Suria Bistari Development Sdn Bhd	–	60,310
- New Pantai Expressway Sdn Bhd	–	25,535
- IJM Investments (L) Ltd	–	13,518
- IJM Investments (M) Limited	191,347	66,128
- IJM Construction Sdn Bhd	135,573	–
- IJM Properties Sdn Bhd	43,359	–
- IJM Construction (Middle East) Limited Liability Company	21,810	–
- Road Builder (M) Sdn Bhd	14,385	–
- Road Builder (M) Holdings Bhd	42,869	–
- Nilai Cipta Sdn Bhd	26,056	–
- IJM Land Berhad	52,725	–
- Styrobilt Sdn Bhd	110,201	–
(v) Repayment of advances from:		
- IJM International Limited	–	29,610
- IJM Construction Sdn Bhd	–	130,863
- IJMII (Mauritius) Limited	–	15,406
- Suria Bistari Development Sdn Bhd	20,813	–
- Road Builder (M) Holdings Bhd	–	475,073
- IJM Properties Sdn Bhd	–	419,240
- Jelutong Development Sdn Bhd	40,410	3,380
- Worldwide Ventures Sdn Bhd	–	48,441
- IJM Investments (L) Ltd	104,787	–
(bb) Associates		
(i) Net repayment of advances from:		
- Emas Utilities Corporation Sdn Bhd	–	7,133
(cc) Jointly controlled entities		
(i) Interest charged to:		
- Lebuhraya Kajang Seremban Sdn Bhd	10,203	–

(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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Wages, salaries and bonus	10,684	10,429	4,845	4,579
Defined contribution retirement plan	1,776	1,744	858	837
Other employee benefits	6,232	490	2,829	206
	18,692	12,663	8,532	5,622

51 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

The Company (cont'd)

(b) Key management compensation during the financial year: (cont'd)

Certain key management of the Company have been allotted warrants under the Warrants 2005/2010 (Note 14(A)(c)) and Warrants 2008/2013 of IJM Land Berhad, a subsidiary of the Company pursuant to the Offer for Sale by the Company to all its eligible employees as follows:

Expiry Date	Exercise Price RM/Warrant	Number of Warrants 2005/2010 Balance at 1.4.2009 '000	Disposed '000	Exercised '000	Balance at 31.3.2010 '000
22 August 2010	4.80/4.77*/3.41**	440	(62)	(378)	–

The exercise price of the Warrants 2005/2010 had been adjusted on 19 August 2009(*) and 1 October 2009 (**) pursuant to the provisions of the Deed Poll dated 22 June 2005 constituting the Warrants 2005/2010.

Expiry Date	Exercise Price RM/Warrant	Number of Warrants 2008/2013 At date of issuance on 27.5.2009 '000	Disposed '000	Exercised '000	Balance at 31.3.2010 '000
11 September 2013	1.35	6,888	(3,220)	–	3,668

(c) Transactions with Directors and key management relating to the purchase of properties during the financial year:

In the ordinary course of business, the Directors and key management personnel of the Company has purchased properties from the property development subsidiaries during the financial year.

The following transactions with Directors and key management personnel were carried out under terms not more favourable than those generally available to the public or employees of the Group, or under negotiated terms which the Board of Directors, after deliberation, has believed to be in the best interests of the Group.

	The Group 2010 RM'000	2009 RM'000
Progress billings during the financial year:		
- Directors and key management personnel of the Company	1,438	296
- Close family members of Directors and key management personnel of the Company	557	–
(Advance payment)/amount outstanding arising from progress billings as at end of financial year from:		
- Key management personnel (including directors) of the Company	(509)	443

52 COMMITMENTS

(a) Capital commitments

	The Group 2010 RM'000	The Group 2009 RM'000
Approved and contracted for	327,491	635,875
Approved but not contracted for	306,744	167,179
	634,235	803,054
Analysed as follows:		
Purchases of property, plant and equipment, leasehold land and plantation development expenditure	299,138	399,086
Purchases of development land	28,806	43,142
Participation in a concession	–	219,000
Concession assets	30,278	63,132
Share of capital commitments of jointly controlled entities	276,013	50,694
Investment property	–	28,000
	634,235	803,054

(b) Non-cancellable operating lease commitments

The non-cancellable operating lease commitments is in relation to operating lease payable by Kuantan Port Consortium Sdn Bhd, a subsidiary of the Company, to the Kuantan Port Authority pursuant to a Privatisation Agreement.

	The Group 2010 RM'000	The Group 2009 RM'000
Future minimum lease payments:		
- payable within 1 year	3,426	3,192
- payable between 1 and 2 years	3,426	3,426
- payable between 2 and 3 years	3,512	3,426
- payable between 3 and 4 years	3,768	3,512
- payable between 4 and 5 years	3,768	3,769
- payable after 5 years	60,544	64,312
	78,444	81,637

(c) Non-cancellable operating lease arrangements

A subsidiary of the Company has entered into a lease arrangement to lease a building to a third party for a period of 10 years commencing 5 February 2010.

