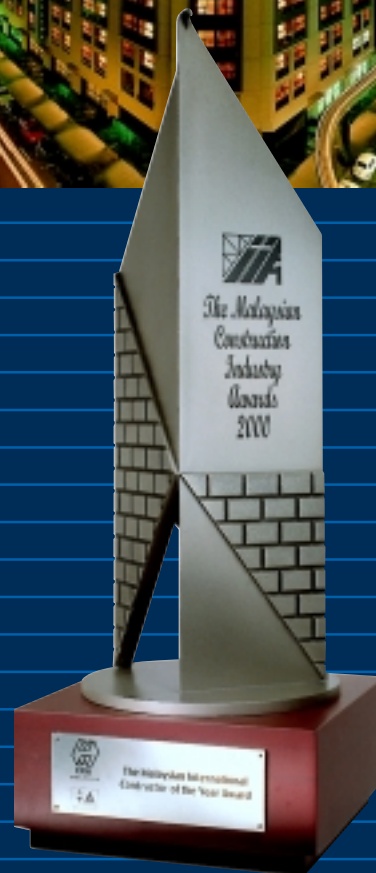




**IJM
CORPORATION
BERHAD**
(104131-A)



A N N U A L R E P O R T 2 0 0 0



**The Malaysian
Construction Industry Award 2000
(Malaysian International Contractor of the Year)
from Construction Industries Development Board**



**The OHSAS 18001 Certification
for Occupational Health & Safety
Management Systems.**

“Being the first Malaysian Construction Company to achieve the OHSAS 18001 Certification and winning the Malaysian International Contractor Award 2000 demonstrates IJM’s resolve to stamp it’s “Mark of Excellence” in everything we do.

Further, the people of IJM are steadfast in their commitment to our motto, “Excellence Through Quality.””

*Group Managing Director
Mr Krishnan Tan*

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COVER:

A montage of international projects by IJM in India, China, Australia, South America, Myanmar, Vietnam and Singapore.



NOTICE IS HEREBY GIVEN that the 17th Annual General Meeting (AGM) of IJM CORPORATION BERHAD (104131-A) will be held at the Registered Office at 2nd Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 16 May 2001, at 4.00 p.m. to transact the following matters:-

1. To receive the audited financial statements together with the reports of the Directors and Auditors for the year ended 31 December 2000. (Resolution 1)
2. To declare a final gross dividend of 5% or 5 sen per share for the year ended 31 December 2000. (Resolution 2)
3. To elect retiring Directors as follows:-
 - (a) Tan Sri Dato' Haji Ahmad Azizuddin Bin Haji Zainal Abidin (Resolution 3)
 - (b) Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor (Resolution 4)
 - (c) Tan Boon Seng @ Krishnan (Resolution 5)
 - (d) Goh Chye Koon (Resolution 6)
 - (e) Lai Meng (Resolution 7)
 - (f) Khoo Chew Meng (Resolution 8)
 - (g) Osman Bin Ismail (Resolution 9)
4. To reappoint PricewaterhouseCoopers as Auditors and to authorize the Directors to fix their remuneration. (Resolution 10)
5. As special business to consider and, if thought fit, to pass the following ordinary resolution:-
 "That the Directors be and are hereby authorized, pursuant to Section 132D of the Companies Act 1965, to allot and issue not more than ten percent (10%) of the issued share capital of the Company at any time upon such terms and conditions and for such purposes as the Directors in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force and that the Directors be and are hereby further authorized to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof." (Resolution 11)

By Order of the Board



Jeremie Ting Keng Fui
MAICSA 0777605
Company Secretary

Petaling Jaya
20 April 2001

Notes:

1. APPOINTMENT OF PROXY

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and such a proxy need not be a member of the Company. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorized. The instrument appointing a proxy must be deposited at the Registered Office not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting. The Annual Report and Form of Proxy are available for access and download at IJM website at <http://www.ijm.com>.

2. CLOSURE OF REGISTER

The Register of Transfers will be closed on 30 June 2001 for purpose of preparing warrants for the final dividend which, if approved, will be paid on 13 July 2001 to every member who is entitled to receive the dividend as at 5.00 p.m. on 29 June 2001.

3. RETIREMENT OF DIRECTORS

The Resolutions 3 and 4, if approved, will authorize the continuity in office of the Director (who is over the age of 70 years) until the next AGM pursuant to Section 129 (6) of the Companies Act, 1965 (the Act). The particulars of all Directors seeking re-election are set out on pages 8 & 9 of the Annual Report.

4. AUTHORITY TO ISSUE SHARES UNDER SECTION 132D

The Resolution 11, if approved, will renew the authorization obtained at the last AGM, pursuant to Section 132D of the Act, for issuance of up to 10% of the issued share capital of the Company, subject to compliance with the regulatory requirements. The approval is sought to avoid any delay and cost in convening a general meeting for such issuance of shares. The authorization, unless in pursuance of offers, agreements or options granted by the Directors while the approval is in force, will expire at the next AGM.



IJM CORPORATION BERHAD

(104131-A)

HEAD OFFICE

Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: (6) 03-79558122, 79558144, 79551433
Fax: (6) 03-79550745, 79561235, 79550263
E-mail: ijm@ijm.com.my
<http://www.ijm.com>



BRANCH OFFICES

JOHOR

City Plaza Complex
17th Floor #17.03 & #17.05
Jalan Tebrau
80250 Johor Baru
Tel: (6) 07-3334895/6
Fax: (6) 07-3334918
E-mail: ijmjb@po.jaring.my

PENANG

9th Floor Wisma Penang Garden
42 Jalan Sultan Ahmad Shah
10050 Penang
Tel: (6) 04-2263492
Fax: (6) 04-2274787
E-mail: ijm@ijmproperties.com

SARAWAK

1st Floor, Lot 7886 & 7887
Queen's Court
Jalan Wan Alwi
93350 Kuching
Tel: (6) 082-463496
(6) 082-463497
Fax: (6) 082-461581
E-mail: ijmkch@po.jaring.my

DIVISIONAL OFFICES

■ CONSTRUCTION

IJM CONSTRUCTION SDN BHD (195650-H)
Wisma IJM, Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan
Tel: (6) 03-79558122
Fax: (6) 03-79550745
Fax: (6) 03-79561235
Fax: (6) 03-79550263
E-mail: ijm@ijm.com.my
<http://www.ijm.com>

■ PROPERTIES

IJM PROPERTIES SDN BHD (100180-M)
Ground Floor, Wisma IJM
Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan
Tel: (6) 03-79558122
Fax: (6) 03-79561475
E-mail: ijm@ijmproperties.com
<http://www.ijmproperties.com>

Ground Floor, Menara Penang Garden
42A, Jalan Sultan Ahmad Shah
10050 Penang
Tel: (6) 04-2293999
Fax: (6) 04-2286342
E-mail: ijm@ijmproperties.com
<http://www.ijmproperties.com>

■ MANUFACTURING & QUARRYING

MALAYSIAN ROCK PRODUCTS SDN BHD (4780-T)
Lower Ground Floor, Wisma IJM
Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan
Tel: (6) 03-79571580
Fax: (6) 03-79574380
E-mail: ijm@ijm.com.my
<http://www.ijm.com>

■ PLANTATIONS

IJM PLANTATIONS SDN BHD (133399-A)
Wisma IJMP
Mile 6, Jalan Utara
90000 Sandakan, Sabah
Tel: (6) 089-671810
Fax: (6) 089-667728
E-mail: ijm@ijm.com.my
<http://www.ijm.com>

■ INTERNATIONAL VENTURES

IJM AUSTRALIA PTY LTD (ACN 002 042 088)
Level 15, 370 Pitt Street
Sydney NSW 2000
Australia
Tel: (61) 02 9267 6899
Fax: (61) 02 9267 8099
E-mail: ijm@onenet.net.au

HEXACON CONSTRUCTION PTE LTD

432 Balestier Road #02-432
Public Mansion
Singapore 329813
Tel: (6) 02-2519388
Fax: (6) 02-2531638
E-mail: hexacon@singnet.com.sg

BINH AN WATER CORPORATION LTD

Binh An Hill
Binh An Commune
Thuan An District
Binh Duong Province
Tel: (84) 65 0750777
Fax: (84) 65 0750778
E-mail: binhan.corp@hcm.vnn.vn

IJM (INDIA) INFRASTRUCTURE LTD

Plot No. 646-A "Vishwalokh"
Road No. 36, Jubilee Hills
Hyderabad Road, 500033, India
Tel: (91) 40 3541984
Fax: (91) 40 3600439
E-mail: ijmii@hd2.dot.net.in

REGISTERED OFFICE

2nd Floor, Wisma IJM
Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan
Tel: (6) 03-79558122
Fax: (6) 03-79550745
E-mail: ijm@ijm.com.my
<http://www.ijm.com>

SHARE REGISTRARS

IGB Corporation Berhad (5745-A)
23rd Floor, Menara IGB
1 The Boulevard, Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: (6) 03-2898989
Fax: (6) 03-2898989
E-mail: igb@igb.po.my

AUDITORS

PricewaterhouseCoopers
11th Floor, Wisma Sime Darby
Jalan Raja Laut, 50350 Kuala Lumpur

PRINCIPAL BANKERS

- ABN AMRO Bank Berhad
- HSBC Bank Malaysia Berhad
- Malayan Banking Berhad
- RHB Bank Berhad
- Standard Chartered Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Board of Kuala Lumpur
Stock Exchange
since 29 September 1986
KLSE Code : 3336
Reuters Code : IJMS.KL
Bloomberg Code : IJM MK



CHAIRMAN

Independent Non-Executive Chairman
Tan Sri Dato' Haji Ahmad Azizuddin
bin Haji Zainal Abidin



EXECUTIVE DIRECTORS/COMMITTEE

from left

Group Executive Director
Ooi Poay Lum

Group Managing Director
Tan Boon Seng @ Krishnan

Deputy Group Managing Director
Goh Chye Koon



INDEPENDENT NON-EXECUTIVE DIRECTORS

from left

Datuk Yahya bin Ya'acob

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

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

NON-EXECUTIVE DIRECTORS*from left*

Osman bin Ismail
 Dato' Arthur Tan Boon Shih
 Lai Meng
 Dato' Goh Chye Keat
 Choo Choon Yeow
 Khoo Chew Meng

**ALTERNATE DIRECTORS***from left*

Soo Heng Chin
Alternate to Ooi Poay Lum
 Velayuthan a/l Tan Kim Song
Alternate to Choo Choon Yeow

COMPANY SECRETARY

Jeremie Ting Keng Fui

Tan Sri Dato' Haji Ahmad Azizuddin**Bin Haji Zainal Abidin** PSM, DPMP, KMN, JP*B.Eng.(Mining)(NZ), AM (Aust)IMM, FIME(Mal), P.Eng*

73 years of age. Independent non-executive Chairman of IJM. Appointed Director in 1984. Also Chairman of MBM Resources Berhad, and non-executive Director of Rubberex Corporation (M) Berhad and United Plantations Berhad.

Served as Senior Inspector of Mines for 14 years prior to joining the private sector in 1971. Has been a Senator (1976-1978), Speaker of the Perak State Legislative Council (1978-1982), and State Assemblyman of Belanja District (1982-1986).

Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor

PSM, DSDK, JMN, PMK, SMK, KMN

* > +

BA (Hons)(Mal), Dip.Ed.(Mal), Dip.Ed.Admin (Reading UK), Hon.D.Litt (Reading UK), Hon.D.Ed (USM Penang)

71 years of age. Independent non-executive Director of IJM. Appointed Director in 1985.

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

Mr Tan Boon Seng @ Krishnan SMS

* # ^

B. Econ(Hons), CPA(M), RA, MBA

49 years of age. Group Managing Director of IJM since 1 January 1997. Appointed Alternate Director in 1984, Director in 1990, and Deputy Group Managing Director in 1993.

Also a non-executive Director of Industrial Concrete Products Berhad, Sin Kean Boon Group Berhad and Grupo Concesionario del Oeste S.A. A member of the Executive Committee of the Federation of Public Listed Companies Berhad (FPLC) since 2000.

Was with Kumpulan Perangsang Selangor Berhad for seven years and was its Group Financial Controller prior to joining IJM as Financial Controller in 1983.

Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman**Bin Wan Yaacob** PSM, SPMT, DPMT, JSM, AMN

* >

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

60 years of age. Independent non-executive Director of IJM. Appointed Director in 1996.

Chairman of the Malaysian Construction Industry Development Board, Malaysian Standard & Accreditation Council, The Road Engineering Association of Malaysia (REAM), Lingkaran Trans Kota Holdings Berhad and Lysaght Galvanized Steel Berhad.

Non-executive Director of Malaysian Industrial Development Finance Berhad, Malaysia Mining Corporation Berhad, Powertek Berhad, and Saujana Consolidated Berhad.

Was with the Ministry of Works for 32 years, having served the last six years as the Director General of the Public Works Department before his retirement in 1996.

Mr Goh Chye Koon KMN

^ +

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

52 years of age. Deputy Group Managing Director of IJM since 1 January 1997. Appointed General Manager (Central Region) in 1986, Director (Projects) in 1990, and Alternate Director in 1995.

Served as an engineer for the Ministry of Works for 11 years and was its Superintending Engineer prior to joining IJM as Senior Engineer in 1984.

Datuk Yahya Bin Ya'acob PJN, DIMP, JSM, KMN, SMP, PBS*B.A. (Hons), D.P.A. (Malaya), M.B.M. (Philippines)*

57 years of age. Independent non-executive Director of IJM. Appointed Director in 1999.

Chairman of the Malaysian Highway Authority and Trenergy (Malaysia) Berhad. Non-executive Director of UDA Holdings Berhad and Rumpun Hijau Capital Berhad.

Was in government service for 32 years, having served the last five years as the Secretary General of the Ministry of Works before his retirement in 1999. Was Secretary General of the Ministry of Information from 1991 to 1994. Other postings include Secretary of the Federal Treasury (Contracts Division) (1988-1991), Deputy Director of the Implementation & Coordination Unit, Prime Minister's Department (1986-1988), and Deputy Secretary of the Federal Treasury (Finance Division) (1976-1986).

Mr Ooi Poay Lum

^

B.Sc.(C.Eng.)(Hons), MIEM, MICE, P.Eng., C.Eng

48 years of age. Group Executive Director of IJM since 15 May 1997. He heads the Properties Division of the Group. Appointed General Manager in 1988, and Alternate Director in 1995.

Served as an engineer in joint venture projects for four years prior to joining IJM as Project Manager in 1980.

Dato' Goh Chye Keat DSPN, JSM, DJN

>

Dip.Eng., P.Eng

60 years of age. A non-executive Director since his retirement as Group Managing Director of IJM on 31 December 1996. Appointed Director in 1984, and Group Managing Director in 1988.

Non-executive Director of the Malaysian Construction Industry Development Board and Industrial Concrete Products Berhad.

Was with the Public Works Department for three years before joining Soon Tat & Co. as Project Manager for three years. In 1970, joined Jurutama Sdn Bhd.

Dato' Arthur Tan Boon Shih DIMP

41 years of age. A non-executive Director of IJM. Appointed Director in 1998.

Managing Director & Chief Executive Officer of Kyami Pty Ltd since 1995. Executive Director of Tan & Tan Developments Berhad from 1990 to 1995, and Managing Director of Kumpulan Sierramas (M) Sdn Bhd from 1995 to 1997. Re-joined the Tan & Tan Developments Berhad Board on 2 October 1998 as a non-executive Director, and is also a non-executive Director in Ipoh Limited, Australia.

Mr Choo Choon Yeow*B.Eng.(Hons), FIEM, MICE, P.Eng., C.Eng*

57 years of age. A non-executive Director since his retirement as Deputy Group Managing Director on 24 March 1999. Appointed Project Coordinator in 1987, Alternate Director in 1988, Director in 1994, and Deputy Group Managing Director in 1997.

Was with Jurutera Konsultant (M) Sdn Bhd for 13 years and was its Project Director prior to joining IJM in 1985 as Technical Manager.

Mr Khoo Chew Meng*Dip.Eng., B.Sc.(Eng.Sc.), MBA, MIEM, P.Eng*

58 years of age. A non-executive Director since his retirement as Group Executive Director on 5 September 1998. Appointed Senior Engineer of the Company in 1986, Alternate Director in 1988, and Group Executive Director in 1994.

Was with the Public Works Department for eight years as Technical Assistant prior to joining IJM in 1976 as Engineer of Jurutama Sdn Bhd.

Mr Lai Meng*B.Econs (Hons)*

46 years of age. A non-executive Director of IJM. Appointed Director in 1994 and is a representative of IGB Corporation Berhad.

Executive Director of IGB Corporation Berhad since 1995, and a non-executive Director of Ipimuda Berhad. Was with Bank Negara Malaysia for seven years and was its Senior Administration Officer prior to joining Hongkong Tin Corporation (M) Berhad in 1985 as Corporate Planner, and Kinta Kellas Investments PLC in 1986 as Corporate Manager. In 1988, joined Tan & Tan Developments Berhad as Manager (Corporate Affairs) before being appointed Group Financial Controller in 1989 and General Manager (Finance & Administration) in 1990. Was appointed Director (Corporate Affairs) of IGB Corporation Berhad in 1992.

Encik Osman Bin Ismail*Adv Dip Acc*

43 years of age. Appointed non-executive Director of IJM in 2001. A representative of Permodalan Nasional Berhad ("PNB").

Non-executive Director of IGB Corporation Berhad and Tan & Tan Developments Berhad. Senior Manager, Financial & Management Audit Department, of PNB since 2000 and has been with the Group since 1985. Also a member of the Institute of Internal Auditor Malaysia.

Mr Soo Heng Chin*B.Eng.(Civil)(Hons), MIEM, MBA*

46 years of age. Appointed Alternate Director on 12 June 1998. Heads a major construction unit within the group and also oversees the Purchasing & Store Department and the Plant & Workshop Department. Was Project Manager of IJM in 1988, General Manager in 1992, and Director (Projects) in 1994.

Prior to joining IJM in 1979 as Engineer of Mudajaya Construction Sdn Bhd, he was an Engineer with the Drainage and Irrigation Department, Pahang.

Mr Velayuthan a/I Tan Kim Song*M.MIN, D.DIV*

47 years of age. Appointed Alternate Director on 12 June 1998. Heads the Plantations Division of the Group.

Served Multi-Purpose Holdings Berhad for four years and was its Assistant Manager before joining IJM in 1985 as Project Officer of Desa Talisai Sdn Bhd. Was Plantation Manager in 1987 and Senior Manager in 1990 before being appointed Group General Manager of IJM Plantations Sdn Bhd in 1994 and Executive Director in 1997.

Note:

All Directors are Malaysians. There are no family relationship between the major shareholders and/or Directors of the Company save for Dato' Tan Chin Nam & Dato' Arthur Tan Boon Shih, who are father and son, Tan Boon Seng @ Krishnan & Velayuthan a/I Tan Kim Song and Dato' Goh Chye Keat & Goh Chye Koon, who are brothers respectively.