The future aggregate minimum lease payments receivable under non-cancellable operating leases contracted for as at balance sheet date but not recognised as assets are as follows:

	The Group 2010 RM'000	The Group 2009 RM'000
Lease receivable		
- Receivable within 1 year	29,602	–
- Receivable between 1 and 5 years	118,409	–
- Receivable after 5 years	143,430	–
	291,441	–

53 CONTINGENT LIABILITIES (UNSECURED)

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Bank borrowings of subsidiaries guaranteed by the Company	–	–	699,713	597,326
Bank borrowings of associates guaranteed by the Company/Group	7,270	7,200	7,270	7,200
Share certificates of investment in an associate pledged for term loan facility granted to an associate	44,938	47,822	–	–
Share certificates of investment in a jointly controlled entity pledged for term loan facility granted to a jointly controlled entity	10,901	5,506	–	–
Performance guarantees in respect of the contract performance of concession agreements	38,425	38,978	39,698	49,748
Contingent equity support for investment in subsidiaries	–	–	7,997	7,920
Stamp duty matters under appeal	2,385	2,362	–	–
Sales and service tax matters under appeal	3,642	–	–	–
	107,561	101,868	754,678	662,194

54 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(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 had obtained the approval of the Securities Commission ("SC") vide its letters dated 10 April 2009 and 21 May 2009. Further, the shareholders had approved the Offer to Eligible Employees during the Extraordinary General Meeting held on 16 June 2009.

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 had announced that the offer price for the Offer to Eligible Employees had been fixed at RM0.302, which represented 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. This offer had 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. This offer was subsequently completed on 27 May 2009 following the successful transfer of the said warrants into the respective securities account of the eligible employees (whose acceptances and/or excess applications were valid and successful).

54 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

(b) On 26 May 2009, the Company proposed 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. This proposal was approved by the shareholders at an Extraordinary General Meeting held on 25 August 2009 and the listing and quotation of the said Bonus Shares on the Main Market of Bursa Malaysia was approved by Bursa Malaysia on 7 September 2009. On 11 September 2009, the Company announced the entitlement date to be 1 October 2009 while the date of issuance, listing and quotation of the Bonus Shares to be 2 October 2009. On 2 October 2009, a total of 377,420,983 Bonus Shares have been listed and quoted on the Main Market of Bursa Malaysia.

(c) On 9 July 2009, the Company announced the proposed renounceable rights issue of up to 134,931,940 IJM Warrants at an issue price to be determined later on the basis of one (1) new IJM Warrant for every ten (10) existing Shares held in IJM after the bonus issue mentioned in Note 54(b) above. The Controller of Foreign Exchange of Bank Negara Malaysia has approved the issuance of IJM Warrants to non-resident shareholders of the Company vide its letters dated 17 August 2009 and 20 August 2009. The approval of the Securities Commission was obtained vide its letter dated 24 August 2009. The shareholders have also approved the Proposed Rights Issue of Warrants at an Extraordinary General Meeting held on 25 August 2009. On 7 September 2009, the listing of the new IJM Warrant was approved by Bursa Malaysia. On 11 September 2009, the Company announced the entitlement date to be 1 October 2009 and the new IJM Warrants were later oversubscribed by 186,424,124 warrants or approximately 141% over the total number of warrants available for subscription. On 28 October 2009, a total of 132,097,381 new IJM Warrants have been listed on the Main Market of Bursa Malaysia.

(d) In the preceding 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 wholly-owned subsidiary of the Company with effect from 24 February 2009, and the lengthening of Besraya Highway by a further 12km.

On 2 February 2010, Besraya received a letter from the Ministry of Works informing that the compensation for the removal of toll gate is RM217 million, to be settled by way of:

(i) waiver of government loan given for the construction of Besraya Expressway; and

(ii) extension of the concession period of the Besraya Highway for an additional 8 years.

In addition, Besraya is also given a contract for the extension of the highway at an estimated cost of RM649 million.

Besraya is in the process of entering into a supplemental concession agreement with the Government to formalise the above arrangement

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2010

SUBSIDIARIES

Name	Country of incorporation	Effective equity interest 2010 %	2009 %	Principal activities
Held by the Company				
GR Commerce Sdn Bhd	Malaysia	100	100	Under member's voluntary liquidation
Industrial Concrete Products Sdn Bhd (formerly known as Industrial Concrete Products Berhad)	Malaysia	100	100	Manufacture of precast concrete products
IJM Construction Sdn Bhd	Malaysia	100	100	Civil and building construction 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

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2010 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2010 %	2009 %	Principal activities
Held by the Company (cont'd)				
IJM Investments (M) Limited #	Republic of Mauritius	100	100	Investment holding
IJM International (BVI) Pty Ltd ^	British Virgin Islands	100	100	Investment holding
IJM International Limited *	Hong Kong	100	100	Investment holding
IJM Investments (L) Ltd ^	Federal Territory of Labuan	100	100	Investment holding
IJM Overseas Ventures Sdn Bhd	Malaysia	100	100	Investment holding
Kamad Quarry Sdn Bhd	Malaysia	100	100	Quarrying, manufacture and sale of premix products and road pavement construction
Kemena Industries Sdn Bhd *	Malaysia	55	55	Manufacture of ready-mixed concrete and reinforced concrete products
Nilai Cipta Sdn Bhd *	Malaysia	70	70	Office complex concession holder
Styrobilt Sdn Bhd	Malaysia	100	100	Under member's voluntary liquidation
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	Malaysia	62.8	76.5	Investment holding
Emcee Corporation Sdn Bhd	Malaysia	100	100	Ceased operation
RB Manufacturing Sdn Bhd	Malaysia	100	100	Ceased operation
IJM Highway Services Sdn Bhd (formerly known as RB Highway Services Sdn Bhd)	Malaysia	100	100	Provision of toll operation and maintenance services
Makmur Venture Sdn Bhd	Malaysia	100	100	Investment holding
Held by RB Manufacturing Sdn Bhd				
Kuching Riverine Resort Management Sdn Bhd	Malaysia	100	100	Property management
RB Resorts Sdn Bhd	Malaysia	100	100	Investment holding

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2010 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2010 %	2009 %	Principal activities
Held by RB Resorts Sdn Bhd				
Don Sahong Project Management Sdn Bhd	Malaysia	100	100	Ceased operation
Held by Industrial Concrete Products Sdn Bhd (formerly known as Industrial Concrete Products Berhad)				
Arca Permata (M) Sdn Bhd	Malaysia	100	100	Under member's voluntary liquidation
Concrete Mould Engineering Sdn Bhd	Malaysia	100	100	Dormant
Durabon Sdn Bhd	Malaysia	100	100	Processing of steel bars
Expedient Resources Sdn Bhd	Malaysia	100	100	Manufacturing of rubber products
ICP Investments (L) Limited ^	Malaysia	100	100	Special purpose vehicle for financing and investment holding
ICP Jiangmen Co. Ltd. *	People's Republic of China	75	79	Production and sale of concrete products
ICP Marketing Sdn Bhd	Malaysia	100	100	Trading of building materials, plant and machinery and investment holding
Malaysian Rock Products Sdn Bhd	Malaysia	100	100	Quarrying, sale of rock products and investment holding
Ubon Steel Sdn Bhd	Malaysia	100	100	Under member's voluntary liquidation
Held by Expedient Resources Sdn Bhd				
Tadmansori Rubber Industries Sdn Bhd	Malaysia	100	100	Trading of rubber products
Held by ICP Investments (L) Limited				
ICPB (Mauritius) Limited *	Mauritius	100	100	Investment holding
Held by ICPB (Mauritius) Limited				
IJM Steel Products Private Limited *	India	100	100	Production and supply of steel welded mesh
IJM Concrete Products Private Limited *	India	100	100	Production and supply of ready mixed concrete

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2010 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2010 %	2009 %	Principal activities
Held by Malaysian Rock Products Sdn Bhd				
Aggregate Marketing Sdn Bhd	Malaysia	100	100	Sale of rock products
Azam Ekuiti Sdn Bhd	Malaysia	100	100	Leaseholder of quarry land
Bohayan Industries Sdn Bhd	Malaysia	70	70	Dormant
Damansara Rock Products Sdn Bhd	Malaysia	100	100	Under member's voluntary liquidation
Global Rock Marketing Sdn Bhd	Malaysia	100	100	Under member's voluntary liquidation
Kuang Rock Products Sdn Bhd	Malaysia	100	100	Quarrying and sale of rock products
Oriental Empire Sdn Bhd	Malaysia	100	100	Leaseholder of quarry land
Scaffold Master Sdn Bhd	Malaysia	100	100	Sale and rental of steel scaffolding
Strong Mixed Concrete Sdn Bhd	Malaysia	100	100	Production and supply of ready-mixed concrete
Warga Sepakat Sdn Bhd	Malaysia	100	100	Dormant
IJM Concrete Private Limited *	Dubai	60	60	Investment holding
IJM Concrete Products Pakistan Private Limited *	Pakistan	60	60	Production and supply of ready-mixed concrete
IJM Concrete Pakistan Private Limited *	Pakistan	60	60	Dormant
Held by IJM Concrete Private Limited				
IJM Concrete Pakistan *	Pakistan	60	60	Production and supply of ready-mixed concrete
Held by IJM Construction Sdn Bhd				
IJM Building Systems Sdn Bhd	Malaysia	100	100	Prefabricated building construction
Jurutama Sdn Bhd	Malaysia	100	100	Civil and building construction and property development
Prebore Piling & Engineering Sdn Bhd	Malaysia	100	100	Piling, engineering and other construction works
Insitu Envirotech Pte Ltd *	Singapore	100	100	Investment holding
IJM Investments J.A. Limited *	Dubai, United Arab Emirates	100	100	Investment holding

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2010 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2010 %	2009 %	Principal activities
Held by IJM Construction Sdn Bhd (cont'd)				
Ground Envirotech (M) Sdn Bhd (formerly known as 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	100	Building and civil construction
Road Builder (M) Sdn Bhd	Malaysia	100	100	Building and civil construction
Held by Insitu Envirotech Pte Ltd				
Insitu Envirotech (S.E.Asia) Pte Ltd *	Singapore	–	100	Design, installation and rehabilitation of pipes, conduits and vertical shafts
Held by IJM Investments J.A. Limited				
IJM Gulf Limited *	Dubai, United Arab Emirates	60	60	Civil and building construction
Karachi Expressway J.A. Limited *	Dubai, United Arab Emirates	100	100	Investment holding and construction
Im Technologies Pakistan (Private) Limited *	Pakistan	60	60	Civil and building construction
Held by IJM Gulf Limited				
IJM Gulf Pakistan (Pvt) Ltd *	Dubai, United Arab Emirates	60	60	Civil and building construction
Held by Road Builder (M) Sdn Bhd				
Commerce House Sdn Bhd	Malaysia	100	100	Trading in construction materials
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	Under member's voluntary liquidation
Kuari Sungai Batu Sdn Bhd	Malaysia	100	100	Under member's voluntary liquidation
Bukit Bendera Enterprise Berhad	Malaysia	100	100	Under member's voluntary liquidation

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2010 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2010 %	2009 %	Principal activities
Held by Road Builder (Mauritius) Limited				
Road Builder (India) Private Limited *	India	100	100	Dormant
RBM Construction (India) Private Limited *	India	100	100	Dormant
Held by Imbangan Pintar Sdn Bhd				
Saluran Teguh Sdn Bhd	Malaysia	60	60	Dormant
Held by IJM Investments (M) Limited				
IEMCEE Infra (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJMII (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Rewa (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Rajasthan (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Trichy (Mauritius) Ltd #	Republic of Mauritius	100	100	Investment holding
IJM Vijayawada (Mauritius) Ltd #	Republic of Mauritius	100	100	Investment holding
Held by IJMII (Mauritius) Limited				
IJM (India) Infrastructure Limited #	India	99	99	Construction
Held by IJM Rewa (Mauritius) Limited				
Rewa Tollway Private Limited #	India	100	100	Infrastructure development
Held by IJM (India) Infrastructure Limited				
Swarnandhra-IJMII Integrated Township Development Company Private Limited #	India	50	50	Property development
Swarnandhra Road Care Private Limited #	India	97	97	Road maintenance
Roadstar (India) Infrastructure Private Limited *	India	68	68	Development of infrastructure projects and construction & operation of toll gates
IJM (India) Geotechniques Private Limited *	India	97	97	Soil investigation & testing, foundation laying & treatment & piling
IJM Lingamaneni Township Private Limited #	India	54	54	Property development