SECRETARY**Mr Jeremie Ting Keng Fui***MBA, FCIS, FCSM*

44 years of age. Joined IJM in 1982 and was appointed Company Secretary on 1 July 1994.

Heads the Corporate Services Department.

Also Company Secretary of Industrial Concrete Products Berhad.

A council member of MAICSA since 1993 and was awarded the ROC-MAICSA Company Secretary Award 2000 (Listed Company Category).

SENIOR MANAGEMENT**Mr Ling Ah Hong***B.Agr. Sc (Hons)*

50 years of age. General Manager of IJM Plantations Sdn Bhd since 1 September 1999.

Past positions include Agronomist (1979-1985) and Manager, Agricultural Services (1986-1989) with Dunlop Estates Berhad, General Manager, Plantation Division (1992-1996) of Malaysian Mosaics Berhad and Chief Operating Officer-Plantation (1996-1998) of Hap Seng Consolidated Berhad.

Mr Loy Boon Chen

+

MBA, CPA(M)

50 years of age. Appointed Finance Director on 1 July 1998. Non-executive Director of Guangdong Provincial Expressway Development Co. Limited.

Heads both the Finance & Accounts Department and the Human Resource & Administration Department, and is a member of the Accounting Standards Subcommittee of the Federation of Public Listed Companies Berhad since 1998.

Served Ernst & Young for seven years prior to joining Chong Kok Lin & Sons Berhad in 1980 as Accountant cum Secretary for a year. Joined Mudajaya Construction Sdn Bhd as Chief Accountant before being appointed Group Financial Controller of IJM in 1994.

Mr Mah Teck Oon*B.Eng. (Hons), P.Eng., MIEM*

49 years of age. Head IJM Industries Division since 1 July 1998. Also an alternate Director in Sin Kean Boon Group Berhad.

Served the Hong Leong Group Malaysia for 15 years and was its General Manager in-charge of the ceramic tile division for 10 years. Was the Senior General Manager of the Concrete Products Division of Hume Industries (M) Berhad prior to joining IJM in 1995 as Group General Manager (Industries Division).

Mr Teh Kean Ming*B.E (Civil), P.Eng, MIEM*

46 years of age. Appointed Group General Manager of IJM Properties Division with effect from 1 April 2001.

He was a Resident Civil & Structural Engineer of Malayan Banking Berhad (1983-1987) and Site Manager of Antah Biwater J.V. Sdn Bhd (1987-1989) prior to joining IJM Construction Sdn Bhd as Project Manager (1989-1993), Senior Manager (Project) (1994-1997) and Project Director (1998-2001).

Executive Committee

> Remuneration Committee

* Audit Committee

^ Share Committee

+ ESOS Committee



PENDAHULUAN

Bagi pihak Lembaga Pengarah IJM Corporation Berhad, dengan sukacitanya saya membentangkan Laporan Tahunan dan Penyata Kewangan Kumpulan dan Syarikat untuk tahun berakhir 31 Disember 2000.

KEPUTUSAN OPERASI

Pemulihan ekonomi Malaysia berterusan dalam tahun 2000, bermula dengan prestasi baik yang luar biasa dalam sektor perkilangan atas dorongan permintaan luar yang kukuh dan peningkatan menyeluruh dalam kebanyakan sektor ekonomi. Sektor perladangan sebaliknya memperlihatkan kemerosotan

harga minyak kelapa sawit mentah dan peningkatan stok simpanan sepanjang tahun ini. Kerajaan mengekalkan dasar fiskal mengembang dan dasar kewangan menyelaraskan untuk memastikan suasana perdagangan yang stabil dan kos operasi perniagaan yang lebih rendah. Ekoran daripada usaha ini, pertumbuhan Keluaran Dalam Negara Kasar (KDNK) sebanyak 8.5% yang dicapai adalah lebih baik daripada sasaran awal kerajaan sebanyak 5.8% dan melebihi pertumbuhan KDNK tahun 1999 yang mencatatkan 5.4%.

Sektor pembinaan telah memperlihatkan pertumbuhan yang positif tetapi masih menghadapi kapasiti yang berlebihan dan suasana yang amat kompetitif untuk mendapatkan beberapa projek yang ditawarkan. Kebaikan yang diperolehi daripada suasana ini ialah penurunan harga bahan-bahan mentah dan kos buruh yang mendatangkan keuntungan yang tinggi untuk kerja-kerja yang sedia ada.

Untuk tahun di bawah tinjauan, Kumpulan mencapai keuntungan sebelum cukai sebanyak RM118.96 juta atas perolehan sebanyak RM 1,094.26 juta (RM615.85 juta tidak termasuk perkongsian perolehan syarikat-syarikat sekutu dan entiti kawalan bersama). Pendapatan seberang laut menyumbangkan sebanyak 46% daripada keuntungan sebelum cukai. Walaupun terdapat peningkatan prestasi operasi, keuntungan telah dipengaruhi oleh peruntukan perkara-perkara luar biasa, kerugian penterjemahan dan penyelarasan untuk mematuhi standard perakaunan yang tidak timbul pada tahun sebelumnya. Keuntungan selepas cukai Kumpulan telah dipengaruhi oleh peruntukan cukai tertunda ke atas keputusan salah satu syarikat bersekutu luar negeri yang berjumlah RM9.16 juta (untuk tahun 1999 dan 2000) demi mematuhi standard perakaunan Malaysia serta pengembalian cukai pendapatan syarikat selepas dikecualikan daripada cukai dalam tahun 1999.

Pembinaan yang merupakan perniagaan teras Kumpulan tetap menjadi penyumbang utama keuntungan sebelum cukai dengan sumbangan sebanyak 53.83%. Pencapaian ini didorong oleh suasana yang menggalakkan dengan tahap kecairan yang tinggi, kadar faedah yang rendah, tenaga buruh dan kos bahan-bahan mentah yang murah di Malaysia dan kawalan kos yang ketat oleh pihak pengurusan.

Sejajar dengan peningkatan sektor pembinaan, Bahagian Perkilangan mencatatkan peningkatan dalam perolehan dan keuntungan sebelum cukai berikutan dengan sumbangan yang lebih tinggi untuk beberapa hasil keluaran dan penggunaan keupayaan pengeluaran yang bertambah baik dan pengurangan masalah pengutipan hutang.

Bahagian Perladangan yang mempertahankan kedudukan Kumpulan semasa kemerosotan ekonomi sekadar menyumbangkan keuntungan tipis sebanyak RM4.79 juta sahaja, berbanding dengan RM24.31 juta pada tahun 1999 ekoran daripada harga minyak kelapa sawit mentah yang lebih rendah meskipun terdapat peningkatan dalam tuaian gugusan buah segar.

Kejatuhan prestasi Bahagian Hartanah diakibatkan oleh penurunan ketara sumbangan daripada operasinya di Australia selepas penyelesaian awal projek Hordern Tower pada tahun 1999, serta masalah pelancaran beberapa projek tempatan berikutan daripada kelewatan untuk memperolehi kelulusan daripada pihak-pihak berkuasa.

Bahagian Infrastruktur juga mencapai keputusan yang merosot berbanding dengan tahun 1999. Keputusan cemerlang pada tahun 1999 berpunca daripada keuntungan luar biasa yang diperolehi oleh Kumpulan setelah Kumpulan menjual 30% sahamnya dalam Grupo Concesionario del Oeste S.A. (GCO) berikutan dengan tawaran awam permulaan GCO, serta perakaunan ekuiti Kumpulan untuk keuntungan luar biasa yang tidak berulang daripada penjualan pelaburannya di bawah syarikat sekutu Guangdong Provincial Expressway Development Co. Ltd.

STRATEGI OPERASI DAN PROSPEK PERNIAGAAN

Walaupun kebanyakan sektor ekonomi telah mencapai pemulihan yang agak awal daripada kesan buruk krisis kewangan tahun 1997, aktiviti pembinaan kekal lembap sehingga tahun 2000 yang memperlihatkan pertumbuhan positif yang agak rendah pada kadar 3%. Persaingan untuk mendapatkan projek tetap hebat dalam suasana di mana terlalu banyak peserta mengejar bilangan projek yang terhad. Kumpulan bersikap cermat dalam menyertai aktiviti tender.

Dalam proses perundingan untuk kontrak infrastruktur yang besar, adalah kurang bijak jika Kumpulan dibebani oleh projek-projek yang hanya mendatangkan

keuntungan yang rendah manakala kapasiti dan sumber-sumber kita sedang digunakan. Ekoran daripada ini, Kumpulan hanya memperolehi kontrak pembinaan berjumlah RM250 juta sepanjang tahun 2000. Selepas penghujung tahun 2000, barulah Kumpulan menerima surat anugerah untuk dua buah kontrak dengan jumlah nilai melebihi RM700 juta.

Kumpulan dijangka akan menghadapi pelbagai cabaran dalam tahun 2001. Kemerosotan kuasa-kuasa ekonomi dunia telah bermula dan mempengaruhi ekonomi Malaysia dengan cepatnya apabila tempahan eksport berkurangan dalam beberapa bulan yang lalu. Penurunan harga bahan-bahan mentah utama terus menjejaskan kedudukan ekonomi negara. Pihak kerajaan sememangnya berazam merangsang ekonomi dengan mempertingkatkan perbelanjaan infrastruktur dan memastikan projek-projek pembangunan bermula dengan seawal-awalnya untuk menyediakan sokongan tempatan yang amat diperlukan. Tambahan pula, lebih banyak rangsangan fiskal dan dasar kewangan yang berupaya meningkatkan aktiviti ekonomi seperti yang diumumkan oleh pihak Kerajaan baru-baru ini akan membantu memastikan momentum pertumbuhan terjamin.

Menyedari potensi dalam peningkatan perbelanjaan infrastruktur, Kumpulan akan menumpukan usahanya untuk memperolehi lebih banyak projek di Malaysia sementara memberikan tumpuan yang lebih ke atas pasaran India di mana Kumpulan telah berjaya menembusi dan mengukuhkan kedudukannya. Dilengkapi dengan lembaran imbalan yang semakin kukuh dan budaya kerja yang mementingkan kecemerlangan menerusi kualiti dan keselamatan, Kumpulan telah mengukuhkan kedudukannya untuk terus meningkatkan buku tempahannya dalam tahun 2001.

Dalam medan pembangunan hartanah, Bahagian Hartanah dijangka akan dapat menyelesaikan masalah kelambatan kelulusan dan melancarkan beberapa

rancangan perumahan kos sederhana dan mewah di lokasi yang baik di Pulau Pinang, Klang, Johor Bahru dan Sandakan. Dalam suasana persaingan yang bertambah hebat, keutamaan Bahagian adalah untuk mendirikan hartanah dengan susun atur yang lebih baik, kemudahan berkualiti serta infrastruktur teknologi informasi/internet untuk perumahan mewah dan bangunan perdagangan. Polisi Kumpulan yang menjanjikan kualiti telah diiktiraf dalam pasaran seharusnya memberikan kelebihan pemasaran dalam suasana perniagaan ini.

Bahagian Perkilangan telah mengambil beberapa langkah untuk memperbaiki prestasinya. Ini termasuk memperluaskan lagi pasaran dalam perniagaan struktur besi waja, memperbaiki sebaran jualan untuk hasil kuari dan memperolehi kontrak yang menawarkan harga yang lebih menarik untuk perniagaan konkrit sedia bancuh. Tambahan pula, polisi kerajaan Malaysia yang merangsang ekonomi menerusi perbelanjaan infrastruktur akan memperbaiki penggunaan keupayaan pengeluaran. Buku tempahan Bahagian Pembinaan yang lebih besar akan menjadi penggerak utama yang menjamin permintaan asas yang sederhana ke atas Bahagian ini.

Untuk Bahagian Infrastruktur, pelaburannya di Argentina, China dan Vietnam akan dipertingkatkan ekoran daripada bilangan lalulintas dan bekalan air yang dijangka meningkat dan struktur kos yang semakin baik berpunca daripada pembayaran balik pinjaman projek dan seterusnya mengurangkan perbelanjaan kewangan. Bahagian ini sedia melabur dalam projek-projek tempatan dan luar negeri yang berpotensi untuk mempertingkatkan lagi penyertaannya dalam projek infrastruktur yang berjangka panjang. Pada ketika laporan ini disediakan, kita masih menjual saham kita dalam Guangdong Provincial Expressway Development Co. Ltd. untuk mengaut keuntungan daripada kenaikan mendadak harga saham di pasaran saham 'B' di Shenzhen, China.

Dalam tahun 2000, dengan pendapatan daripada penerbitan bon, Bahagian Perladangan menambahkan



Putrajaya Hospital,
Putrajaya



lagi kawasan ladang penanamannya kepada 44,967 ekar dengan penanaman baru sebanyak 11,919 ekar. Baki 25,553 ekar akan ditanam dalam beberapa tahun yang akan datang. Kawasan ladang yang meningkat akan memperkukuhkan kapasiti pengeluaran dan tahap keuntungan pada masa hadapan. Baru-baru ini,



The 1st Silicon Wafer Plant, main building



The 1st Silicon Wafer Plant, annexe building

kerajaan telah mencadangkan langkah-langkah yang proaktif untuk mengurangkan bekalan yang berlebihan dan meningkatkan harga minyak kelapa sawit. Kedudukan Bahagian akan diperbaiki jika langkah-langkah ini berjaya dilaksanakan.

Sepanjang tahun ini, Kumpulan mengambil langkah-langkah selanjutnya untuk mengalihkan pinjaman jangka pendek kepada pinjaman jangka panjang pada kadar tetap untuk memperbaiki keadaan dana yang tidak sepadan dalam beberapa pelaburan jangka panjang. Pada 28 Februari 2000, Syarikat menerbitkan Bon Tanpa Jaminan Yang Boleh Ditebus dengan nilai nominal sebanyak RM150 juta. Walau bagaimanapun, kedudukan pinjaman Kumpulan tetap berada pada tahap yang sihat seperti tahun sebelumnya ekoran daripada kawalan kredit yang ketat dan kutipan hutang yang cekap. Penjualan pelaburan yang sedang dilaksanakan di China membolehkan pengurangan hutang Kumpulan yang lebih berkesan pada tahun 2001.

Cadangan penyusunan semula yang melibatkan syarikat-syarikat dalam Kumpulan yang mula dilaksanakan dalam tahun 2000, dijangka akan diselesaikan dalam separuh tahun pertama 2001. Semua kelulusan yang diperlukan daripada pihak-pihak berkuasa yang berkenaan telah berjaya diperolehi.

Secara keseluruhan, Kumpulan walaupun agak berhati-hati yakin dapat mencapai prestasi yang lebih baik untuk tahun 2001.

DIVIDEN

Lembaga pengarah mencadangkan dividen akhir sebanyak 5% ditolak cukai pendapatan (1999 : 6% dikecualikan cukai), tertakluk kepada kelulusan para pemegang saham pada Mesyuarat Agung Tahunan syarikat yang ke-17. Bersama-sama dengan dividen interim sebanyak 3% ditolak cukai, jumlah dividen pada tahun 2000 adalah 8% ditolak cukai (1999 : 6% dikecualikan cukai).

MODAL SAHAM

Pada tahun ini, modal saham Syarikat yang diterbitkan bertambah sedikit dari RM345,965,654 kepada RM351,516,654 hasil daripada pelaksanaan opsyen di bawah Skim Opsyen Saham Kakitangan dan penukaran waran 2000/2004.

PERALIHAN KE ALAF BARU Y2K

Kumpulan dengan sukacitanya melaporkan peralihan kesemua sistem kita ke dalam abad yang baru berjalan lancar. Kejayaan dalam melaksanakan pematuhan Y2K dalam segala sistem operasi dalaman bersama-sama dengan pelanggan-pelanggan, pembekal-pembekal dan pihak-pihak lain telah menjamin masalah komputer Y2K tidak berlaku.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin merakamkan penghargaan kami kepada para pengarah, pengurusan dan kakitangan Kumpulan atas komitmen dan sumbangan mereka sepanjang tahun 2000. Masa depan tetap mencabar dalam suasana ekonomi dunia yang tidak menentu. Saya juga ingin mengambil kesempatan ini untuk mengucapkan terima kasih kepada para pemegang saham, rakan-rakan sekutu, pelanggan-pelanggan, jurubank, sub-kontraktor dan pembekal-pembekal atas kesanggupan mereka untuk terus bekerjasama dan memberikan sokongan kepada Kumpulan.

Pihak Lembaga dan saya ingin merakamkan penghargaan kami yang tulus ikhlas kepada Encik Mior Abdul Rahman Bin Miou Mohd Khan, yang telah meletak jawatan daripada Lembaga Pengarah pada 5 Januari 2001. Beliau menjadi pengarah syarikat sejak 7 Julai 1993.

Pihak Lembaga mengalu-alukan Encik Osman Bin Ismail yang dilantik sebagai Pengarah bukan eksekutif pada 5 Januari 2001. Saya berkeyakinan pengalaman beliau yang luas akan memanfaatkan Lembaga Pengarah.

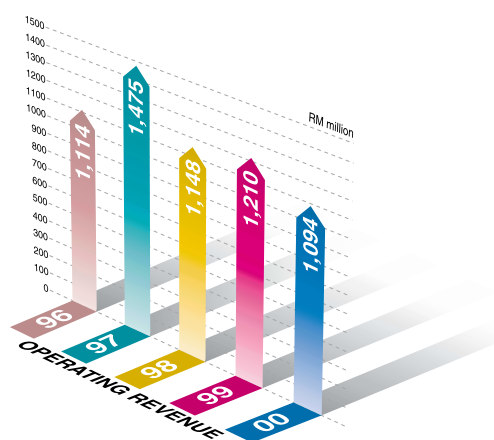
**Tan Sri Dato' Haji Ahmad Azizuddin
Bin Haji Zainal Abidin**
Pengerusi

INTRODUCTION

On behalf of the Board of Directors of IJM Corporation Berhad, I am pleased to present the Annual Report and the Financial Statements of the Group and the Company for the year ended 31 December 2000.

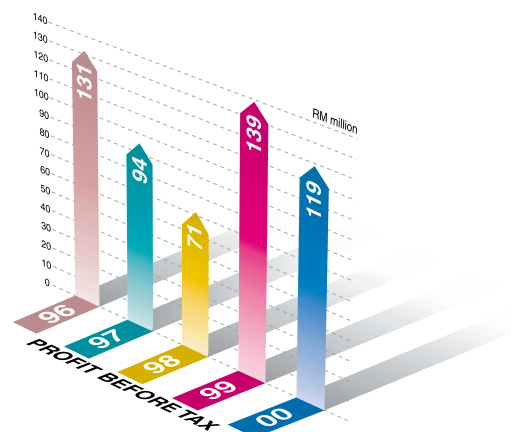
OPERATING RESULTS

The Malaysian economy continued its recovery in 2000, led by an exceptionally strong performance by the manufacturing sector, driven by strong external demand and a general improvement in most sectors of the economy. The notable exception was the plantation sector which saw declining crude palm oil



(CPO) prices and expanding stocks throughout the year. The expansionary fiscal and accommodative monetary policies, implemented by the government since the economic downturn, remained in place to ensure a stable trading environment for businesses and lower business operating costs. Consequently, the 8.5% gross domestic product (GDP) growth achieved surpassed the Government's initial target of 5.8% and outperformed the 1999 GDP of 5.4%. The construction sector saw positive growth but continued to be plagued by excess capacity and a very competitive environment for the few jobs open to bids. The positive side of this scenario was reflected in the falling material prices and labour costs that translated into better margins on existing jobs.