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2010 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2010 %	2009 %	Principal activities
Held by IJM Rajasthan (Mauritius) Limited				
Jaipur-Mahua Tollway Private Limited #	India	100	100	Highway development
Held by Styrobilt Sdn Bhd				
IJM Plantations Berhad (of which 16.6% is held directly by the Company)	Malaysia	55	55	Cultivation of oil palm and investment holding
Held by IJM Plantations Berhad				
Berakan Maju Sdn. Bhd.	Malaysia	55	55	Cultivation of oil palm
Desa Talisai Sdn. Bhd.	Malaysia	55	55	Cultivation of oil palm
Dynasive Enterprise Sdn. Bhd.	Malaysia	55	55	Investment holding
Excellent Challenger (M) Sdn. Bhd.	Malaysia	55	55	Cultivation of oil palm
Gunaria Sdn. Bhd.	Malaysia	55	55	Investment holding
IJM Agri Services Sdn. Bhd.	Malaysia	55	55	Provision of agricultural management services to plantations
IJM Edible Oils Sdn. Bhd.	Malaysia	55	55	Palm kernel milling
Minat Teguh Sdn. Bhd.	Malaysia	55	55	Investment holding
Mowtas Bulkers Sdn. Bhd.	Malaysia	55	55	Multi-user bulking terminal
Rakanan Jaya Sdn. Bhd.	Malaysia	55	55	Cultivation of oil palm
Ratus Sempurna Sdn. Bhd.	Malaysia	55	55	Property holding
Sabang Mills Sdn. Bhd.	Malaysia	55	55	Palm oil milling
Sijas Plantations Sdn. Bhd.	Malaysia	55	55	Cultivation of oil palm
Ampas Maju Sdn. Bhd.	Malaysia	55	55	Cultivation of oil palm
Gapas Mewah Sdn. Bhd.	Malaysia	55	55	Cultivation of oil palm
Golden Grip Sdn. Bhd.	Malaysia	55	55	Cultivation of oil palm
Kulim Mewah Sdn. Bhd.	Malaysia	55	55	Cultivation of oil palm
Laserline Sdn. Bhd.	Malaysia	55	55	Cultivation of oil palm
Macmillion Group Sdn. Bhd.	Malaysia	55	55	Dormant
Rantajasa Sdn. Bhd.	Malaysia	55	55	Cultivation of oil palm
Sri Kilau Sdn. Bhd.	Malaysia	55	55	Cultivation of oil palm
Isu Mutiara Sdn. Bhd.	Malaysia	55	55	Investment holding
Akrab Perkasa Sdn. Bhd.	Malaysia	55	55	Palm oil milling
Desa Talisai Palm Oil Mill Sdn. Bhd.	Malaysia	55	55	Palm oil milling
IJMP Investments (L) Limited ^	Malaysia	–	55	Being struck off

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2010 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2010 %	2009 %	Principal activities
Held by IJM Plantations Berhad (cont'd)				
IJMP Investments (M) Limited ^	Republic of Mauritius	55	55	Investment holding
Mowtas Multi-User Jetty Sdn Bhd	Malaysia	55	55	Under member's voluntary liquidation
Held by Desa Talisai Sdn. Bhd				
Cahaya Adil Sdn. Bhd.	Malaysia	55	55	Investment holding
Firdana Corporation Sdn. Bhd.	Malaysia	55	55	Investment holding
Gerbang Selasih Sdn. Bhd.	Malaysia	55	55	Investment holding
Sihat Maju Sdn. Bhd.	Malaysia	55	55	Investment holding
Held by IJMP Investments (M) Limited				
IJM Plantations (Mauritius) Limited *	Republic of Mauritius	55	55	Investment holding
Held by Gunaria Sdn Bhd				
PT Sinergi Agro Industri *	Indonesia	52	52	Cultivation of oil palm
Held by Minat Teguh Sdn. Bhd.				
PT Primabahagia Permai *	Indonesia	52	52	Cultivation of oil palm
Held by Road Builder (M) Holdings Bhd				
Besraya (M) Sdn Bhd	Malaysia	100	100	Toll road operation
Essmarine Terminal Sdn Bhd	Malaysia	100	100	Investment holding
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
Lebuhraya S'lesa Sdn Bhd	Malaysia	100	100	Under member's voluntary liquidation
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
Gagah Garuda Sdn Bhd	Malaysia	100	100	Investment holding
Held by Arena Wiramas Sdn Bhd				
Sensasi Wawasan Jaya Sdn Bhd	Malaysia	100	100	Property investment
Pilihan Alam Jaya Sdn Bhd	Malaysia	100	100	Property investment

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2010 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2010 %	Effective equity interest 2009 %	Principal activities
Held by RB Port Sdn Bhd				
Sukma Samudra Sdn Bhd	Malaysia	100	100	Port management
Held by Kuantan Port Consortium Sdn Bhd				
KP Port Services Sdn Bhd	Malaysia	100	100	Port supporting services
KPN Services Sdn Bhd	Malaysia	100	100	Providing nitrogen purging and pigging services
Held by IJM Land Berhad				
ERMS Berhad	Malaysia	62.8	76.5	Hotel and recreation club
RB Land Sdn Bhd	Malaysia	62.8	76.5	Property development and construction activities
Econstates Management Services Sdn Bhd	Malaysia	62.8	76.5	Dormant
Delta Awana Sdn Bhd	Malaysia	62.8	76.5	Property investment
Emko Properties Sdn Bhd	Malaysia	62.8	76.5	Property development
IJM Properties Sdn Bhd	Malaysia	62.8	76.5	Property development and investment holding
RB Development Sdn Bhd	Malaysia	62.8	76.5	Property development
Held by ERMS Berhad				
Holiday Villa Management Sdn Bhd	Malaysia	62.8	76.5	Dormant
Held by Emko Properties Sdn Bhd				
Emko Management Services Sdn Bhd	Malaysia	62.8	76.5	Property management operation
Tulip Avenue Sdn Bhd	Malaysia	62.8	76.5	Under members' voluntary liquidation
Held by RB Land Sdn Bhd				
Shah Alam 2 Sdn Bhd	Malaysia	62.8	76.5	Property development
Seremban Two Property Management Sdn Bhd	Malaysia	62.8	76.5	Property management
Seremban Two Landscape Sdn Bhd	Malaysia	50	61	Under members' voluntary liquidation
Seremban Two Driving Range Sdn Bhd	Malaysia	47	57	Dormant
Seremban Two Holdings Sdn Bhd	Malaysia	62.8	76.5	Property development
Seremban Two Properties Sdn Bhd	Malaysia	62.8	76.5	Property development
RB Property Management Sdn Bhd	Malaysia	62.8	76.5	Property development

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2010 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2010 %	2009 %	Principal activities
Held by RB Land Sdn Bhd (cont'd)				
Ikatan Flora Sdn Bhd	Malaysia	62.8	76.5	Property development
Casa Warna Sdn Bhd	Malaysia	62.8	76.5	Property management
Serenity Ace Sdn Bhd	Malaysia	62.8	76.5	Under members' voluntary liquidation
Aras Varia Sdn Bhd	Malaysia	62.8	76.5	Property development
Dian Warna Sdn Bhd	Malaysia	62.8	76.5	Property development
Titian Tegas Sdn Bhd	Malaysia	62.8	76.5	Property development
Murni Lapisan Sdn Bhd	Malayisa	62.8	76.5	Dormant
Tarikan Abadi Sdn Bhd	Malaysia	62.8	76.5	Property development
Unggul Senja Sdn Bhd	Malaysia	62.8	76.5	Property development
Held by IJM Properties Sdn Bhd				
Aqua Aspect Sdn Bhd	Malaysia	50	61	Property development
Chen Yu Land Sdn Bhd	Malaysia	62.8	76.5	Property development
IJM Management Services Sdn Bhd	Malaysia	62.8	76.5	Project and construction management services
Jalinan Masyhur Sdn Bhd	Malaysia	32	39	Property development
Jelutong Development Sdn Bhd	Malaysia	50	61	Property development
Liberty Heritage (M) Sdn Bhd	Malaysia	62.8	76.5	Property management and car parking services
Maxharta Sdn Bhd	Malaysia	62.8	76.5	Property development, civil and building construction
NS Central Market Sdn Bhd	Malaysia	44	54	Property development
Sinaran Intisari (M) Sdn Bhd	Malaysia	32	39	Property development
Suria Bistari Development Sdn Bhd	Malaysia	32	39	Property development
Wedec Sdn Bhd	Malaysia	62.8	76.5	Interior fit-out services, upgrades and renovation works
Manda'rina (M) Sdn Bhd	Malaysia	62.8	76.5	Property development
IJMP-MK Joint Venture	Malaysia	44	54	Property development
Worldwide Ventures Sdn Bhd	Malaysia	54	66	Property development and investment holding
Glamour Development Sdn Bhd	Malaysia	62.8	76.5	Dormant
Kami Builders Sdn Bhd	Malaysia	–	76.5	Civil construction and property development
Cypress Potential Sdn Bhd	Malaysia	44	54	Property development

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2010 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2010 %	Effective equity interest 2009 %	Principal activities
Held by Worldwide Ventures Sdn Bhd				
Island Golf View Sdn Bhd	Malaysia	54	66	Property development
PIETC Sdn Bhd	Malaysia	54	66	Under members' voluntary liquidation
Sheffield Enterprise Sdn Bhd	Malaysia	38	46	Dormant

ASSOCIATES

Name	Country of incorporation	Effective equity interest 2010 %	Effective equity interest 2009 %	Principal activities
Held by the Company				
CIDB Inventures Sdn Bhd *	Malaysia	34	34	Infrastructure investment
Cofreth (M) Sdn Bhd *	Malaysia	25	25	Total facilities management, operations & maintenance, co-generation and district cooling system/service provider
Community Resort Development System Sdn Bhd *	Malaysia	20	20	Dormant
Deltabumi Sdn Bhd	Malaysia	–	40	Liquidated
Emas Utilities Corporation Sdn Bhd *	Malaysia	40	40	Investment holding
Grupo Concesionario del Oeste S.A. #	Argentina	20	20	Construction, renovation, repair, conservation and operation of Acesso Oeste highway
IJM-Yorkville (BVI) Pty Ltd ^	British Virgin Islands	50	50	Special purpose vehicle for financing
Inversiones e Inmobiliaria Sur-Sur S.A *	Chile	25	25	Property development
JWS Projects Sdn Bhd	Malaysia	–	50	Liquidated
Macroland Holdings Sdn Bhd *	Malaysia	–	30	Liquidated
MASSCORP-Chile Sdn Bhd *	Malaysia	32	32	Investment holding
Precast Property Sdn Bhd *	Malaysia	–	50	Liquidated
Kumpulan Europlus Berhad *	Malaysia	25	25	Investment holding
Don Sahong Power Company Ltd *	British Virgin Islands	30	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