For the year under review, the Group achieved a pre-tax profit of RM118.96 million on the back of a turnover of RM1,094.26 million (RM615.85 million excluding share of associated companies and jointly controlled entities revenue). Offshore earnings contributed 46% of the pre-tax profit. Despite better operational performances, the pre-tax profit was affected by provision for exceptional items, translation losses and adjustments for accounting standards compliances not encountered in the previous year. The Group's post-tax profit was further affected by a provision for deferred taxation at Group level in respect of the results of an



overseas associate amounting to RM9.16 million (for years 1999 and 2000) in compliance with Malaysian Accounting Standards and the reinstatement of corporate income tax after a tax free year in 1999.

The Group's core business in construction continued to be the main contributor of the Group's pre-tax profit, accounting for 53.83% of it. This achievement was helped by a conducive environment of high liquidity and lower interest rate, cheaper labour and material costs in Malaysia and more stringent cost control on the part of the Management.

The Industries Division, in tandem with an improved construction sector, recorded an improved turnover and pre-tax profit due to higher margins for some products, better utilisation of capacity and reduced debt collection problems.

The Plantations Division, which underpinned the Group's performance during the economic downturn, contributed a meagre pre-tax profit of RM4.79 million against RM24.31 million in 1999 due to lower crude palm oil prices, despite an increased tonnage of fresh fruit bunch harvested.

The Properties Division saw its performance drop due to a substantial reduction in contribution from our Australian operation following the earlier completion of its Hordern Tower Project in 1999, and launching set back at some local projects due to a general delay in obtaining approvals from authorities.

The Infrastructure Division achieved poorer results compared to 1999 as the exceptionally good 1999 result was due to an exceptional gain made by the Company when it sold 30% of its shareholding in Grupo Concesionario del Oeste S.A. (GCO) in conjunction with GCO's initial public offering, and the Group's equity-accounting for a non-recurring exceptional gain on disposal of an investment recorded by associate Guangdong Provincial Expressway Development Co. Ltd.



IJM's team at the inaugural KLSE Rat Race

OPERATIONAL STRATEGIES AND BUSINESS OUTLOOK

Although many sectors of the economy have made relatively early recovery from the adverse impact of the 1997 financial crisis, construction activities have been relatively subdued until 2000 when it saw a positive albeit minor growth of 3%. Competition for jobs remained intense, a case of too many players chasing a limited number of jobs. The Group was selective in its tendering activities. While it was in the process of bidding and negotiating some large infrastructure contracts, it would not be prudent to get encumbered with low-margin jobs which could become a drag on capacity and resources. As a result, only RM250 million worth of construction contracts were secured in 2000. Subsequent to year-end, the Group received letters of award for two contracts with a total value exceeding RM700 million.

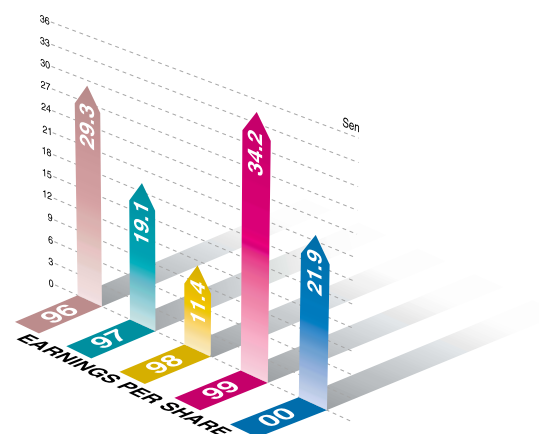
The year 2001 is expected to be very challenging for the Group. The slow down in major world economies has started and Malaysian economy has begun to feel the effect quickly as manufacturing export orders have moderated in the last few months. Prices of major commodities have also fallen, further aggravating the impact on the economy. The Government will no doubt pump prime the economy with increased infrastructure spending and ensure that development projects take off early to provide the much needed domestic boost. In addition, the additional fiscal stimuli and monetary policies to boost economic activities as announced recently by the Government will help to ensure that the growth momentum is sustained.

Given the potential for increased infrastructure spending, the Group would concentrate its efforts to secure more projects in Malaysia whilst also paying close attention to the Indian market where it has carved a niche for itself. Leveraged on an even stronger balance sheet and a work culture which emphasises excellence through quality and safety, the Group is well positioned to further increase its order book in 2001.

On the property development front, the Properties Division is expected to overcome approval delays and launch several medium cost and higher-end residential

schemes in good locations in Penang, Klang, Johor Bahru and Sandakan. In an increasingly competitive environment, the Division's emphasis would be to deliver properties with better layout, quality facilities and also IT/internet infrastructure for up-market residential and commercial buildings. The Group's committed quality policies are well recognised in the market place and hence should give a marketing edge in this environment.

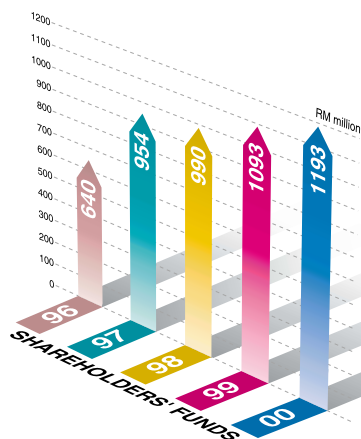
The Industries Division has taken several measures to improve its performance. These include broadening the market base for its steel business, improving the sales-mix for its quarry products and securing better priced contracts for its ready-mixed concrete business. Further, the Malaysian Government's pump priming policies through infrastructure spending should facilitate better capacity utilisation. The larger order book at the Construction Division would also provide synergistic spin-off for the Division by providing it with a reasonable base volume.



For the Infrastructure Division, investments in Argentina, China and Vietnam should see further growth provided by the expected higher volume in traffic and water supply and improving cost structures due to reduction in financial expenses as the project loans are being repaid. The Division will be on the look out for viable ventures locally and overseas to further expand involvement in long term infrastructure projects. As at the time of writing, our shares in Guangdong Provincial Expressway Development Co. Ltd. are being sold through the market to take advantage of the sudden surge in share prices of the Shenzhen "B" market.

During 2000, with the proceeds from the bond issue, the Plantations Division planted another 11,919 acres bringing total planted acreage to 44,967 acres. The balance of 25,553 acres will be planted in the next few years. The expanded acreage will enhance production capacity and profitability in the years to come. The Government has recently proposed some

proactive measures to reduce the current palm oil glut and improve prices. If the measures are successful, they will augur well for the Division's performance.



During the year, the Group took further steps to convert short-term borrowings into long-term debts at fixed rates to correct the funding mismatch of some long-term investments. On 28 February 2000, the Company issued RM150 million nominal value of 5% Redeemable Unsecured Bonds. Despite this, the Group's gearing position remained basically at the healthy level of the preceding year-end as a result of stringent credit control and efficient debt collection. The on going disposal of investments in China would enable a more significant reduction of Group debt in 2001.

Meantime, the proposed restructuring exercise involving some of the Group's companies which has been partially done in 2000, would be completed in the first half of 2001. All necessary approvals from the relevant authorities have been obtained.

Overall, the Group is cautiously optimistic of better performances in 2001.

DIVIDEND

The Board of Directors proposes a final dividend of 5%, less income tax (1999: 6% tax exempt), subject to shareholders' approval at the 17th Annual General Meeting of the Company. Together with the interim dividend of 3%, less income tax, the total dividends for 2000 would be 8%, less income tax (1999: 6% tax exempt).

SHARE CAPITAL

During the year, the issued share capital of the Company increased marginally to RM351,516,654 from RM345,965,654 arising from the exercise of options under the Employees Share Option Scheme and conversion of the warrants 2000/2004.



Parliamentary Secretary of the Ministry of Domestic Trade and Consumer Affairs Mr Wong Kam Hoong presenting the ROC- MAICSA Company Secretary Award 2000 (Listed Company Category) to Mr Jeremie Ting

Y2K ROLLOVER

The Group is pleased to report a smooth transition of all systems into the new millennium. The successful implementation of Y2K compliance in all internal operating systems vis-à-vis that of our clients, suppliers and other parties ensured no Y2K computer glitch.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to thank the Directors, Management and all employees of the Group for their commitment and contribution during 2000. The year ahead will continue to be challenging amid growing economic uncertainties worldwide. I would also like to take the opportunity to thank the shareholders, associates, clients, bankers, sub-contractors and suppliers for your continued understanding and support to the Group.

The Board and I also wish to record our sincere appreciation to Encik Mior Abdul Rahman Bin Miou Mohd Khan who resigned from the Board on 5 January 2001. He has been a Director of the Company since 7 July 1993.

The Board welcomes Encik Osman Bin Ismail, who was appointed a non-executive Director on 5 January 2001. I am confident he will add a wealth of experience to deliberations at the Board.

**Tan Sri Dato' Haji Ahmad Azizuddin
Bin Haji Zainal Abidin**
Chairman

Excellence Through Quality

The IJM Group has built a reputation for quality and is firmly committed to its motto of "Excellence Through Quality". It is the Group's objective to continuously improve on the level of Quality Performance to ensure that the Group is successful in business. To this end, the Group strives to conduct its operations in such a manner that all projects and services carried out meet clients' requirements whilst it continuously equips itself with the necessary methodology and tools to improve quality systematically.

Health, Safety And Environment Is Everyone's Responsibility

The Group, whilst acknowledging the constant expectation by customers to deliver quality product and services expeditiously, is fully committed to achieving a higher standard in its Health, Safety and Environmental practices. Its motto "Health, Safety and Environment Is Everyone's Responsibility" aims at creating awareness among its employees on the collective responsibility to prevent injury and occupational illnesses and ensure public safety when carrying out its business so that a concerted effort is made to prevent accidents and occupational health hazards whilst preserving a healthy environment.

IJM Quality and Safety Assessment Systems (IQSAS)

In the pursuit of operational excellence for all aspects of its business, the Group has, in 2000, embarked on, and successfully formulated, the IJM Quality and Safety Assessment System (IQSAS).

IQSAS is a self-regulated assessment system of procedures and testing methods in which standards were set out for the various quality and safety aspects of building construction. In an environment of poor skills and a transient migrant workforce which is prevalent in our local construction scene, the introduction of IQSAS will help the Group in its effort to enhance the quality and safety performance standard in its building projects.

Mark of Excellence

All necessary activities including regular training courses, internal quality and safety audits, quality and safety campaigns, and annual management review are carried out to further enhanced the already reputable quality products provided by the Group, consistent with IJM's representation of the *Mark of Excellence*.

IJM has inculcated in its work culture the need to maintain and enhance the high quality standard of work performance and level of safety. This was made possible through the relentless support and commitment of the staff and Management lead by the Group Managing Director.

To ensure that the Group continues to uphold its Quality and Safety policies and objectives, the Quality Management Committee and the Occupational Health and Safety Management Committee conduct an annual review of the Quality Management Systems and Safety and Health Management Systems.

In particular, these reviews addressed the validity of the Company's policies on quality, occupational health, safety and environment, and consider changes, where required, including review of the company quality and safety manual and associated departmental procedure manuals to ensure that the requirements of the ISO 9002 and OHSAS 18001 standards are met.

Where necessary, appropriate means of improvement and corrective and preventive actions are recommended and taken to rectify any weakness and deficiency identified from internal and external audit reports.

Achievement

Some of the achievements of the Group for 2000 are as follows:

26 February 2000

The Hampshire Park Project – one of only two project sites to have attained a score of above 90% as assessed by the Department of Occupational Safety and Health – was selected for the launching of the Operation on Occupational Health and Safety at Construction Sites 2000. This event was officiated by the Honourable Minister of Human Resources, Datuk Dr Fong Chan Onn.

19 May 2000

The IJM Quality and Safety Assessment System (IQSAS) was officially launched by the Minister of Housing and Local Government Dato' Seri Ong Ka Ting at Riana Green Condominiums.

3 November 2000

IJM Corporation Berhad and IJM Construction Sdn Bhd achieved the OHSAS 18001:1999 certification by SIRIM, thus becoming the first Malaysian company in the Construction Industry to receive this internationally acclaimed certification.

24 November 2000

Prebore Piling & Engineering Sdn Bhd, a subsidiary of IJM Construction Sdn Bhd, achieved the MS ISO 9002:1994 certification.



CORPORATE STRUCTURE



CONSTRUCTION

IJM Construction Sdn Bhd

Subsidiaries

Crendon Building Systems Sdn Bhd
IJM (India) Infrastructure Ltd
Prebore Piling & Engineering Sdn Bhd

Associates

Hexacon Construction Pte Ltd
THB-IJM Joint Venture Sdn Bhd

Jurutama Sdn Bhd

Nilai Cipta Sdn Bhd



PROPERTIES

IJM Properties Sdn Bhd

Subsidiaries

Chen Yu Land Sdn Bhd
IJM Management Services Sdn Bhd
Jalanin Masyhur Sdn Bhd
Liberty Heritage (M) Sdn Bhd
Wedec Sdn Bhd
Xylocorp (M) Sdn Bhd

Suria Bistari Development Sdn Bhd

IJM Australia Pty Ltd

Subsidiary

Billmex Pty Ltd

Associates

Jelutong Development Sdn Bhd
OSW Properties Pty Ltd
Worldwide Ventures Sdn Bhd



MANUFACTURING & QUARRYING

Malaysian Rock Products Sdn Bhd

Subsidiaries

Aggregate Marketing Sdn Bhd
Bohayan Industries Sdn Bhd

Associates

Kuang Rock Products Sdn Bhd

Damansara Rock Products Sdn Bhd

Subsidiary

Strong Mixed Concrete Sdn Bhd

Kemena Industries Sdn Bhd

Subsidiary

Kipal Industries Sdn Bhd

Scaffold Master Sdn Bhd

Torsco Berhad

Associates

Cofreth (M) Sdn Bhd
Industrial Concrete Products Berhad
Sin Kean Boon Group Berhad
Spirolite (M) Sdn Bhd



PLANTATIONS

IJM Plantations Sdn Bhd

Subsidiaries

Berakan Maju Sdn Bhd
Desa Talisai Sdn Bhd

Subsidiaries

Cahaya Adil Sdn Bhd
Desa Talisai Palm Oil Mill Sdn Bhd
Firdana Corporation Sdn Bhd
Gerbang Selasih Sdn Bhd
Sihat Maju Sdn Bhd

Dynasive Enterprise Sdn Bhd
Excellent Challenger (M) Sdn Bhd
Gunaria Sdn Bhd
IJM Agri Services Sdn Bhd
Rakanan Jaya Sdn Bhd

Subsidiary

Isu Mutiara Sdn Bhd
Sijas Plantations Sdn Bhd

Subsidiaries

Ampas Maju Sdn Bhd
Gapas Mewah Sdn Bhd
Golden Grip Sdn Bhd
Kulim Mewah Sdn Bhd
Laserline Sdn Bhd
Macmillian Group Sdn Bhd
Rantajasa Sdn Bhd
Sri Kilau Sdn Bhd

Associates

Cekap Tropikal Sdn Bhd
Loongsyn Sdn Bhd
Minat Teguh Sdn Bhd
Akrab Perkasa Sdn Bhd
Trunkline Plantations Sdn Bhd



INTERNATIONAL VENTURES

IJM International Limited

IJM International (BVI) Pty Ltd

Associates

Avillion Hotels International (Sydney) Pty Ltd
Reliance-OSW (Nominees) Pty Limited

IJM Overseas Ventures Sdn Bhd

Associates

Earning Edge Sdn Bhd
Gautami Power Limited
Guangdong Provincial Expressway Development Co. Ltd

Associates

CIDB Investures Sdn Bhd
Emas Utilities Corporation Sdn Bhd
Grupo Concesionario del Oeste S. A.
Inversiones E Inmobiliaria Sur Sur S. A.
JWS Projects Sdn Bhd

CONSTRUCTION

The Malaysian construction sector registered a moderate growth of about 3% in 2000 (1999: -5.6%), underpinned by higher domestic demand in selected segments of the property market and continued implementation of public infrastructure and privatised projects.

The continuing emphasis by the Group on cost control without sacrificing quality was helped by an environment of high liquidity and lower interest rates, cheaper labour and lower building material costs. With these improved local trading conditions and offshore contributions, the Division registered a rise in pre-tax profit to RM64.04 million, an increase of 52.1% from 1999, despite achieving only a marginal growth in turnover of 1.5% to RM621.38 million.

During the year, notable projects completed by the Division in Malaysia are Putrajaya Hospital, Hampshire Park Condominiums, Colmar Village, Riana Green Phase 3 and sub-contracting works for the 1st Silicon Wafer Plant, and in India, the Mumbai-Pune Expressway project.

During 2000, the Division secured RM250 million worth of contracts locally and overseas. Recent awards, subsequent to year end, of a road project and a building project in Putrajaya improved the local construction portfolio by a further RM700 million.

To mitigate the impact of a widely expected downturn in the economic growth of major trading partners, the Government is expected to ensure early implementation of more development projects to achieve the multiplier effects on consumption and investment. The Division would concentrate its efforts to win some of these projects, particularly those on infrastructure and low and medium-cost housing. On the overseas front, the Division would continue to focus on India in view of the vast opportunities available there.

IJM recognises that in a dynamic environment characterized by rapid changes in information technology and a surge in e-commerce, it is equally important to respond to changes just as quickly. In this context, the Company has teamed up with some of the other major players in the industry to set up a business-to-business (B2B) portal to handle the full range of processes in the construction industry. This includes, amongst others, on-line tendering, procurement of equipment, material and services, sub-contracting, financial transactions, information exchange and document management.

The Division continues to reinforce a strong commitment towards safety and quality control amongst its staff, sub-contractors and suppliers. Continuous in-house training of construction personnel is emphasised to achieve the desired

results particularly in view of our dependence on a transient migrant labour force. To put in place a culture for quality assurance, all companies in the Group are required to work towards ISO 9002 certification. In this regard, on 24 November 2000, Prebore Piling & Engineering Sdn Bhd (PPE), a subsidiary of IJM Construction Sdn Bhd (IJMC), achieved the MS ISO 9002:1994 certification. In addition, on 19 May 2000, the IJM Quality and Safety Assessment System (IQSAS) was officially launched by the Honourable Minister of Housing and Local Government, Dato' Seri Ong Ka Ting. IQSAS is a system of procedures and testing methods formulated by the Group to set out standards for the various quality and safety aspects of building construction works which can lead towards zero defects. IQSAS complements the ISO 9002 quality compliance requirements that have been in place since 1996.