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2010 (cont'd)

ASSOCIATES (cont'd)

Name	Country of incorporation	Effective equity interest 2010 %	2009 %	Principal activities
Held by IJM Construction Sdn Bhd				
Hexacon Construction Pte Limited #	Singapore	46	46	Civil and building construction
Highway Master Sdn Bhd	Malaysia	50	50	Road pavement construction
Integrated Water Services (M) Sdn Bhd *	Malaysia	35	35	Operation and maintenance of a water treatment plant
IT&T Builders Sdn Bhd	Malaysia	45	45	Building construction
Malaysian Construction Ventures (Overseas) Sdn Bhd *	Malaysia	20	20	Project consultancy services
Nekadsatu Jaya Sdn Bhd	Malaysia	–	50	Liquidated
THB-IJM Joint Venture Sdn Bhd	Malaysia	49	49	Construction
CSC Ground Engineering Sdn Bhd *	Malaysia	30	30	Civil and building contractor
Held by IJM Plantations Berhad				
Loongsyn Sdn. Bhd. *	Malaysia	27	27	Trading in agricultural fertilisers and chemicals
Held by IJM International (BVI) Pty Ltd				
Avillion Hotels International (Sydney) Pty Limited *	Australia	49	49	Dormant
Reliance-OSW (Nominees) Pty Limited *	Australia	49	49	Trustee company
Held by IJM International Limited				
OSW Properties Pty Limited *	Australia	50	50	Property development
Held by IEMCEE Infra (Mauritius) Limited				
Gautami Power Private Limited *	India	20	20	Power generation
Held by IJMII (Mauritius) Limited				
Swarna Tollway Pte Ltd #	India	35	35	Infrastructure development
Held by IJM Overseas Ventures Sdn Bhd				
Earning Edge Sdn Bhd	Malaysia	22	22	Property development
MASSCORP-Namibia Sdn Bhd *	Malaysia	40	40	Investment holding
Held by IJM Properties Sdn Bhd				
Ever Mark (M) Sdn Bhd	Malaysia	31	38	Property development
MASSCORP-Vietnam Sdn Bhd	Malaysia	13	15	Investment holding
Wilmington Sdn Bhd	Malaysia	31	38	Under members' voluntary liquidation

55 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2010 (cont'd)

ASSOCIATES (cont'd)

Name	Country of incorporation	Effective equity interest 2010 %	2009 %	Principal activities
Held by Worldwide Ventures Sdn Bhd				
PIETC Holdings Sdn Bhd	Malaysia	26	32	Under members' voluntary liquidation
Held by Sheffield Enterprise Sdn Bhd				
Inti International College Penang Sdn Bhd	Malaysia	11	14	Operate and manage commercial educational institutions
Held by Malaysian Rock Products Sdn Bhd				
DML-MRP Resources (M) Sdn Bhd	Malaysia	50	50	Dormant
Held by Road Builder (M) Holdings Bhd				
Konsortium Pelabuhan Kemaman Sdn Bhd *	Malaysia	39	39	Provision of cargo handling, marine, port and other ancillary and additional services
Held by Road Builder (M) Sdn Bhd				
Budi Benar Sdn Bhd *	Malaysia	25	25	Dormant
Held by KP Port Services Sdn Bhd				
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

^ Company not required to issue audited statutory financial statements

56 COMPARATIVE FIGURES

During the financial year, comparative figures of the Group in relation to compensation received/receivable from the Malaysian Government of RM183,925,000 has been reclassified from trade and other payables to deferred income under concession assets as the Directors are of the view that this is more reflective of the nature of the item.

The effect of the reclassifications on the Group's balance sheets as at 31 March 2009 is as follows:

	As previously reported RM'000	Effect of reclassification RM'000	As restated RM'000
The Group			
Current liabilities:			
Trade and other payables	2,015,357	(183,925)	1,831,432
Non-current assets:			
Concession assets	2,175,269	(183,925)	1,991,344

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 139 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 2010

CYRUS ERUCH DARUWALLA

Before me:

PESURUHJAYA SUMPAH
No: B348
Nama: A. RATHNASAMY
AMN
MALAYSIA

Commissioner for Oaths
Petaling Jaya

Alamat tempat perniagaan
No. 10A, Jalan 52/10
46200 Petaling Jaya, Selangor
Tel: 03-7960 1428
H/P: 016-9719 600

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
(AF 1146)
Chartered Accountants
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Kuala Lumpur Sentral
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REPORT OF THE AUDITORS TO THE MEMBERS OF IJM CORPORATION BERHAD

(Incorporated in Malaysia)
(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 2010 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 139 to 260.

Directors' Responsibility for the Financial Statements

The Directors 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, 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 2010 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 55 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