Official launching of the IJM Quality and Safety Assessment System (IQSAS) by the Minister of Housing and Local Government, Dato' Seri Ong Ka Ting

Safety at work sites remains a priority. Testimony of this commitment is seen in IJM Corporation Berhad and IJMC securing the OHSAS 18001:1999 certification by SIRIM on 3 November 2000. The internationally acclaimed certification is a first for a Malaysian company in the construction industry.

IJM's long history of exporting construction services abroad was given due recognition. The Construction Industry Development Board presented the Company with the first Malaysian International Contractor of the Year Award in September 2000.



IJM was awarded the first Malaysian International Contractor of the Year Award



Hampshire Park, Kuala Lumpur



On the corporate scene, some equity restructuring was carried out. On 23 August 2000, IJMC disposed of its 50% shareholding in IJM Binamaju Sdn Bhd which undertook the construction of the civil works of Kuala Lumpur monorail project. With this, IJM's role in the project will now be significantly reduced. On 30 December 2000, IJMC acquired a further 999,999 ordinary shares in PPE for RM1.80 million raising its interest in PPE to 70%.

PROPERTIES

During the year, the Division achieved a pre-tax profit of RM13.41 million on a turnover of RM97.25 million, representing decreases of 42% and 61% respectively over 1999.

The property market, during 2000, turned cautious on general economic uncertainties of a slowing economy, declining local stock market, falling CPO prices and other sentiments affecting consumer confidence despite a very favourable interest rate environment.

For the Group, the situation was aggravated by some delays in approvals for development which delayed new launches. Contributions from the Australian projects under associate OSW Properties Pty Ltd also tapered as the project, completed in 1999, saw only residual profits in 2000. Overall, performance was below expectations.

The spacious living hall



Desa Sri Puteri Apartments Parcel B, Kuala Lumpur

In response to the challenging market conditions, the Division has intensified its planning on projects which are still feasible to launch in the coming year. The focus is on creating affordable units with better value for customers. Design review on layout, facilities and technical specifications, coupled with value engineering to bring costs down is continuously being undertaken to compete in an increasingly difficult and competitive market. Elements of the K-economy are being addressed by providing IT/internet infrastructure in our residential and commercial buildings. More professionalism is being emphasized in our property management services to give investors a greater degree of assurance of the long-term capital value of their properties under our management.

Whilst our flagship condominium project, the Riana Green, Petaling Jaya and many of the low medium cost housing projects already launched in Johore Bahru, Ipoh, Klang Valley, Kuching and Penang are continuing to sell reasonably well, the Division is preparing to launch more innovative projects. These include an exciting mixed development project on the strategic 30-acre parcel at Udini along the Jelutong Expressway, the next series of e-Condominiums in Bukit Jambul and a new housing project in Klang.



2-storey terrace show house at Taman Utama, Sandakan, Sabah

Riana Green Phase 3, Petaling Jaya



INDUSTRIES

In tandem with an improving construction sector, the division's turnover improved by 21% to RM188.71 million and pre-tax profits rose by 34% to RM11.72 million. All sectors in the Division contributed positively to the better performance of the Division.

The steel engineering business carried out by subsidiary Torsco Berhad continued to record good results with a turnover of RM42.39 million (1999: RM42.03 million) and a pre-tax profit of RM5.49 million (1999: RM5.95 million). Torsco has commenced intensive efforts to broaden its market base by adding the pipe spools business with the setting up of Torsco Overseas Sdn Bhd. The third fabrication plant and the jetty facilities at Lumut have also been expanded to take on more work.

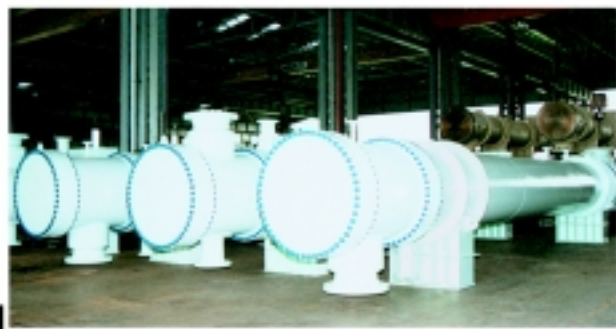
The companies in the quarrying sector performed creditably with an improved turnover of RM48.56 million (1999: RM40.04 million) and pre-tax profits of RM2.48 million (1999: loss of RM0.46 million). After two years of declining turnover, quarry operations rebounded with a higher aggregate sales volume of 3.66 million tons. This represented a hefty 52% increase over 1999's sales volume. The quarries in South Johor saw better demand, resulting in higher utilisation of plant capacity. Selling prices improved towards the later part of the year to give profitable results after recording losses in the previous years. The demand at Damansara Rock Products Sdn Bhd, Kuala Lumpur remained at a comfortable level throughout the year, whilst the Kuang operations were able to reach breakeven volumes. However, the demand in the Labu vicinity remained weak.

Premix sales, however, recorded a slight decrease in volume to 252,000 tons (1999: 273,000 tons). Tighter credit control measures had to be taken in this sector as margins eroded significantly. The rapid rise in bitumen prices made the selling process extremely difficult as prices had to be moved up.

The ready-mixed concrete sector's turnover improved to RM36.58 million from RM30.60 million in 1999 spurred by in-house demand. However, selling prices remained low and with higher material costs, pre-tax profits grew only slightly to RM0.45 million (1999: RM0.22 million). The industry had to contend with frequent movements in raw material prices throughout the year. Pricing for long-term projects became tricky and this was not helped by the difficult conditions faced during debt collection.

The total billings for scaffolding rentals in 2000 rose by 42% to RM2.92 million compared to RM2.05 million in 1999. In-house usage amounted to some 50%. Despite the higher turnover, pre-tax profits increased by only 11% to RM0.98 million due to lower rental rates at the beginning of the year. During the year, the Company invested in additional scaffoldings worth RM1.8 million. These purchases are expected to continue in the year 2001. Supply contracts were signed with suppliers to lock in prices to safeguard against volatility.

The outlook for 2001 remains one of cautious optimism. There are synergistic opportunities for the Industries Division in line with the larger order book of the Construction Division. However, the external market is fraught with challenges, ranging from credit-worthiness of customers to competitive pricing decisions. The Division is tasked with maintaining a reasonable performance in these difficult times.



Fabrication of Shell and Tube Heat Exchangers at Torsco's Lumut Plant No.2 for CTOC Cakerawala, a Malaysian-Thai joint-development project in South China Sea



Load-out of Kangaroo Crane onto two barges at Plant No.3, Lumut for TNB Janamanjung project



Hydraulic Jacking of Mobile Gantry Crane for use in Putrajaya Bridge BR-8 Project

PLANTATIONS

The Division's turnover decreased by 43% to RM65.12 million compared to RM114.96 million in 1999. Pre-tax profit achieved of RM4.79 million represents a decrease of 80% over the previous year. The decrease in turnover and pre-tax profit was mainly attributable to the lower crude palm oil (CPO) prices achieved which averaged approximately RM897 per tonne compared to RM1,332 per tonne in 1999. In terms of key industry parameters of yield and costs, the Division continues to do well.



Healthy young palm trees at Meliau Estate, District of Labuk/Sugut, Sabah

The Division's land bank totalled 70,520 acres at the end of 2000, an increase of 13,726 acres over the previous year. The matured estates, which increased to 22,289 acres (1999: 20,903 acres) produced a total of 219,039 tonnes of fresh fruit bunches (FFB) in 2000 compared to 199,815 tonnes in 1999. The increase in FFB production was mainly due to increased matured acreage.

As at 31 December 2000, immature planted acreage of the Division, located mainly at Labuk Sugut Region, was 22,678 acres and a small percentage of these acreages are expected to mature in the third quarter of 2001. The balance of the land bank of 25,553 acres represent newly acquired acreage which will be planted over the next few years.

The Desa Talisai Palm Oil Mill processed 213,466 tonnes of FFB in 2000 compared to 303,632 tonnes of FFB in 1999. The 30/45 tonne-per-hour palm oil mill of 35%



Plantation Head Office building, Sandakan, Sabah

associate Minat Teguh Sdn Bhd which commenced in January 2000 processed 90,433 tonnes of FFB in the year. Earthworks for a third 30/60 tonne-per-hour palm oil mill under 100% subsidiary Sabang Mills Sdn Bhd to be located at Labuk Sugut region commenced in the middle of 2000. This mill is scheduled for completion in the last quarter of 2001, in time for the fruits from the newly mature acreage in the region.

The Division is proactively addressing the cost issues facing the Plantations Division while it is hoped that the strategies undertaken by the Malaysian Government and better co-operation with Indonesia would stabilise CPO prices for 2001 at a better level. Consequently, we are hopeful of improved performance from the division.



Exchange of documents between Dato' Siti Balkish bte Shariff and Mr Krishnan Tan during the signing ceremony of MOU among Worldwide Ventures Sdn Bhd, Sheffield Enterprise Sdn Bhd with Inti Universal Holdings Bhd, witnessed by Tan Sri Dr Koh Tsu Koon

EDUCATION

New directions were set for the Education Division in 2000. An agreement was signed on 15 March 2000 between INTI Education Sdn Bhd and Sheffield Enterprise Sdn Bhd to enable INTI Universal Group to acquire a 70% interest in International College Penang. The new college, renamed INTI International College Penang (IICP), was formally established after the agreement. IJM group now has an effective 15% interest in the venture.

With this initiative, INTI College brings to Penang 14 years of experience in offering quality tertiary education with more than 20 academic programmes linked to more than 250 participating universities worldwide. With its commitment to offer quality, holistic education, INTI's presence in Penang will benefit students from the northern part of the country.

With this development, INTI would spearhead the college's direction, allowing the Group to refocus on our core operations.

INFRASTRUCTURE

The Group's current infrastructure projects are located in Argentina, China and Vietnam. In 2000, the division turned in a lower pre-tax profit of RM27.91 million, a drop of 23%. Results in 1999 were higher due to non-recurring exceptional items.

In Argentina, Grupo Concesionario del Oeste S.A. (GCO), a 20% associate, the concession holder of the 55.45 km Western Access Tollway Project in Buenos Aires, contributed a pre-tax profit of RM16.71 million (1999: RM8.70 million for seven months) before allowing for the Group's holding cost. In 1999, the Group made an exceptional gain when it placed out 30% of its shareholding in GCO in conjunction with GCO's initial public offering in July 1999 but this was not repeated in 2000.

From China, associate Guangdong Provincial Expressway Development Co. Ltd. (GPED) contributed a pre-tax profit of RM12.62 million, a drop of 43% compared with the result of 1999. This is mainly attributable to a non-recurring exceptional gain of RMB76.44 million made by GPED on its disposal of a long-term investment in 1999. Another associate, Yangzhong Changjiang Great Bridge Co. Ltd., which operates a tolled bridge near Nanjing, marginally improved upon its level of earning in 2000.

From Vietnam, the Group's 36% associate Binh An Water Corporation Limited contributed RM2.23 million (1999: RM0.71 million for 5 months) in pre-tax profit.

In India, Gautami Power Limited (GPL) which holds a concession to operate a 350 MW power plant in Andra Pradesh, is going through a scheme of

amalgamation which would see it merge with NCC Power Corporation Pte Limited, resulting in our Group's interest in GPL being reduced to 36%. The merged entity will now build a 460 MW gas-based plant, with a second phase of 150 MW available to the company.

TRAINING

The Group provides regular trainings to its workforce in areas related to their respective professions. This will equip them with the necessary knowledge and skills needed to attain a higher level of performance and improve services to our customers.

Training courses were organised throughout the year and each course was carefully designed to suit staff at all levels. The Group has made sufficient allocations to enable its staff to attend training courses, either conducted in-house or organised by external organisations to enable them to keep abreast with the latest development in their respective fields.

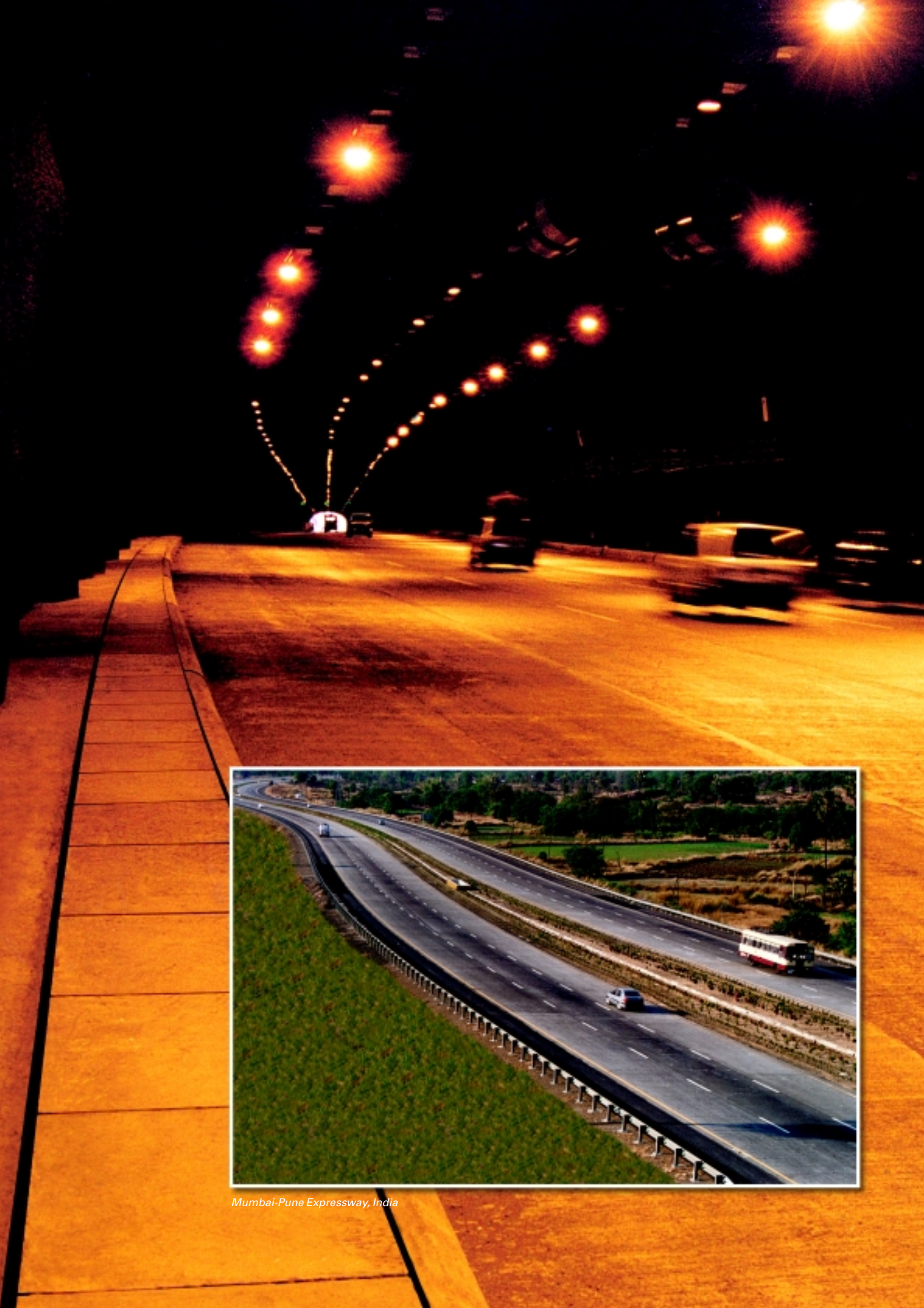
In addition, scholarships to local and overseas institutions are regularly granted to ensure a steady stream of young professionals joining the Group.

COMMUNITY SERVICE

The Company, as a caring corporate citizen, strives continuously to support the underprivileged through various community care programmes. We continue to make contributions to charitable, educational, cultural, health and sports organisations. The Group also made monetary contributions to the victims of India's devastating earthquake.



A section of the Mumbai-Pune Expressway, India



Mumbai-Pune Expressway, India

		1996	1997	1998	1999	2000
OPERATING REVENUE						
(including share of associated companies and jointly controlled entities revenue)	RM'000	1,113,951	1,475,555	1,148,516	1,209,968	1,094,264
(excluding share of associated companies and jointly controlled entities revenue)	RM'000	884,642	995,277	730,629	549,598	615,848
PROFIT BEFORE TAX	RM'000	131,404#	93,800	70,743	139,431	118,956
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	RM'000	89,426	63,234	39,130	117,676	76,773
ISSUED SHARE CAPITAL	RM'000	308,259	342,072	342,090	345,966	351,517
SHAREHOLDERS' FUNDS	RM'000	640,590	953,676	990,217	1,092,721	1,193,197
TOTAL ASSETS	RM'000	1,448,919	1,918,291	1,969,561	2,050,274	2,262,011
EARNINGS PER SHARE (Basic)	Sen	29.3#	19.1	11.4	34.2	21.9
GROSS DIVIDEND PER SHARE	Sen	8.0	8.0	5.0	6.0	8.0
NET TANGIBLE ASSETS PER SHARE	RM	2.05	2.73	2.84	3.05	3.26
RETURN ON TOTAL ASSETS	%	6.2	3.3	2.0	5.7	3.4
RETURN ON SHAREHOLDERS' FUNDS	%	14.0	6.6	4.0	10.8	6.4
DEBT ⁽¹⁾ EQUITY RATIO	%	54.1	43.2	49.3	30.1	30.9
SHARE PRICE						
High	RM	6.10	7.05	2.45	3.46	4.42
Low	RM	4.02	1.22	0.595	1.86	2.56
WARRANT PRICE						
High	RM	-	-	-	-	1.69
Low	RM	-	-	-	-	0.70

Restated to include extraordinary items in accordance with International Accounting Standard 8 (Revised)

⁽¹⁾ Debt represent total borrowings net of cash and bank balances and deposits with licensed banks



■ 26 February 2000

Hampshire Park Project was selected for the launching of the *Operation on Occupational Health and Safety at Construction Sites 2000*. The event, organized by DOSH, was officiated by the Honourable Minister of Human Resources Datuk Dr Fong Chan Onn.



■ 31 March 2000

640 of our staff packed the Selangor Ballroom at Hotel Sheraton Subang for the 17th IJM Annual Dinner & Dance. Among the highlights of the evening was the presentation of the 20-year service award to 10 of our staff.

■ 6 April 2000

The design, construction and commissioning of the Sibu Airport Extension project was successfully completed and handed over to our client. The project was completed in ten months with zero lost time incident.

■ 1 May 2000

Section A of the prestigious Mumbai-Pune Expressway, India, constructed by IJM-SCL Joint Venture at a cost of RM150.5 million, was opened to traffic amidst fanfare and praises from our client Maharashtra State Road Development Corporation, the press and the general public.