SHIRLEY GOH
(No. 1778/08/10 (J))
Chartered Accountant

Kuala Lumpur
26 May 2010

LIST OF TOP 10 PROPERTIES

AS AT 31 MARCH 2010

No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building	Net Book Value (RM'000)
1	District of Labuk/ Sugut, Sabah:							
	a) Berakan Maju Estate (614 titles)	Agriculture land	3,006.37	Leasehold (expiring 2030 to 2098)	Oil Palm Cultivation	A: 1999	–	349,018
	b) Sabang Estate (865 titles)		5,958.00			A: 1999	–	
	c) Rakanan Jaya South Estate (148 titles)		967.63			A: 1999	–	
	d) Excellent Challenger Estate I & II (595 titles).		5,060.00			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	–	101,526
3	Kuantan, Pahang Lot 1863 Mukim Sungai Karang.	Industrial land	599.63	Leasehold (expiring 2027)	Port facilities	A: 1998	1-12	121,968
4	Daerah Seremban, Negeri Sembilan PT 22597, 22721-22730, 23227-23247, 23253-23308, 23995-23996, 32115-32118, 32127, 32129-32642, 32682-32965, 34398-34399	Residential, Commercial, Institutional, Agriculture land	511.39	Freehold	Under development; Vacant; for future development	R: 19.03.2004	–	267,137
5	District of Kuala Selangor, Selangor PT 5631-5632, 6328-6331, 6468-6471, 6540-6551, 6812-6815, LOT NO. 13807, 13810, 13822, 13833, 13837, 13839, 13841, 13846, 13851. Mukim Jeram	Residential	179.52	Leasehold (expiring 2104 and 2106)	Vacant; for future development	R: 19.03.2004	–	112,817

No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building	Net Book Value (RM'000)
6	Mukim of Petaling, Kuala Lumpur HS(D) NO. 16953-16962, 16979-16988, 17014-17023, 17072-17076, 17087-17096, 17106 - 17115, 17146-17153, 17383-17384, 18385, 17407-17417, 17440-17450, 17461-17472, 16843, 16885-16896, 16918-16932, 16943-16952, 16989, 16842, 17078-17086, 17116-17125, 17178-17187, 17251-17260, 17296-17305, 17316-17325, 16761-16764, 16990, 17169, and 17077 LOT NO. 25547-25560, 25778-25781, 25783-25839, 25841-25929, 26003-26039, 26078-26111, 26113-26120, 26308-26322.	Residential, Commercial	26.71	Leasehold (expiring 2078 to 2103	Vacant; for future development	A: 2003	–	134,404
7	Daerah Timur Laut, Penang Balance Parcel A1, Seksyen 8, Jelutong	Residential, Mixed development, Commercial	25.93	Freehold	Reclamation in progress	N/A	–	183,199
8	Daerah Melaka Tengah, Melaka Part of PT 1, Bandar Kawasan Bandar XXXII Part of PT 69, Bandar Kawasan Bandar XXXIII, Part of PT 1052, Mukim Pringgit	Shopping complex	8.88	Leasehold (expiring 2094)	Shopping complex	A: 2006	–	319,401
9	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	20-22	112,906
10	Wilayah Persekutuan Kuala Lumpur PN 27017 - 27018, LOT 80 - 81, Seksyen 63 Kuala Lumpur	Residential	0.84	Leasehold (expiring 2105)	Under development	A: 2004	–	87,538

ELECTRONIC DIVIDEND PAYMENT

30 July 2010

Dear Shareholder

Implementation of Electronic Dividend Payment ("eDividend")

We are pleased to inform you that the Company will be implementing eDividend in line with the announcement of Bursa Malaysia to promote greater efficiency of the dividend payment system, among others, with effect from 1 September 2010. The eDividend refers to the payment of cash dividends by directly crediting into the bank accounts of shareholders instead of making payment via bank cheques.

The benefits of eDividend include the following:-

a) faster access to your cash dividends;

b) eliminates the inconvenience of having to deposit the dividend cheques;

c) eliminates incidents such as misplaced, lost or expired cheques; and

d) eliminates incident of unauthorized deposit of dividend cheques.

Registration for eDividend has commenced on 19 April 2010 for a period of one (1) year until 18 April 2011 at no cost. If you register after the one (1) year grace period, an administrative charge will be imposed.

To register for eDividend, you are required to provide to Bursa Malaysia Depository Sdn Bhd through your stock broker's office where your CDS account is maintained, your bank account number and other information by completing the prescribed form (in triplicate). The form can be obtained from your stock broker's office or downloaded from Bursa Malaysia's website at http://www.bursamalaysia.com.

Your bank account (savings or current account) must be an active bank account maintained with a local bank that is under your name or in the case of a joint account, has your name as one of the account holders. It must also be maintained with a financial institution that offers MEPS Inter-Bank GIRO. Information on eDividend is also available at the Bursa Malaysia's website and the Company's website at http://www.ijm.com.

We look forward to a successful implementation of eDividend through your active participation, and to serving you better as our valued shareholders. If you have any query relating to eDividend, you may contact our Share Registrar (IGB Corporation Berhad (Share Registration Department) at 603-22898989 or email: corporate-enquiry@igbcorp.com) or our Company Secretary (at 603-79858131 or email: csa@ijm.com).

Thank you.

Yours faithfully
for **IJM CORPORATION BERHAD** (104131-A)

Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob
Independent Non-Executive Chairman

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 26th 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 on Wednesday, 25 August 2010, at 3.30 p.m. to transact the following matters:-

1. To receive the audited financial statements for the year ended 31 March 2010 together with the reports of the Directors and Auditors thereon.

2. To elect retiring Directors as follows:-

   a) Dato' Tan Boon Seng @ Krishnan — **Resolution 1**

   b) Dato' David Frederick Wilson — **Resolution 2**

   c) Dato' Goh Chye Koon — **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 RM575,333 for the year ended 31 March 2010 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
Company Secretary

Petaling Jaya
30 July 2010

Notes:

1. APPOINTMENT OF PROXY
   - (i) a member is entitled to appoint up to two (2) proxies, and they need not be members;
   - (ii) a member, who is an authorised nominee (as defined under the Securities Industry (Central Depositories) Act 1991), may appoint up to two (2) proxies in respect of each Securities Account held;
   - (iii) a member who appoints a proxy must duly execute the Form of Proxy, and if two (2) proxies are appointed, the number of shares to be represented by each proxy must be clearly indicated;
   - (iv) a corporate member who appoints a proxy must execute the Form of Proxy under seal or the hand of its officer or attorney duly authorised;
   - (v) the duly executed Form of 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;
   - (vi) only members whose names appear in the Record of Depositors as at **18 August 2010** will be entitled to attend and vote at the meeting; and
   - (vii) the Annual Report and Form of Proxy are available for access and download from 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.