■ 5 May 2000

The RM281 million Putrajaya Hospital project, jointly constructed by IJM and THB, was successfully completed and the building officially handed-over to the Ministry of Health on this date.

■ 19 May 2000

The IJM Quality and Safety Assessment System (IQSAS) was officially launched by the Minister of Housing and Local Government, Dato' Seri Ong Ka Ting at Riana Green Condominiums. IQSAS, a self regulated system of procedures and testing methods was formulated by the Group to attain a higher level of quality and safety in its continued commitment towards zero-defects in building works.



■ 3 – 5 June 2000

The 3rd IJM Regional Games was held at the Tanjong Puteri Golf Resort, Johor Bahru. 350 participants from 5 teams battled for supremacy with the team from Central Region emerged as champions.

■ 9 June 2000

The RM61 million Colmar Village project was successfully completed and handed over to our client. This French-themed resort, reminiscent of an authentic Northeastern French Village dating back to the 16th century, marked a significant achievement for IJM in undertaking building construction of such artistic nature.

■ 13 June 2000

IJM regularly organises the blood donation campaign to boost the blood bank of University Hospital. As always, the campaign is well supported by staff of IJM with 46 generous donors on this particular occasion.



■ 17 June 2000

20 IJM staff visited Shelter 2, a home for teenage girls who came from various background including family conflict, abuse and neglect. Activities organized during the visit included singing and fun games.



■ 31 July 2000

Binh An Water Corporation, Vietnam held the Loan Signing Ceremony for its project financing term loan. This marked the first time that both foreign banks and local Vietnamese state-owned banks had jointly-participated in the financing of a foreign invested project in that country.

■ 12 September 2000

IJM was presented with the first Malaysian International Contractor of the Year Awards, at the Malaysian Construction Industry Awards 2000.

■ 7 – 8 October 2000

Suria Bistari Development Sdn Bhd, a subsidiary of IJM, officially launched its flagship development project, the Bistari Impian Phase 1B comprising a total of 256 apartment units in Johor Bahru.



■ 16 October 2000 – 15 November 2000

The annual Safety Month Campaign is organised to increase safety and health awareness amongst staff at all levels and sub-contractors. Competitions for eight different categories were held, and all winners were awarded their prizes in a ceremony held at Hotel Sheraton, Subang.



■ 16 – 22 October 2000

IJM played host to the 4th Friendship Games, a tournament designed to foster friendship and goodwill among staff of IGB Corporation Berhad and Tan & Tan Development Berhad (both competing as one team), IJM Corporation Berhad and PricewaterhouseCoopers. IJM emerged as overall champions.

■ 3 November 2000

IJM Corporation Berhad was awarded the OHSAS 18001:1999 certification by SIRIM. IJM becomes the first Malaysian company in the Construction industry to receive this internationally acclaimed award.

■ 3 November 2000

About 300 staff of IJM gathered at our Kompleks Sukan for a Deepavali party. The highlight of the evening was the Miss Deepavali contest.

■ 11 November 2000

IJM's Sports Club presented a collection of used clothings, toys, kitchen-wares and a bicycle to the Salvation Army, Puchong, a welfare organization for the poor, aged and homeless.



■ 24 November 2000

Prebore Piling & Engineering Sdn Bhd was awarded the MS ISO 9002:1994 certification by SIRIM.

■ 25 November 2000

IJM's Company Secretary was awarded the ROC-MAICSA Company Secretary Award 2000 in the listed company category.

■ 21 December 2000

Pelabuhan Tanjung Pelepas Rail Link project team emerged overall winner of the IJM Quality Award. The award was presented during the 11th Quality Management Review meeting.

Authorized Share Capital	:	RM1,000,000,000
Issued & paid-up Capital	:	RM351,596,654
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights		
On show of hands	:	1 vote
On a poll	:	1 vote for each share held

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	Number of Shares	Percentage of Issued Capital
Less than 1,000	324	97,789	0.03%
1,000 - 10,000	4,944	14,106,355	4.01%
10,001 - 100,000	632	20,796,055	5.91%
100,001 to less than 5% of issued shares	255	209,367,227	59.55%
5% and above of issued shares	3	107,229,228	30.50%
	6,158	351,596,654	100.00%

REGISTER OF SUBSTANTIAL SHAREHOLDERS (Excluding Bare Trustees)

	Number of Shares		Percentage of Issued Capital
	Direct	Deemed Interests	
1. Amanah Raya Berhad - Skim Amanah Saham Bumiputera	19,952,294	-	5.675%
2. Dato' Tan Chin Nam	-	70,982,534	20.189%
3. Employees Provident Fund Board	45,754,000	-	13.013%
4. GEL Capital (Malaysia) Berhad	-	7,066,000	2.010%
5. Great Eastern Holdings Limited	-	15,805,000	4.495%
6. Great Eastern Life Assurance (Malaysia) Berhad	7,066,000	-	2.010%
7. IGB Corporation Berhad	12,903,600	58,078,934	20.189%
8. Intercontinental Aviation Services Sdn Bhd	10,000,000	-	2.844%
9. Lim Yong Keat	3,657,534	6,048,666	2.761%
10. Oversea-Chinese Banking Corporation Ltd	-	15,786,000	4.490%
11. Permodalan Nasional Berhad	12,743,000	-	3.624%
12. Riraiance Enterprise Sdn Bhd	48,078,934	-	13.674%
13. Robert Tan Chung Meng	-	70,982,534	20.189%
14. Tan & Tan Developments Berhad	-	70,982,534	20.189%
15. The Capital Group Companies, Inc.	-	13,428,897	3.819%
16. The Great Eastern Life Assurance Co. Ltd	3,828,000	7,066,000	3.098%
17. Yayasan Pelaburan Bumiputra	-	12,743,000	3.624%

THIRTY LARGEST SHAREHOLDERS

	Number of Shares	Percentage of Issued Capital
1. HSBC Nominees (Tempatan) Sdn Bhd		
- Pledged Securities Account for Riraiance Enterprise Sdn Bhd	48,078,934	13.67%
2. Employees Provident Fund Board	39,198,000	11.15%
3. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	19,952,294	5.67%
4. Arab-Malaysian Nominees (Tempatan) Sdn Bhd		
- Pledged Securities Account for IGB Corporation Berhad (BK 7/786-2)	12,903,600	3.67%
5. Permodalan Nasional Berhad	12,743,000	3.62%
6. Chase Malaysia Nominees (Asing) Sdn Bhd - Emerging Markets Growth Fund	12,162,714	3.46%
7. AlliedBan Nominees (Tempatan) Sdn Bhd		
- Pledged Securities Account for Intercontinental Aviation Services Sdn Bhd	10,000,000	2.84%
8. Malaysia Nominees (Tempatan) Sdn Bhd		
- Great Eastern Life Assurance (Malaysia) Berhad (MLF)	6,966,000	1.98%
9. Phileo Allied Nominees (Tempatan) Sdn Bhd		
- PhileoAllied Credit & Leasing for Salient Growth Sdn Bhd	5,000,000	1.42%
10. AlliedBan Nominees (Tempatan) Sdn Bhd		
- Phileo Asset Management for PhileoAllied Bank (Malaysia) Berhad	5,000,000	1.42%
11. HSBC Nominees (Asing) Sdn Bhd - BBH and Co Boston for GMO Emerging Markets Fund	4,929,000	1.40%
12. HSBC Nominees (Asing) Sdn Bhd		
- BNY Brussels for the State Teachers Retirement System of Ohio (Genesis Asset Management)	4,750,000	1.35%
13. Amanah Raya Nominees (Tempatan) Sdn Bhd - Amanah Saham Malaysia	4,422,000	1.26%
14. AM Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	3,836,000	1.09%
15. Glenfield Enterprise Sdn Bhd	3,659,000	1.04%
16. Overseas Assurance Corporation (Malaysia) Berhad	3,346,000	0.95%
17. Hwang-DBS Custodian Nominees (Asing) Sdn Bhd - DBS Bank for Timbara Services Limited	3,019,000	0.86%
18. Glenfield Enterprise Sdn Bhd	2,855,000	0.81%
19. Cartaban Nominees (Asing) Sdn Bhd		
- State Street Australia Fund Q3VA for Fullerton (Private) Limited	2,500,000	0.71%
20. Citicorp Nominees (Tempatan) Sdn Bhd - Prudential Assurance Malaysia Berhad (Par Fund)	2,483,332	0.71%
21. DB (Malaysia) Nominee (Asing) Sdn Bhd - DB GCS London for Credit Lyonnais (OPCVM.FCP)	2,409,000	0.69%
22. Malaysian Assurance Alliance Berhad	2,222,000	0.63%
23. Chase Malaysia Nominees (Asing) Sdn Bhd - Genesis Malaysia Maju Fund Limited	2,144,000	0.61%
24. Malaysia Nominees (Asing) Sdn Bhd		
- Oversea-Chinese Bank Nominees Pte Ltd for Greatlink Asean Growth Fund (9011D)	2,110,000	0.60%
25. HSBC Nominees (Asing) Sdn Bhd		
- BNY Brussels for the State Teachers Retirement System of Ohio (Sanford Emerg)	1,938,000	0.55%

	Number of Shares	Percentage of Issued Capital
26. AM Nominees (Tempatan) Sdn Bhd - Pertubuhan Keselamatan Sosial	1,935,000	0.55%
27. Citicorp Nominees (Asing) Sdn Bhd - CB LDN for Stichting Shell Pensioenfond	1,850,000	0.53%
28. Universal Trustee (Malaysia) Berhad - BHLB Pacific Emerging Companies Growth Fund	1,746,000	0.50%
29. Malaysia Nominees (Asing) Sdn Bhd		
- Oversea-Chinese Bank Nominees Pte Ltd for Greatlink Enhancer Fund (9012Z)	1,718,000	0.49%
30. Arab-Malaysian Nominees (Tempatan) Sdn Bhd		
- Arab-Malaysian Trustee Bhd for HLB Penny Stock Fund (5/4-3)	1,515,000	0.43%
	227,390,874	64.66%

Analysis of Warrantholdings

as at 30 March 2001

WARRANTS 2000/2004

Issued	: RM80,178,930
Outstanding	: RM80,074,930

DISTRIBUTION OF WARRANTHOLDINGS

Range of Shareholdings	Number of Warrantholders	Number of Warrants	Percentage of Outstanding Warrants
Less than 1,000	271	98,684	0.12%
1,000 - 10,000	2,960	5,758,145	7.19%
10,001 - 100,000	217	6,406,007	8.00%
100,001 to less than 5% of outstanding warrants	83	49,867,066	62.28%
5% and above of outstanding warrants	2	17,945,028	22.41%
	3,533	80,074,930	100.00%

THIRTY LARGEST WARRANTHOLDERS

	Number of Warrants	Percentage of Outstanding Warrants
1. HSBC Nominees (Tempatan) Sdn Bhd		
- Pledged Securities Account for Riraian Enterprise Sdn Bhd	10,768,828	13.45%
2. Employees Provident Fund Board	7,176,200	8.96%
3. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	3,990,458	4.98%
4. IGB Corporation Berhad	2,886,000	3.60%
5. Permodalan Nasional Berhad	2,548,600	3.18%
6. Chase Malaysia Nominees (Asing) Sdn Bhd - Emerging Markets Growth Fund	2,432,542	3.04%
7. AlliedBan Nominees (Tempatan) Sdn Bhd		
- Pledged Securities Account for Intercontinental Aviation Services Sdn Bhd	2,237,000	2.79%
8. Arab-Malaysian Nominees (Tempatan) Sdn Bhd		
- Arab-Malaysian Trustee Bhd for HLB Penny Stock Fund (5/4-3)	1,786,000	2.23%
9. Malaysia Nominees (Tempatan) Sdn Bhd		
- Great Eastern Life Assurance (Malaysia) Berhad (MLF)	1,732,000	2.16%
10. Glenfield Enterprise Sdn Bhd	1,519,000	1.90%
11. Universal Trustee (Malaysia) Berhad - BHLB Pacific High Growth Fund	1,413,000	1.76%
12. Tan Boon Seng @ Krishnan	1,371,000	1.71%
13. Goh Chye Koon	1,331,000	1.66%
14. Arab-Malaysian Nominees (Tempatan) Sdn Bhd		
- Arab-Malaysian Trustee Bhd for BHLB Pacific Dana Al-Hsan	1,019,000	1.27%
15. Ooi Poay Lum	1,014,000	1.27%
16. Phileo Allied Nominees (Tempatan) Sdn Bhd		
- PhileoAllied Credit & Leasing for Salient Growth Sdn Bhd	1,000,000	1.25%
17. Hwang-DBS Custodian Nominees (Asing) Sdn Bhd		
- DBS Bank for Timbara Services Limited	1,000,000	1.25%
18. AlliedBan Nominees (Tempatan) Sdn Bhd		
- Phileo Asset Management for PhileoAllied Bank (Malaysia)	1,000,000	1.25%
19. HSBC Nominees (Asing) Sdn Bhd		
- BNY Brussels for the state Teachers Retirement System of Ohio (Genesis Asset Management)	950,000	1.19%
20. Soo Heng Chin	815,000	1.02%
21. Universal Trustee (Malaysia) Berhad		
- BHLB Pacific Emerging Companies Growth Fund	809,000	1.01%
22. Velayuthan a/l Tan Kim Song	800,000	1.00%
23. Overseas Assurance Corporation (Malaysia) Berhad	751,200	0.94%
24. Loy Boon Chen	742,000	0.93%
25. Tan Gim Foo	733,000	0.92%
26. How See Hock	717,000	0.90%
27. Teh Kean Ming	717,000	0.90%
28. Universal Trustee (Malaysia) Berhad - BHLB Pacific Savings Fund	716,000	0.89%
29. Soo Sik Sang	707,400	0.88%
30. Debojit Chowdhury a/l N.G Chowdhury	698,000	0.87%
	55,380,228	69.16%

DIRECTORS

The Board

The Board had, prior to the introduction of the Malaysian Code on Corporate Governance ("the Code") and the Revamped Listing Requirements of Kuala Lumpur Stock Exchange (KLSE), set out governance policies covering the relationships with its stakeholders, the Board's own affairs and its relationship with its Group Managing Director. Notwithstanding this, whilst the Board recognises its ultimate responsibility and accountability for the Group's operations, the Board recognises the need to continuously review and improve the governance framework. To this end, the Board is taking steps to evaluate the status of the Group's corporate governance procedures with regards to the Code (together with provisions contained in the Revamped Listing Requirement of KLSE) and to make the required enhancements where necessary. Committees of the Board and their date of formation are as follows:

Share Committee	30 September 1986
ESOS Committee	13 March 1992
Audit Committee	31 January 1994
Executive Committee	31 March 1995
Remuneration Committee	2 December 1998

The Board further acknowledges the need to review the terms of reference and operating procedures of established committees to ensure that the committees are compliant with the Code.

The Board has at least four (4) regularly scheduled meetings annually, with additional meetings for particular matters convened as and when necessary. Board meetings bring an independent judgment to bear on issues of strategy, business performance, resources and standards of conduct.

Four (4) Board meetings were held during the year 2000. The attendance record of each Director is as follows:

	Percentage (%)	
Executive Directors		
Tan Boon Seng @ Krishnan	4	100
Goh Chye Koon	3	75
Ooi Poay Lum	3	75
Non-executive Directors		
Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin	4	100
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	3	75
Tan Sri Dato' Ir. Wan Abdul Rahman bin Wan Yaacob	3	75
Datuk Yahya Bin Ya'acob	2	50
Dato' Goh Chye Keat	4	100
Dato' Arthur Tan Boon Shih	2	50
Choo Choon Yeow	4	100
Khoo Chew Meng	3	75
Lai Meng	4	100
Mior Abdul Rahman bin Miou Mohd Khan	4	100
Soo Heng Chin (Alternate to Ooi Poay Lum)	4	100
Velayuthan A/L Tan Kim Song (Alternate to Choo Choon Yeow)	3	75

Ten out of the thirteen Board members are non-executive Directors. Amongst the non-executive Directors, four (4) are considered by the Board to be independent and the Chairman is one of the independent non-executive Directors. The Company from time to time uses 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. The three (3) Directors are Dato' Goh Chye Keat, Choo Choon Yeow and Khoo Chew Meng.

Together, they bring a wide range of technical skills and experience relevant to ensure that the Group continues to be a competitive leader in the construction industry with a strong reputation for technical and professional competence.

A brief description of the background of each Director is presented on pages 8 and 9.

There is a division of responsibility between the Chairman and the Group Managing Director and there is a balance of executive, non-executive and independent non-executive Directors. This is to ensure that there is proper representation for all shareholders, and further ensures that issues of strategy, performance and resources are fully discussed and examined to take into account long-term interest of shareholders, employees, customers, suppliers and the many communities in which the Group conducts its business. The independence status of the independent non-executive Directors will be further examined prior to the 1 June 2001 dateline.

The Board has set up an Executive Committee to assist the Board in the day-to-day operations of the Group. The Executive Committee operates under clearly defined terms of reference. The Executive Committee comprises three (3) executive Directors headed by the Group Managing Director, Tan Boon Seng @ Krishnan. The other members of the Executive Committee are the Deputy Group Managing Director, Goh Chye Koon and the Group Executive Director, Ooi Poay Lum.

The terms of reference of the Executive Committee are as follows:

- To decide on all transactions and matters relating to the Group's core business or existing investments with restricted authority given by way of limits determined by the Board
- To decide on all matters relating to banking facilities as may be required for the conduct of the Group's operations
- To undertake such function and all matters as may be approved or delegated by the Board.

The terms of reference of the Executive Committee was further modified in the last quarter of the year to include the following:

- To notify and invite the Directors to attend the tender adjudication meeting for any construction project in excess of RM500 million (or RM250 million for overseas contracts) being considered for commitment. Privatization, deferred payment, Build-Operate-Transfer or Build-Operate-Own projects will require specific Board approval.

The Board also has set up an ESOS Committee and Share Committee in 1992 and 1986 respectively. The Share Committee, comprising of Tan Boon Seng @ Krishnan, Goh Chye Koon and Ooi Poay Lum, is responsible for regulating and approving securities transactions and registrations. The ESOS Committee, comprising of Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor, Goh Chye Koon and Loy Boon Chen, is responsible for implementing and administering the Employees Share Option Scheme (ESOS) of the Company. The Share Committee is chaired by Tan Boon Seng @ Krishnan, and the ESOS Committee is chaired by Goh Chye Koon.

Supply of Information

All Directors are provided quarterly Board reports prior to the Board meeting. As a general rule, papers on specific subjects are sent to the Board in advance and are issued in a timely manner to enable the Directors to obtain further explanations where necessary and that they are adequately informed prior to the meeting.

Amongst others, the report provides information on major operational, financial and corporate issues, its operating units, activities and performance of projects, divisional performance and reasons for significant diversions from budgets and major changes in the Company structure and securities transactions.