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FORM OF PROXY

I/We ____

NRIC/Passport/Company No.: ______________________________ Mobile Phone No.: ______________

CDS Account No.: ____________________________________ Number of Shares Held: ____________

Address: ____

____

being a member of **IJM CORPORATION BERHAD** (104131-A) hereby appoint:-

1) Name of Proxy: ______________________________________ NRIC No.: ______________________

Address: ____

____ Number of Shares Represented: ________

2) Name of Proxy: ______________________________________ NRIC No.: ______________________

Address: ____

____ Number of Shares Represented: ________

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 26th Annual General Meeting of IJM CORPORATION BERHAD to be held on Wednesday, 25 August 2010, at 3.30 p.m., and at any adjournment thereof, in the manner indicated below:-

No.	Resolutions	For	Against
1.	To reappoint Dato' Tan Boon Seng @ Krishnan as Director		
2.	To reappoint Dato' David Frederick Wilson as Director		
3.	To reappoint Dato' Goh Chye Koon 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 RM575,333		

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.

Signed (and sealed) this __________ day of ______________ 2010

Signature(s): ____

Notes:

(i) a member is entitled to appoint up to two (2) proxies, and they need not be members;

(ii) a member, who is an authorized nominee (as defined under the Securities Industry (Central Depositories) Act 1991), may appoint up to two (2) proxies in respect of each Securities Account held;

(iii) a member who appoints a proxy must duly execute the Form of Proxy, and if two (2) proxies are appointed, the number of shares to be represented by each proxy must be clearly indicated;

(iv) a corporate member who appoints a proxy must execute the Form of Proxy under seal or the hand of its officer or attorney duly authorised;

(v) the duly executed Form of 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;

(vi) only members whose names appear in the Record of Depositors as at **18 August 2010** will be entitled to attend and vote at the meeting; and

(vii) the Annual Report and Form of Proxy are available for access and download from IJM website at http://www.ijm.com.

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Stamp

The Company Secretary

IJM CORPORATION BERHAD (104131-A)

2nd Floor, Wisma IJM
Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Please Fold Here

CORPORATE INFORMATION

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(104131-A)

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E-mail : ijm@ijm.com Website : http://www.ijm.com

Certified to ISO 9001:2008 Cert. No. : AR 0911
Certified to OHSAS 18001:2007 Cert. No. : SR 0105
Certified to MS 1722:Part 1:2005 Cert. No. : SR 0308
Certified to ISO 14001:2004 Cert. No. : ER 0489

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Contact : Encik Zulkarnain Abu Kassim

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Website : http://www.ijm.com
Contact : Mr Kok Fook Yu

DIVISIONAL OFFICES

CONSTRUCTION

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Website : http://www.ijm.com
Contact : Mr Tan Gim Foo

INDIA

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Tel : 91 40 23114661/62/63/64
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E-mail : ijmii@ijm.com
Website : http://www.ijm.com
Contact : Mr Pook Foong Fee

MIDDLE EAST

KINGDOM OF BAHRAIN

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MIDDLE EAST REGIONAL OFFICE
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Kingdom of Bahrain
Tel : 973 1773 0343
Fax : 973 1773 2187/1773 7881
E-mail : ijmme@ijmmellc.ae
Contact : Mr Tan Kiam Choon

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Office 203, Level 2, Arcade Building
Al Garhoud, P. O. Box 36634
Dubai, United Arab Emirates
Tel : 971 4 2827007
Fax : 971 4 2830411
E-mail : ijmme@ijmmellc.ae
Contact : Mr Tan Kiam Choon

PAKISTAN

IJM CONSTRUCTION (PAKISTAN) (PVT) LTD
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Next to Kashmir Lawn
P. O. Box No. 3407, Muslimabad
74800 Karachi, Pakistan
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Fax : 9221 4920027, 30
E-mail : ijmpakistan@ijm.com
Contact : Mr Pook Fong Fee

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Singapore 329813
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Website : http://www.hexacon.com.sg
Contact : Mr Pang Hoe Sang

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Website : http://www.ijm.com
Contact : Mr Harry Khor Kiem Teoh

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Website : http://www.ijm.com
Contact : Mr Leong Yew Kuen

CHINA

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E-mail : icpjm@ijm.com
Contact : Mr Leong Chee Hong

INDIA

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Contact : Mr Wong Siew Meng

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Contact : Mr Wong Siew Meng

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Contact : Mr Wong Siew Meng

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Contact : Mr Wong Siew Meng

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Pashamylaram, Medak District
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Tel : 91 8455 224338/91 8455 224118
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E-mail : ijmspi@ijm.com
Website : www.ijmweldmesh.com
Contact : Mr Sunil George

PAKISTAN

IJM CONCRETE PAKISTAN (PRIVATE) LIMITED
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(G.T. Road), Islamabad, Pakistan
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Contact : Mr Colin Pang Toh Chin

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E-mail : ijmcpp@ijm.com
Contact : Mr Colin Pang Toh Chin

PLANTATION

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- AmInvestment Bank Berhad
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- HSBC Bank Malaysia Berhad
- Malayan Banking Berhad
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- Standard Chartered Bank Malaysia Berhad
- The Royal Bank of Scotland Berhad
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STOCK EXCHANGE LISTING
Main Market of
Bursa Malaysia Securities Berhad
since 29 September 1986
BMSB Code : 3336
Reuters Code : IJMS.KL
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