In addition to quarterly Board meetings, briefings are conducted for the Board on various issues such as changes to companies and securities legislations, rules and regulations from time to time to inform them of the latest developments in these areas. The Board of Directors are also invited and do attend the semi-annual Senior Management Dialogue wherein operational review and management strategies are presented and discussed.

The Directors are also notified of any corporate announcements released to the KLSE and 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.

All Directors have access to the advice and services of the full time Company Secretary appointed by the Board, and they have been issued with the Code of Ethics for Directors and Secretaries.

Appointments to the Board

The Remuneration Committee, a sub-committee of the Board, also acts as the Nominations Committee, and is responsible for making recommendations for any appointments to the Board including those of subsidiaries & associated companies. In making these recommendations, the Remuneration Committee considers the required mix of skills and experience which the Directors should bring to the Board.

The Remuneration Committee comprises four non-executive Directors, two of whom are independent. The Chairman of this Committee is Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor. In January 2001, Mior Abdul Rahman bin Miou Mohd Khan, a non-executive Director stepped down as a Director and thus relinquish his position as a member of the Remuneration Committee. The membership of the Remuneration Committee presently comprise three (3) members, the majority of whom are independent non-executive Directors. The other members of the Remuneration Committee are Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob and Dato' Goh Chye Keat.

Re-election

Under the Company's present Articles of Association, at least one third of the Directors (except for the Managing Director and the Deputy Managing Director) are subject to re-election by rotation at each Annual General Meeting and all Directors retire from office once at least in each three (3) years. The Articles of Association will be amended to provide for all Directors to submit themselves for re-election at least every three (3) years in compliance with the Code.

For the forthcoming Annual General Meeting, Tan Boon Seng @ Krishnan and Goh Chye Koon have volunteered themselves for re-election.

REMUNERATION

Directors' Remuneration

The Board has a Remuneration Committee which also acts as the Nominations Committee comprising exclusively of non-executive Directors, as explained above.

Under its terms of reference, the Remuneration Committee recommends to the Board the framework of executive remuneration and its cost, and the remuneration package for each executive Director. It is, nevertheless, the ultimate responsibility of the entire Board to approve the remuneration of those Directors.

The Remuneration Committee will meet as required and for year 2000, two (2) meetings were held and all its members attended these meetings.

The determination of the remuneration of the non-executive Directors is a matter for the Board as a whole. The Company reimburses reasonable expenses incurred by these Directors in the course of their duties as Directors.

Directors do not participate in decisions on their own remuneration packages.

Fees

Fees payable to non-executive Directors is determined by the Board with the approval from shareholders at the Annual General Meeting. The last revision to the fees payable to non-executive Directors were approved by the shareholders on 17 May 2000 at the 16th Annual General Meeting.

Basic Salary

The Remuneration Committee conducts an annual review of the basic salary for all senior executives of the Group, including each executive Director, taking into account the performance of the individual.

Bonus & Incentive Scheme

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

Benefits-In-Kind

Other customary benefits (such as private medical care, car) are made available as appropriate in accordance with the guidelines laid out in the Human Resource & Administration Procedure Manual.

Pension Arrangements

Contributions are made to the Employees Provident Fund, the national mandatory defined contribution plan, in respect of all Malaysian-resident executive Directors. In addition, all executive Directors participate in the Group's funded final salary defined plan, known as the IJM Retirement Scheme with the objective of providing a reasonable lump sum upon retirement, including early retirement and on grounds of chronic ill-health. The scheme also provides for lump sums in the event of death in service.

Directors' Share Options and Warrants

The movement in Directors' share options and warrants during the financial year ended 31 December 2000 are set out on pages 44 and 45.

Directors' Remuneration

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

- Aggregate remuneration of Directors categorized into appropriate components:

	Salaries RM'000	Fees RM'000	Bonus & Incentives RM'000	Benefits -in-kind RM'000	Total RM'000
Executive Directors	1124	0	276	48	1,448
Non-executive Directors	820	142	125	24	1,111

- Number of directors whose remuneration falls into the following bands:

Range of remuneration	Number of Directors	
	Executive	Non-executive
Below RM200,000	0	9
RM200,001 to RM250,000	1	0
RM250,001 to RM300,000	1	0
RM300,001 to RM350,000	0	1
RM350,001 to RM400,000	0	1
RM400,001 to RM450,000	1	0
RM450,001 to RM500,000	0	0
RM500,001 to RM550,000	1	0

For purposes of the above, remunerations paid to alternate Directors who are full time employees of the Group have been placed according to the classification of the principal Director.

SHAREHOLDERS

Dialogue between the Company and Investors

The Group conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information about Company performance, corporate strategy and other matters affecting shareholders' interests.

As from 2001, presentations will be made, where appropriate, to explain the Group's strategy, performance and major developments to shareholders during the Annual General Meeting. However, any information that may be regarded as undisclosed material information about the Group will not be given to any single shareholder or shareholder group.

The Annual Report contains a full business review, including a financial and operational review, and a description of the Group's products. In addition, the Group has established a website at <http://www.ijm.com> from which shareholders can access for information. Among others, the website provides daily movement of the securities of the Company, corporate announcements released to the KLSE, what others say of the Company, annual reports, and profiles of the Group.

Annual General Meeting

The Annual General Meeting is the principal forum for dialogue with shareholders. Notice of the Annual General Meeting for each financial year end and the related papers were sent out to shareholders at least 10 market days before the date of the meeting in accordance with the Company's Articles of Association.

For the financial year ended 31 December 2000, the notice of meeting and related papers will be sent out to shareholders at least 21 days before the date of the meeting to comply with the Code. The Company's Articles of Association will be amended to reflect this change.

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

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

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

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly announcement to shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects. The statement of Directors pursuant to section 169 of the Companies Act 1965 is set out on pages 42 to 47 of this annual report.

Internal Control

The Directors acknowledge their responsibility for the Group's system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management. The internal control system is designed to meet the Group's particular needs and to manage the risks to which it is exposed. This system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The key element of the Group's internal control system includes:

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

Audit Committee

The Audit Committee was established in 1994, and is chaired by Tan Sri Dato' Haji Murad bin Mohamad Noor. Other members of the Audit Committee are Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob and Tan Boon Seng @ Krishnan. The terms of reference of the Audit Committee, which were amended following the introduction of the Revamped Listing Requirements, are set out on page 40.

Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is stated on page 40.

Composition

The Audit Committee, which was established by the Board of Directors in January 1994, comprises three Directors, a majority of whom are independent. The Chairman of the Audit Committee is Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor. Two others in the Audit Committee are Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob and Tan Boon Seng @ Krishnan, who is the Group Managing Director.

Terms of Reference

The terms of reference of the Audit Committee were amended following the introduction of the Revamped Listing Requirements of Kuala Lumpur Stock Exchange. The terms of reference are as follows:-

- (1) To review and report the following to the Board of Directors of the Company:-
 - (a) the audit plan, with the external auditor;
 - (b) its audit report, with the external auditor;
 - (c) the assistance given by the employees of the Company to the external auditor;
 - (d) the quarterly results and year end financial statements, prior to the approval of the Board of Directors, focusing particularly on:-
 - (i) going concern assumption;
 - (ii) changes in or implementation of major accounting policy changes;
 - (iii) significant and unusual events arising from the audit; and
 - (iv) compliance with accounting standards, regulatory and other legal requirements.
 - (e) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - (f) any letter of resignation from the external auditors of the Company;
 - (g) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment;
 - (h) the external auditors' management letter and management's response;
 - (i) the internal audit function:-
 - (i) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (ii) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (iii) its evaluation of the system of internal controls, with the external auditor;
 - (iv) consider the major findings of internal audit investigations and management's response;
 - (v) review any appraisal or assessment of the performance of the staff of the internal audit function;
 - (vi) approve any appointment or termination of senior staff member of the internal audit function; and
 - (vii) note resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reason for resignation.
- (2) To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of Management, where necessary).
- (3) To recommend the nomination of a person or persons as external auditors.
- (4) To carry out such other functions as may be agreed to by the Audit Committee and Board of Directors.

Meetings

The Audit Committee met on four (4) occasions during year 2000. The external auditors and the Finance Director were invited and attended all the meetings of the Audit Committee. The Company Secretary is the secretary to the Audit Committee, and the Board is presented a report of the Committee at every ensuing Board meeting. The external auditors may request a meeting by notifying the secretary if they consider it necessary.

Activities

During the year, the activities of the Audit Committee included:-

1. reviewing the quarterly financial result announcements;
2. reviewing the external auditors' reports in relation to audit and accounting issues arising from the audit, and updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board;
3. reviewing audit strategy and plan of the external auditors; and
4. reviewing related party transaction and conflict of interest situation that may arise within the Company or Group.

The Company is currently looking into establishment of an internal audit department to review the effectiveness of the system of internal control within the Company and Group.

Financial Statements

IJM CORPORATION BERHAD (104131-A)

for the year ended 31 December 2000

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The Directors have pleasure in submitting their 17th annual report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2000.

PRINCIPAL ACTIVITIES

2. The Company is principally engaged in construction, property development and investment holding. The Group's principal activities consist of construction, property development, manufacturing and quarrying, plantation 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
3. Profit for the financial year after taxation and minority interests	76,773	41,495

DIVIDENDS

4. Dividends paid, declared or proposed since the end of the previous financial year are as follows:-

	RM'000
a) In respect of the year ended 31 December 1999 as proposed in the Directors' Report for that year:	
Final tax exempt dividend of 6% paid on 9 June 2000	21,064
b) In respect of the year ended 31 December 2000:	
Interim dividend of 3% less tax paid on 10 October 2000	7,591
Proposed final dividend of 5% less tax to be paid on 13 July 2001	12,654

RESERVES AND PROVISIONS

5. There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the notes to the financial statements.

SHARE CAPITAL

6. During the financial year, the issued and paid up ordinary share capital of the Company was increased from RM345,965,654 to RM351,516,654 by way of:

- a) The issuance of 5,447,000 new ordinary shares of RM1 each pursuant to the ESOS referred to in paragraph 7 below:-
- i) 338,000 new ordinary shares of RM1 each at the exercise price of RM4.01 per share;
 - ii) 8,000 new ordinary shares of RM1 each at the exercise price of RM3.89 per share; and
 - iii) 5,101,000 new ordinary shares of RM1 each at the exercise price of RM1.82 per share.
- b) The issuance of 104,000 new ordinary shares of RM1 each arising from the exercise of warrants 2000/2004 at the exercise price of RM2.99 in accordance with the deed poll dated 24 January 2000.

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

EMPLOYEES SHARE OPTION SCHEME (ESOS)

7. At an Extraordinary General Meeting held on 9 March 1995, the existing ESOS, which was originally due to expire on 12 March 1997, was approved to be extended for a period of five years to expire on 12 March 2002. The total number of shares that could be offered to eligible employees and Executive Directors of the Group was increased to a maximum of 10% of the issued share capital of the Company and the exercise price shall be the average of the middle market quotation of the Company's shares as shown in the Daily Official List issued by the KLSE for the five (5) trading days preceeding the Date of Offer or at par value of the ordinary shares of the Company, whichever is higher. As at 31 December 2000, the details of options granted but not exercised are as follows:-

Date Granted	Number of Ordinary Shares ('000)				Exercise Price
	Granted	Exercised	Terminated	Balance	
17.03.1995	* 19,894	6,385	1,982	11,527	RM4.01
29.12.1995	1,537	981	66	490	RM3.89
01.11.1997	10,832	8,995	629	1,208	RM1.82
	32,263	16,361	2,677	13,225	

* Adjusted for the bonus issue in 1995.

The consideration in cash payable in full on application. The options granted do not confer any right to participate in any share issue of any other company.

WARRANTS

8. The Warrants 2000/2004 are constituted by a Deed Poll dated 24 January 2000.

During the financial year, the Company issued RM150,000,000 nominal amount of 5% Redeemable Unsecured Bond 2000/2005 with 80,178,930 detachable warrants to a primary subscriber on a bought deal basis.

Each warrant entitles the registered holder to subscribe for one (1) new ordinary share in the Company at any time on or after 28 February 2000 to 28 August 2004 at an exercise price of RM 2.99 per share or such adjusted price in accordance with the provisions in the Deed Poll. Any Warrants 2000/2004 not exercised at the date of maturity will lapse and cease to be valid for any purpose.

The shares arising from the exercise of Warrants 2000/2004 shall rank 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 unless the exercise of Warrants 2000/2004 was effected before the book closure of the share register for the determination of the entitlement to such rights or distributions.

DIRECTORS

9. The Directors in office since the date of the last report are:-

Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin, *Chairman*
 Tan Boon Seng @ Krishnan, *Group Managing Director*
 Goh Chye Koon, *Deputy Group Managing Director*
 Ooi Poay Lum, *Group Executive Director*
 Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor
 Tan Sri Dato' Ir (Dr) Wan Abdul Rahman bin Wan Yaacob
 Datuk Yahya bin Ya'acob
 Dato' Goh Chye Keat
 Dato' Arthur Tan Boon Shih
 Choo Choon Yeow
 Khoo Chew Meng
 Lai Meng
 Mior Abdul Rahman bin Miou Mohd Khan (*resigned on 5 January 2001*)
 Osman Bin Ismail (*appointed on 5 January 2001*)
 Soo Heng Chin (*alternate to Ooi Poay Lum*)
 Velayuthan A/L Tan Kim Song (*alternate to Choo Choon Yeow*)

10. According to the Register of Directors' Shareholdings, particulars of Directors' interests in the shares of the Company during the financial year are as follows:-

Name of Director	Number of Ordinary Shares of RM1 each			Balance 31.12.2000
	Balance 01.01.2000	Acquired	Disposed	
Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin				
Direct interest	155,000	-	-	155,000
Indirect interest	40,000	-	-	40,000
Tan Boon Seng @ Krishnan				
Direct interest	422,698	10,000	-	432,698
Indirect interest	321,698	36,000	-	357,698
Goh Chye Koon				
Direct interest	325,712	-	-	325,712
Ooi Poay Lum				
Direct interest	86,000	-	-	86,000
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor				
Direct interest	10,333	-	-	10,333
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob				
Direct interest	32,000	105,000	100,000	37,000
Dato' Goh Chye Keat				
Direct interest	558,362	100,000	-	658,362
Indirect interest	851,132	-	-	851,132
Dato' Arthur Tan Boon Shih				
Direct interest	140,000	-	-	140,000
Choo Choon Yeow				
Direct interest	190,000	234,000	32,000	392,000
Indirect interest	155,000	-	-	155,000
Khoo Chew Meng				
Direct interest	38,000	2,000	-	40,000
Soo Heng Chin				
Direct interest	146,000	-	76,000	70,000
Velayuthan A/L Tan Kim Song				
Direct interest	-	8,000	-	8,000

11. Particulars of Directors' share options during the financial year pursuant to the ESOS referred to in paragraph 7 above are as follows:-

	Number of Ordinary Shares of RM1 each		
	Balance 01.01.2000	Options Exercised	Balance 31.12.2000
Tan Boon Seng @ Krishnan	318,000	-	318,000
Goh Chye Koon	250,000	-	250,000
Ooi Poay Lum	214,000	-	214,000
Dato' Goh Chye Keat	328,000	100,000	228,000
Choo Choon Yeow	234,000	234,000	-
Khoo Chew Meng	214,000	-	214,000
Soo Heng Chin	174,000	-	174,000
Velayuthan A/L Tan Kim Song	282,000	8,000	274,000

12. Particulars of Directors' warrant holdings during the financial year are as follows:-

Name of Director	Balance 01.01.2000	Number of Warrants		Balance 31.12.2000
		Acquired	Disposed	
Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin				
Direct interest	-	31,000	-	31,000
Indirect interest	-	8,200	-	8,200
Tan Boon Seng @ Krishnan				
Direct interest	-	1,475,000	-	1,475,000
Indirect interest	-	184,000	-	184,000
Goh Chye Koon				
Direct interest	-	1,331,000	-	1,331,000
Ooi Poay Lum				
Direct interest	-	1,018,000	1,000	1,017,000
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob				
Direct interest	-	33,400	-	33,400
Dato' Goh Chye Keat				
Direct interest	-	132,000	-	132,000
Indirect interest	-	172,000	-	172,000
Dato' Arthur Tan Boon Shih				
Direct interest	-	100,000	-	100,000
Choo Choon Yeow				
Direct interest	-	90,000	-	90,000
Indirect interest	-	31,000	-	31,000
Khoo Chew Meng				
Direct interest	-	18,000	-	18,000
Soo Heng Chin				
Direct interest	-	1,015,000	-	1,015,000
Velayuthan A/L Tan Kim Song				
Direct interest	-	801,600	-	801,600

13. According to the Register of Directors' Shareholdings, none of the other Directors has any direct or indirect interests in the shares of the Company during the financial year.
14. 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 substantial financial interest other than Dato' Goh Chye Keat who has substantial financial interests in Industrial Concrete Products Berhad, an associated company of the Group which trades with the Company in the ordinary course of business.
15. 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.

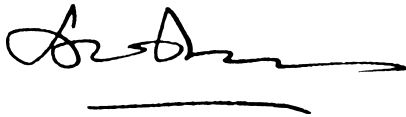
OTHER STATUTORY INFORMATION

16. 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 provision for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts; and
 - (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.
17. At the date of this report, the Directors are not aware of any circumstances:-
 - (a) which would render the amounts written off or provided for bad and 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;
 - (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; and
 - (c) not otherwise dealt with in this report or in the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.
18. In the interval between the end of the financial year and the date of this report:-
 - (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; and
 - (b) no charge has arisen on the assets of any company in the Group which secures the liability of any other person nor have any contingent liabilities arisen in any company in the Group.
19. 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 subsidiary companies to meet their obligations when they fall due.
20. In the opinion of the Directors:-
 - (a) 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 48 to 95 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 31 December 2000 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

AUDITORS

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

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



**TAN SRI DATO' HAJI AHMAD AZIZUDDIN
BIN HAJI ZAINAL ABIDIN**



TAN BOON SENG @ KRISHNAN

Petaling Jaya
21 February 2001

		The Group		The Company	
	Note	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
CAPITAL AND RESERVES					
Share capital	4	351,517	345,966	351,517	345,966
Share premium		208,913	203,482	208,913	203,482
Revaluation reserve		73,853	74,451	-	-
Exchange translation reserve		12,317	18,306	176	264
Capital reserves	5	55,990	21,314	-	-
Retained profits	6	490,607	429,202	213,121	192,177
Shareholders' equity		1,193,197	1,092,721	773,727	741,889
Minority interest		96,138	100,171	-	-
		1,289,335	1,192,892	773,727	741,889
DEFERRED AND LONG TERM LIABILITIES					
Bonds	7	245,684	95,191	150,000	-
Term loans	8	932	55,295	-	12,877
Hire purchase and lease creditors	9	39,277	35,043	-	-
Deferred taxation	10	8,710	10,900	3,103	3,103
Amount due to an associated company	11	36,295	35,071	-	-
Retirement benefits		1,673	1,797	1,032	1,179
		332,571	233,297	154,135	17,159
DEFERRED INCOME	12	18,199	18,931	-	-
		1,640,105	1,445,120	927,862	759,048
NON-CURRENT ASSETS					
Property, plant and equipment	13	504,169	423,103	21,092	17,418
Subsidiary companies	14	-	-	230,068	146,321
Associated companies	15	542,967	482,185	181,545	173,562
Investments	16	67,570	65,981	52,261	52,530
Long term receivables	17	65,860	73,024	-	-
Intangible assets	18	6,137	7,368	-	-
		1,186,703	1,051,661	484,966	389,831
CURRENT ASSETS					
Development properties	19	193,891	197,314	281	281
Inventories	20	55,240	47,531	7,012	6,252
Trade and other receivables	21	686,395	673,550	690,767	699,710
Short term investments	23	10,123	12,646	9,289	11,554
Deposits with licensed banks	24	106,059	19,645	85,887	10,388
Cash and bank balances	25	23,600	47,927	5,325	23,175
		1,075,308	998,613	798,561	751,360
CURRENT LIABILITIES					
Trade and other payables	27	405,796	379,998	260,786	240,975
Bank borrowings	28	174,729	182,372	84,016	117,662
Bank overdrafts	29	20,967	17,115	485	355
Provision for taxation		7,759	4,911	(2,277)	2,393
Proposed dividend		12,655	20,758	12,655	20,758
		621,906	605,154	355,665	382,143
NET CURRENT ASSETS		453,402	393,459	442,896	369,217
		1,640,105	1,445,120	927,862	759,048

The above balance sheets are to be read in conjunction with the notes to the financial statements on pages 55 to 95.

Income Statements

IJM CORPORATION BERHAD (104131-A)

for the year ended 31 December 2000

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		The Group		The Company	
	Note	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
OPERATING REVENUE	31	615,848	549,598	127,749	164,171
COST OF SALES		(504,638)	(408,582)	(71,228)	(114,732)
GROSS PROFIT		111,210	141,016	56,521	49,439
OTHER OPERATING INCOME		38,178	52,398	20,125	54,776
TENDERING, SELLING AND DISTRIBUTION EXPENSES		(3,785)	(4,191)	-	(853)
ADMINISTRATIVE EXPENSES		(38,470)	(46,417)	(8,337)	(16,067)
OTHER OPERATING EXPENSES		(18,378)	(23,923)	(1,726)	(9,796)
OPERATING PROFIT BEFORE FINANCE COSTS	32	88,755	118,883	66,583	77,499
FINANCE COSTS	33	(35,426)	(36,740)	(17,451)	(19,161)
OPERATING PROFIT AFTER FINANCE COSTS		53,329	82,143	49,132	58,338
SHARE OF RESULTS OF ASSOCIATED COMPANIES		55,383	55,860	-	-
SHARE OF RESULTS OF JOINTLY CONTROLLED ENTITIES		10,244	1,428	1,580	(1,321)
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION		118,956	139,431	50,712	57,017
TAXATION					
Company and subsidiary companies	34 (a)	(16,110)	1,882	(9,217)	(1,609)
Associated companies	34 (b)	(14,311)	(3,552)	-	-
		(30,421)	(1,670)	(9,217)	(1,609)
PROFIT FROM ORDINARY ACTIVITIES AFTER TAXATION		88,535	137,761	41,495	55,408
MINORITY INTEREST		(11,762)	(20,085)	-	-
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS		76,773	117,676	41,495	55,408
EARNINGS PER SHARE:-					
Basic	35 (a)	21.9 Sen	34.2 Sen		
Fully diluted	35 (b)	20.9 Sen	34.0 Sen		
DIVIDEND PER SHARE					
- Less income tax of 28%	36	8.0 Sen	-		
- Tax exempt	36	-	6.0 Sen		

The above income statements are to be read in conjunction with the notes to the financial statements on pages 55 to 95.

Statement of Changes in Equity

for the year ended 31 December 2000

The Group	Note	Non-distributable				Distributable		Total RM'000
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Capital reserves RM'000	Retained profits RM'000	
At 1 January 2000		345,966	203,482	74,451	18,306	21,314	429,202	1,092,721
Foreign exchange differences on opening balance		-	-	(57)	-	-	-	(57)
Reserve on consolidation		-	-	-	-	43	-	43
Share of share premium of an associated company		-	-	-	-	34,972	-	34,972
Reserves arising from translation of foreign subsidiary and associated companies and branch		-	-	-	(2,492)	-	-	(2,492)
Exchange differences arising from foreign equity investments net of foreign currency borrowings		-	-	-	806	-	-	806
Realisation of reserves on disposal of associated companies		-	-	(541)	(4,303)	(339)	5,183	-
Net gain not recognised in income statement		-	-	(598)	(5,989)	34,676	5,183	33,272
Net profit for the year		-	-	-	-	-	76,773	76,773
Dividends	36	-	-	-	-	-	(20,551)	(20,551)
Issue of shares under ESOS	4	5,447	5,224	-	-	-	-	10,671
Conversion of warrants	4	104	207	-	-	-	-	311
At 31 December 2000		351,517	208,913	73,853	12,317	55,990	490,607	1,193,197

The above statement of changes in equity is to be read in conjunction with the notes to the financial statements on pages 55 to 95.

The Group	Note	Non-distributable				Distributable		Total RM'000
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Capital reserves RM'000	Retained profits RM'000	
At 1 January 1999		342,090	200,304	78,592	16,359	21,395	331,477	990,217
Dilution of interest in a subsidiary company		-	-	-	-	61	-	61
Revaluation reserve of an associated company disposed		-	-	(4,018)	-	-	-	(4,018)
Disposal of property, plant and equipment by a subsidiary company		-	-	(2,791)	-	-	-	(2,791)
Share of revaluation reserves of associated companies		-	-	2,668	-	-	-	2,668
Reserves arising from translation of foreign subsidiary and associated companies and branch		-	-	-	1,520	-	-	1,520
Exchange differences arising from foreign equity investments net of foreign currency borrowings		-	-	-	1,199	-	-	1,199
Realisation of reserves on disposal of associated companies		-	-	-	(772)	(142)	914	-
Net loss not recognised in income statement		-	-	(4,141)	1,947	(81)	914	(1,361)
Net profit for the year		-	-	-	-	-	117,676	117,676
Dividends	36	-	-	-	-	-	(20,865)	(20,865)
Issue of shares under ESOS	4	3,876	3,178	-	-	-	-	7,054
At 31 December 1999		345,966	203,482	74,451	18,306	21,314	429,202	1,092,721

The above statement of changes in equity is to be read in conjunction with the notes to the financial statements on pages 55 to 95.

The Company	Note	Non-distributable			Distributable	Total RM'000
		Share capital RM'000	Share premium RM'000	Exchange translation reserve RM'000	Retained profits RM'000	
At 1 January 2000		345,966	203,482	264	192,177	741,889
Reserves arising from translation of foreign branch		-	-	(88)	-	(88)
Net loss not recognised in income statement		-	-	(88)	-	(88)
Net profit for the year		-	-	-	41,495	41,495
Dividends	36	-	-	-	(20,551)	(20,551)
Issue of shares under ESOS	4	5,447	5,224	-	-	10,671
Conversion of warrants	4	104	207	-	-	311
At 31 December 2000		351,517	208,913	176	213,121	773,727
At 1 January 1999		342,090	200,304	(176)	157,634	699,852
Reserves arising from translation of a foreign branch		-	-	(54)	-	(54)
Exchange differences arising from foreign equity investments net of foreign currency borrowings		-	-	494	-	494
Net gain not recognised in income statement		-	-	440	-	440
Net profit for the year		-	-	-	55,408	55,408
Dividends	36	-	-	-	(20,865)	(20,865)
Issue of shares under ESOS	4	3,876	3,178	-	-	7,054
At 31 December 1999		345,966	203,482	264	192,177	741,889

The above statement of changes in equity is to be read in conjunction with the notes to the financial statements on pages 55 to 95.

Consolidated Cash Flow Statement

IJM CORPORATION BERHAD (104131-A)

for the year ended 31 December 2000

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	Note	The Group	
		2000 RM'000	1999 RM'000
OPERATING ACTIVITIES			
Receipts from customers		579,326	616,907
Payments to contractors, suppliers and employees		(399,684)	(403,966)
Trade advances, deposits and prepayments		(44,037)	(133,147)
Interest received		12,086	17,035
Interest paid		(33,472)	(20,041)
Income tax paid		(15,410)	(25,517)
Net cash flow from operating activities		98,809	51,271
INVESTING ACTIVITIES			
Acquisitions of subsidiary companies	37 (a)	(2,735)	(2,486)
Acquisitions of shares from minority shareholders		(1,805)	(280)
Investments in associated companies		(20,157)	(11,500)
Acquisitions of long term investments		(669)	(5,221)
Acquisitions of short term investments		-	(839)
Purchases of property, plant and equipment		(106,583)	(87,757)
Disposal of shares in a subsidiary company	37 (b)	(63)	-
Disposal of shares in associated companies		651	59,665
Disposal of property, plant and equipment		7,520	77,024
Disposal of long term investments		159	238
Disposal of short term investments		-	1,492
Dividends received from associated companies		13,720	23,497
Dividends received from other investments		453	344
Short term deposits assigned to trustee		(3,753)	(7,872)
Advances to associated companies		(33,768)	(13,875)
Repayment from associated companies		51,490	136,322
Net cash flow from investing activities		(95,540)	168,752
FINANCING ACTIVITIES			
Issue of shares by the Company:-			
- Employees Share Option Scheme		10,671	7,054
- Conversion of warrants		311	-
Issue of shares by subsidiary company to minority shareholders		-	60
Issue of bonds		150,000	95,068
Bank borrowings		26,137	3,825
Repayments of bank borrowings		(88,115)	(211,958)
Repayments of hire purchase and lease instalments		(13,808)	(21,527)
Dividends paid by subsidiary companies to minority shareholders		(4,954)	(2,214)
Dividends paid by the Company		(28,598)	(12,429)
Net cash flow from financing activities		51,644	(142,121)
Net increase in cash and cash equivalents during the financial year		54,913	77,902
Cash and cash equivalents at beginning of financial year		42,585	(35,884)
Foreign exchange differences on opening balances		(431)	567
Cash and cash equivalents at end of financial year	38	97,067	42,585

The above consolidated cash flow statement is to be read in conjunction with the notes to the financial statements on pages 55 to 95.

Cash Flow Statement

for the year ended 31 December 2000

	Note	The Company 2000 RM'000	1999 RM'000
OPERATING ACTIVITIES			
Receipts from customers		231,696	158,514
Payments to contractors, suppliers and employees		(178,505)	(98,174)
Trade advances, deposits and prepayments		(17,251)	(20,245)
Interest received		21,499	29,626
Interest paid		(14,951)	(18,634)
Income tax paid		(5,720)	(4,197)
Net cash flow from operating activities		36,768	46,890
INVESTING ACTIVITIES			
Acquisitions of additional shares in subsidiary companies		(87,700)	(40,030)
Acquisitions of shares in associated companies		(19,826)	(5,043)
Acquisitions of long term investments		-	(5,194)
Acquisitions of short term investments		-	(813)
Disposal of shares in associated companies		15,345	43,483
Disposal of property, plant and equipment		569	21,889
Disposal of long term investments		-	139
Disposal of short term investments		-	1,414
Dividends received from subsidiary companies		12,829	8,892
Dividends received from associated companies		2,933	1,407
Dividends received from other investments		400	250
Purchases of property, plant and equipment		(5,699)	(1,124)
Advances to subsidiary companies		(112,665)	(99,035)
Advances to associated companies		(29,117)	(14,381)
Repayment from subsidiary companies		123,205	176,918
Repayment from associated companies		34,828	33,666
Net cash flow from investing activities		(64,898)	122,438
FINANCING ACTIVITIES			
Issue of shares by the Company:-			
- Employees Share Option Scheme		10,671	7,054
- Conversion of warrants		311	-
Issue of bonds		150,000	-
Repayments of bank borrowings		(46,609)	(103,908)
Repayments of hire purchase and lease instalments		(123)	(623)
Dividends paid by the Company		(28,598)	(12,429)
Net cash flow from financing activities		85,652	(109,906)
Net increase in cash and cash equivalents during the financial year		57,522	59,422
Cash and cash equivalents at beginning of financial year		33,208	(26,201)
Foreign exchange difference on opening balances		(3)	(13)
Cash and cash equivalents at end of financial year	38	90,727	33,208

The above cash flow statement is to be read in conjunction with the notes to the financial statements on pages 55 to 95.

GENERAL INFORMATION

1. The Company is principally engaged in construction, property development and investment holding. The Group's principal activities consist of construction, property development, manufacturing and quarrying, plantation and investment holding. The principal activities of the subsidiary and associated companies are described in Note 43 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of the Kuala Lumpur Stock Exchange. 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 number of employees in the Group and in the Company as at 31 December 2000 amounted to 1,225 (1999: 1,092) and 75 (1999: 73) respectively.

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2. The financial statements of the Group and of the Company have been prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3. The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Accounting Convention

The financial statements are prepared under the historical cost convention, (as modified for the revaluation of certain property, plant and equipment and certain investments and development properties) unless otherwise indicated in this summary of significant accounting policies.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiary companies are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Subsidiary companies are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements. The difference between the acquisition cost and the fair values of the subsidiary companies' net assets is reflected as goodwill on consolidation or reserve on consolidation and is amortised using the straight line method over its estimated useful economic life of 15 years.

All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary accounting policies for subsidiary companies have been changed to ensure consistency with policies adopted by the Group. Separate disclosure is made of minority interest.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill on acquisition and exchange differences which were not previously recognised in the consolidation income statement.

(c) Subsidiary Companies

Investments in subsidiary companies are stated at cost except where the Directors are of the opinion that there is a permanent diminution in the value of the investment, in which case provision is made for the diminution in value.

(d) Associated Companies

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting.

The Group treats as associated companies those companies where it is able to exercise significant influence by representation on the board of directors and/or participation in the financial and operating decision making processes of the investee but not control over those policies.

Investments in associated companies are stated at cost except where the Directors are of the opinion that there is a permanent diminution in the value of the investment, in which case provision is made for the diminution in value.

Equity accounting involves recognising in the income statement the Group's share of the results of associated companies for the period. The Group's investments in associated companies are carried in the balance sheet at an amount that reflects its share of the net assets of the associated companies and includes goodwill on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

Goodwill on acquisition of associated companies are stated at cost except where the Directors are of the opinion there is a permanent diminution in value, in which case a provision is made for the diminution in value.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the assets transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associated companies to ensure consistency of accounting policies with the Group.

The depreciation policy on Highway Expenditure below is adopted by associated companies, engaged in operation and maintenance of tolled roads and expressways.

The Highway Development Expenditure comprise development and upgrading expenditure (including interest charges relating to the financing of the development prior to the completion of the highways) incurred to bring the highway to their completion to enable commencement of tolling operations.

The cumulative Highway Development Expenditure are depreciated and charged to the income statements of the associated companies over the concession periods of 20 to 30 years upon the completion of the development work of the highways based on the proportion of actual toll paying vehicles recorded during the financial year to total projected toll paying vehicles for the entire concession period. The Directors will base these projections on transit studies updated annually.

(e) Jointly Controlled Entities

The Group's interest in jointly controlled entities, which are entities in which the Group has short duration contractual arrangements with third parties to undertake construction and other projects, are accounted for in the consolidated financial statements using the equity method of accounting where the Group's share of results of the jointly controlled entities is included in the consolidated financial statements.

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

(f) Investments

Long term investments are stated at cost unless in the opinion of the Directors, there has been permanent diminution in value, in which case a provision is made for the diminution in value.

Short term investments in quoted shares are stated at the lower of cost and market value determined on an aggregate basis.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

(g) Currency Translations

Foreign currency transactions are converted into Ringgit Malaysia at the rates of exchange ruling on the transaction dates. Exchange differences arising on settlement of monetary items or on translating monetary assets and liabilities at rates of exchange ruling at year end are taken to income statement.

Exchange differences arising on foreign currency borrowings that have been used to finance equity investments in foreign currencies are dealt with through exchange translation reserve to the extent that they are covered by exchange differences arising on the net assets represented by the equity investments.

Assets and liabilities of foreign subsidiary and associated companies, both monetary and non-monetary, are translated into Ringgit Malaysia at the rates of exchange ruling at financial year end; and income and expense items are translated at exchange rates at the date of the transactions. All resulting exchange differences are dealt with through the exchange translation reserve.

The principal closing rates used in translation of foreign currency amounts are as follows:

	31.12.2000	31.12.1999
Foreign currency	RM	RM
1 US Dollar	3.800	3.800
1 Australian Dollar	2.106	2.451
1 Singapore Dollar	2.193	2.259
1 Hongkong Dollar	0.487	0.484
1 Chinese Renminbi	0.459	0.459
1 Indian Rupee	0.081	0.085

(h) Property, Plant and Equipment and Depreciation

All property, plant and equipment are stated at cost or at valuation less accumulated depreciation except for freehold land, long term leasehold land of 50 years and above, plantation development expenditure incurred for new planting and capital work-in-progress which are not depreciated. The Directors are of the opinion that the non-amortisation of the long term leasehold land has no material effect on the financial statements. The depreciation charge for the financial year to the income statement, had the long term leasehold land been depreciated over their leasehold period, amounted to RM231,000.

Plantation land and development expenditure comprise land stated at cost or valuation and expenditure incurred on new planting, estate administration and upkeep of plantation up to its maturity. All expenditure incurred subsequent to maturity and replanting expenditure is charged to the income statement when incurred.

On other assets, depreciation is calculated to write off the cost or revalued amount of property, plant and equipment on a straight line basis at rates that will write off the assets, less their estimated residual values, over their expected useful lives. The annual rates of depreciation are:-

Leasehold land of below 50 years	2	-	2.5%
Buildings	2	-	20.0%
Plant, machinery and equipment	10	-	20.0%
Office equipment, furniture and fittings	5	-	33.3%
Office renovations	10	-	20.0%
Motor vehicles	20	-	25.0%

The Directors have applied the transitional provision of the International Accounting Standards No. 16 (Revised) on Property, Plant and Equipment, which allows the assets to be stated at their last revalued amounts less depreciation. Accordingly, these valuations have not been updated.

Depreciation on assets under construction commences when the assets are ready for their intended use.

Where the carrying amount of an assets is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

(i) Revenue and Profit Recognition**(i) Construction Contract Revenue and Expenditure**

Where the outcome of the construction contract can be estimated reliably, contract revenue and costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract. 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 contract costs.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as an expense in the period.

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

(ii) Revenue and Profit from Property Development

Progress billings from property development represent the value of the development properties sold recognised by reference to the stage of completion of the properties.

Profits on sale of development properties are recognised using the percentage of completion method. Anticipated losses are provided for in full.

(iii) Revenue from Sale of Goods

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

(iv) Other Revenues

Dividend income is recognised when the shareholder's right to receive payment is established. Interest income is recognised as it accrues unless collectibility is in doubt.

(j) Capitalisation of Finance Costs

Interest incurred on borrowings directly associated with development properties and new planting activities, up to completion and maturity respectively, is capitalised and included as part of development expenditure and plantation development expenditure respectively.

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

(k) Development Properties

The cost of land held for development and related development costs are carried forward as development property and expenditure respectively. Where applicable, the fair value of land at the date of acquisition of subsidiary companies is carried forward in place of cost. Costs charged to the income statements comprise proportionate cost of land and related development costs.

The Group considers as current assets that portion of development properties where significant development work has been undertaken and is expected to be completed within the normal operating cycle of two to three years.

(l) Inventories**(i) 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 costs.

(ii) Finished Goods, Raw Materials, Construction Materials, Store and Spares

Inventories are valued at the lower of cost and net realisable value after adequate provision has been made for all deteriorated, damaged, obsolete or slow-moving stocks. Cost is determined on a weighted average basis. The costs of raw materials, stores and spares comprise the original cost of purchase plus the cost of bringing the stocks to their present location and for finished goods, it consists of direct materials, direct labour, direct charges and variable production overheads.

(m) **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 for 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 from construction contracts under trade and other payables.

(n) **Trade Receivables**

Trade receivables include retention monies withheld by principals. Known bad debts are written off and a provision is made for any considered to be doubtful of collection.

(o) **Leased Assets**

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 estimated present value of the underlying lease payments at the date of inception. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the lease principal outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period.

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.

For sale and leaseback transactions involving property, plant and equipment which resulted in finance leases, the excess of sales proceeds over the carrying amount of the aforesaid assets are amortised on the straight line basis over the period of the leases which have duration of 3 to 4 years.

(p) **Deferred Expenditure**

- (i) Premium paid on the conversion of leasehold mining land to industrial land is written off on a straight line basis over the leasehold period. During the financial year, the premium has now been included in property, plant and equipment.
- (ii) Expenses incurred on the development of quarry face are written off on straight line basis over the economic useful lives of the quarry face developed. The development is normally undertaken in phases and the useful lives of each phase is approximately two to three years.
- (iii) During the financial year, pre-operating expenses amounting to RM684,000 of the Group have been written off to the consolidated income statement.

In prior years, pre-operating expenses incurred were stated at cost and were amortised on a straight line basis over five years upon commencement of operations of the respective companies. However, the impact of the amount written off was not material.

(q) Deferred Taxation

Provision is made using the liability method, for taxation deferred by timing differences except where it is thought reasonably probable that the tax effects of such deferrals will continue in the foreseeable future.

No future income tax benefit is recognised in respect of unutilised tax losses and timing differences that result in a net debit unless it can be demonstrated that these benefits can be realised in the foreseeable future.

(r) Retirement Benefits

The Company and certain subsidiary companies participated in the IJM Retirement Scheme which is an approved defined benefits scheme under Section 150 of the Income Tax Act, 1967. The benefits payable on retirement are based on length of service and average basic salary over the last five years of service. The liability in respect of the said defined benefits scheme is determined by an actuarial valuation carried out every three years by a qualified actuary based on the projected benefits valuation method. The last valuation was carried out in December 1999.

The cost of providing retirement benefits based on the latest actuarial valuation obtained is charged against profits on a systematic basis so as to be sufficient to meet the liability of the scheme over the future working lives of the existing employees. The difference between the amount charged in the income statement and payments made to the fund is treated as a deferred liability.

(s) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, bank overdrafts, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

SHARE CAPITAL

	The Group and The Company	
	2000	1999
	RM'000	RM'000
4. Ordinary shares of RM1 each:-		
(a) Authorised	1,000,000	1,000,000
(b) Issued and fully paid:-		
At 1 January	345,966	342,090
Issued under the Employees Share Option Scheme (ESOS)	5,447	3,876
Conversion of warrants	104	-
At 31 December	351,517	345,966

(c) During the financial year, the issued and paid-up share capital of the Company was increased from RM345,965,654 to RM351,516,654 by way of:

- (i) the issuance of 5,447,000 new ordinary shares of RM1 each pursuant to the ESOS at the following option prices:
 - 338,000 new ordinary shares of RM1 each at the exercise price of RM4.01 per share;
 - 8,000 new ordinary shares of RM1 each at the exercise price of RM3.89 per share; and
 - 5,101,000 new ordinary shares of RM 1 each at the exercise price of RM1.82 per share.
- (ii) The issuance of 104,000 new ordinary shares of RM1 each arising from the conversion of warrants 2000/2004 at the price of RM2.99 in accordance with the provisions of the Deed Poll constituting the warrants dated 24 January 2000.

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

(d) As at 31 December 2000, the unexercised options under the ESOS are as follows:-

Exercise Price	No. of ordinary shares of RM1 each ('000)	
	2000	1999
RM 4.01 *	11,527	12,060
RM 3.89	490	514
RM 1.82	1,208	6,477
	<u>13,225</u>	<u>19,051</u>

* Adjusted for bonus issue in 1995.

(e) During the financial year, the Company issued 80,178,930 warrants 2000/2004 as described in note 7 (b) (ii). As at the balance sheet date, the total number of warrants 2000/2004 which remained unexercised amounted to 80,074,930.

CAPITAL RESERVES

	The Group	
	2000 RM'000	1999 RM'000
5. Capitalisation of post acquisition reserves in subsidiary and associated companies:-		
As at 1 January	12,902	12,983
Arising from dilution of interest in a subsidiary company	-	61
Realisation on disposal of associated companies	(339)	(142)
As at 31 December	<u>12,563</u>	<u>12,902</u>
Share of share premium of associated companies:-		
As at 1 January	8,412	8,412
Arising from issue of additional shares by an associated company	34,972	-
As at 31 December	<u>43,384</u>	<u>8,412</u>
Reserve on consolidation:-		
As at 1 January	-	-
Arising from acquisition of a subsidiary company	43	-
As at 31 December	<u>43</u>	<u>-</u>
Total capital reserves	<u>55,990</u>	<u>21,314</u>

RETAINED PROFITS

6. The Company has sufficient tax exempt income and tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends of approximately RM79,338,000 (1999: RM51,613,000) and RM119,636,000 (1999: RM129,443,000) respectively out of its retained profits as at 31 December 2000 without incurring any additional tax liabilities.

BONDS

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
7 (a) 8% Secured Fixed Rate Bond 1999/2009	100,000	100,000	-	-
Less:				
Discount on issuance	4,932	4,932	-	-
Amortisation	(616)	(123)	-	-
	4,316	4,809	-	-
	95,684	95,191	-	-
(b) 5% Redeemable Unsecured Bond 2000/2005	150,000	-	150,000	-
	245,684	95,191	150,000	-

The principal features of the bonds are as follows:

- (i) The RM100,000,000 nominal amount of 8% Secured Fixed Rate Bond 1999/2009 was issued by a subsidiary company at RM95.068 per RM100 nominal value to two local licensed banks, being the primary subscribers, on a bought deal basis. The bond is secured by way of assignment of all rights under the Concession Agreement between the subsidiary company and the Government of Malaysia referred to in Note 17 to the financial statements. The bond ranks parri passu and rateably among themselves and in priority to all other unsecured indebtedness.

The bond carries a fixed coupon rate of 8% per annum payable semi-annually in arrears. At the end of its tenure, the bond will be redeemed at 100% of its nominal value on 15 October 2009.

- (ii) The RM150,000,000 nominal amount of 5% Redeemable Unsecured Bond 2000/2005 was issued by the Company with 80,178,930 detachable warrants to a primary subscriber on a bought deal basis.

The bond was issued at 100% nominal amount and carries a fixed coupon rate of 5% per annum payable semi-annually in arrears. At the end of its tenure, the bond will be redeemed at 100% nominal value together with interest accrued to the date of maturity on 28 February 2005.

LONG TERM LOANS

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
8. (a) Secured				
Payable within 1 year	42,008	42,896	-	-
Payable between 1 and 2 years	878	42,261	-	-
Payable between 2 and 5 years	54	157	-	-
Payable after 1 year	932	42,418	-	-
	42,940	85,314	-	-
Unsecured				
Payable within 1 year	12,201	26,908	12,201	26,908
Payable between 1 and 2 years	-	12,877	-	12,877
	12,201	39,785	12,201	39,785
Total				
Payable within 1 year	54,209	69,804	12,201	26,908
Payable between 1 and 2 years	878	55,138	-	12,877
Payable between 2 and 5 years	54	157	-	-
Payable after 1 year	932	55,295	-	12,877
	55,141	125,099	12,201	39,785

- (b) The term loans are obtained at interest rates ranging between 6.49% and 9.19% (1999: 6.16% and 10.30%) per annum during the financial year and repayable by fixed instalments which vary from monthly, quarterly to half yearly basis.

	The Group	
	2000	1999
	RM'000	RM'000
(c) The secured long terms are secured by:-		
a debenture incorporating fixed and floating charges over a subsidiary company's present assets	233	522
fixed and floating charges over a subsidiary company's assets and guaranteed by the Company	38,760	77,520
fixed and floating charges over certain subsidiary companies' development properties	3,947	7,272
	42,940	85,314

HIRE PURCHASE AND LEASE CREDITORS

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
9. Minimum payments:				
- payable within 1 year	20,606	14,001	-	126
- payable between 1 and 5 years	42,895	39,888	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	63,501	53,889	-	126
Less: Future finance charges	7,482	7,397	-	3
	<hr/>	<hr/>	<hr/>	<hr/>
Present value of liabilities	56,019	46,492	-	123
	<hr/>	<hr/>	<hr/>	<hr/>
Representing liabilities				
Payable within 1 year				
(included in other payables and accruals)	16,742	11,449	-	123
Payable between 1 and 5 years	39,277	35,043	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	56,019	46,492	-	123
	<hr/>	<hr/>	<hr/>	<hr/>

DEFERRED TAXATION

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
10. (a) At 1 January	10,900	11,716	3,103	3,103
Effect of acquisition of additional equity interest in a subsidiary company	-	196	-	-
Transfer to income statement (Note 34)	(2,190)	(1,012)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December	8,710	10,900	3,103	3,103
	<hr/>	<hr/>	<hr/>	<hr/>

(b) The deferred tax effects of revalued assets are not disclosed because the Group has no intention to dispose of these assets in the foreseeable future.

(c) Deferred taxation has been provided for all timing differences.

AMOUNT DUE TO AN ASSOCIATED COMPANY

11. The amount due to an associated company is secured by way of a fixed charge over certain long term leasehold plantation land and development expenditure of the Group with a net book value of RM61,838,000. (1999: RM61,838,000). The amount is repayable by way of a bullet payment 7 years from the first drawdown date on 25 October 1999 and bears interest at a fixed rate of 9.95% (1999: 9.95%) per annum. The proceeds were utilised for the plantation division's capital expenditure.

DEFERRED INCOME

12. Deferred income represents the excess of sales proceeds over the carrying amount of property, plant and equipment arising from the sale and leaseback arrangements which resulted in finance leases.

PROPERTY, PLANT AND EQUIPMENT

13. The details of property, plant and equipment are as follows:-

(a) The Group**2000**

	Land				
	Freehold	Long term leasehold	Long term leasehold	Short term leasehold	Long term leasehold plantation land & development expenditure
	At cost RM'000	At cost RM'000	At valuation RM'000	At cost RM'000	At cost RM'000
Cost or valuation:-					
At 1 January	3,268	35,332	955	4,705	66,139
Additions	458	2,980	-	94	46,693
Acquisition of subsidiary companies	-	-	-	-	2,808
Disposals	-	-	-	-	-
Disposal of subsidiary companies	-	-	-	-	-
Written off	-	-	-	-	-
Transfers / reclassification	-	(2,488)	-	-	2,589
Exchange differences arising from translation of assets of a foreign entity	-	-	-	-	-
At 31 December	3,726	35,824	955	4,799	118,229
Less:					
Accumulated depreciation:					
At 1 January	-	-	-	383	-
Charge for the year	-	-	-	144	-
Acquisition of subsidiary companies	-	-	-	-	-
Disposals	-	-	-	-	-
Disposal of subsidiary companies	-	-	-	-	-
Written off	-	-	-	-	-
Transfers / reclassification	-	-	-	-	-
Exchange differences arising from translation of assets of a foreign entity	-	-	-	-	-
At 31 December	-	-	-	527	-
Net book value					
At 31 December 2000	3,726	35,824	955	4,272	118,229

Long term leasehold plantation land & development expenditure At valuation RM'000	Buildings At cost RM'000	Buildings At valuation RM'000	Plant, machinery, equipment & vehicles At cost RM'000	Office equipment, furniture & fittings & renovations At cost RM'000	Capital work in progress At cost RM'000	Total RM'000
146,948	34,610	9,130	140,570	12,533	37,307	491,497
-	22,479	-	17,187	3,293	16,363	109,547
-	-	-	125	65	-	2,998
-	-	-	(2,968)	(72)	(6,439)	(9,479)
-	-	-	(320)	(40)	-	(360)
-	(150)	-	(24)	(422)	-	(596)
-	(25)	-	(1,593)	(72)	-	(1,589)
-	-	-	(33)	(15)	-	(48)
146,948	56,914	9,130	152,944	15,270	47,231	591,970
-	12,600	1,694	44,812	8,905	-	68,394
-	1,666	548	18,540	1,438	-	22,336
-	-	-	9	16	-	25
-	-	-	(2,047)	(65)	-	(2,112)
-	-	-	(281)	(39)	-	(320)
-	(110)	-	(20)	(375)	-	(505)
-	-	-	(7)	5	-	(2)
-	-	-	(13)	(2)	-	(15)
-	14,156	2,242	60,993	9,883	-	87,801
146,948	42,758	6,888	91,951	5,387	47,231	504,169

PROPERTY, PLANT AND EQUIPMENT (Continued)

13. The details of property, plant and equipment are as follows:-

(a) The Group**1999**

	Land					
	Freehold	Long term leasehold	Long term leasehold	Short term leasehold	Long term leasehold plantation land & development expenditure	Long term leasehold plantation land & development expenditure
	At cost RM'000	At cost RM'000	At valuation RM'000	At cost RM'000	At cost RM'000	At valuation RM'000
Cost or valuation:-						
At 1 January	2,405	28,994	955	4,981	5,552	146,948
Additions	1,012	5,460	-	-	32,119	-
Acquisition of subsidiary companies	-	-	-	-	28,468	-
Disposals	(149)	-	-	-	-	-
Written off	-	-	-	-	-	-
Transfers / reclassification	-	878	-	(276)	-	-
Exchange differences arising from translation of assets of a foreign entity	-	-	-	-	-	-
At 31 December	3,268	35,332	955	4,705	66,139	146,948
Less:						
Accumulated depreciation:						
At 1 January	-	-	-	244	-	-
Charge for the year	-	-	-	139	-	-
Acquisition of subsidiary companies	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Written off	-	-	-	-	-	-
Transfers / reclassification	-	-	-	-	-	-
Exchange differences arising from translation of assets of a foreign entity	-	-	-	-	-	-
At 31 December	-	-	-	383	-	-
Net book value						
At 31 December 1999	3,268	35,332	955	4,322	66,139	146,948

Buildings	Buildings	Plant, machinery & equipment	Plant, machinery, equipment & vehicles	Office equipment, furniture & fittings & renovations	Capital work in progress	
At cost RM'000	At valuation RM'000	At valuation RM'000	At cost RM'000	At cost RM'000	Total RM'000	RM'000
27,159	9,130	20,815	152,710	11,604	927	412,180
7,481	-	-	67,841	935	35,898	150,746
175	-	-	2,552	147	1,795	33,137
-	-	(20,815)	(83,941)	(177)	-	(105,082)
-	-	-	(270)	(43)	-	(313)
(205)	-	-	1,673	67	(1,313)	824
-	-	-	5	-	-	5
34,610	9,130	-	140,570	12,533	37,307	491,497
11,090	847	2,081	80,855	7,532	-	102,649
1,692	847	2,082	17,682	1,287	-	23,729
47	-	-	646	26	-	719
-	-	(4,163)	(55,079)	(122)	-	(59,364)
-	-	-	(129)	(37)	-	(166)
(229)	-	-	834	219	-	824
-	-	-	3	-	-	3
12,600	1,694	-	44,812	8,905	-	68,394
22,010	7,436	-	95,758	3,628	37,307	423,103

PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) The Company

2000

	Land					
	Freehold land	Long term leasehold land & building	Buildings	Plant, machinery, equipment & vehicles	Office equipment, furniture & fittings & renovations	Total
	At cost RM'000	At cost RM'000	At cost RM'000	At cost RM'000	At cost RM'000	RM'000
Cost:-						
At 1 January	-	11,500	3,619	8,548	4,028	27,695
Additions	-	-	5,092	394	214	5,700
Disposals	-	-	-	(2,051)	-	(2,051)
At 31 December	-	11,500	8,711	6,891	4,242	31,344
Less:						
Accumulated depreciation						
At 1 January	-	1,916	350	4,488	3,523	10,277
Charge for the year	-	138	70	1,164	172	1,544
Disposals	-	-	-	(1,569)	-	(1,569)
At 31 December	-	2,054	420	4,083	3,695	10,252
Net book value						
At 31 December 2000	-	9,446	8,291	2,808	547	21,092

1999

	Land					
	Freehold land	Long term leasehold land & building	Buildings	Plant, machinery, equipment & vehicles	Office equipment, furniture & fittings & renovations	Total
	At cost RM'000	At cost RM'000	At cost RM'000	At cost RM'000	At cost RM'000	RM'000
Cost:-						
At 1 January	149	11,500	3,619	38,903	3,963	58,134
Additions	-	-	-	1,059	65	1,124
Disposals	(149)	-	-	(31,414)	-	(31,563)
At 31 December	-	11,500	3,619	8,548	4,028	27,695
Less:						
Accumulated depreciation						
At 1 January	-	1,779	287	18,984	3,278	24,328
Charge for the year	-	137	63	4,526	245	4,971
Disposals	-	-	-	(19,022)	-	(19,022)
At 31 December	-	1,916	350	4,488	3,523	10,277
Net book value						
At 31 December 1999	-	9,584	3,269	4,060	505	17,418

(c) **Valuation**

The buildings, long term leasehold land, long term leasehold plantation land and development expenditure of certain plantation subsidiary companies were revalued in 1997 on an open market value basis by a firm of independent professional valuers.

	The Group	
	2000	1999
	RM'000	RM'000
The net book values of the revalued land, buildings and plantation development expenditure had these assets been carried at cost less accumulated depreciation:		
- long term leasehold land	12,588	12,588
- long term leasehold plantation land and development expenditure	47,787	47,787
- buildings	4,565	4,994
	<u>64,940</u>	<u>65,369</u>

(d) **Plantation development expenditure**

The expenses incurred during the financial year which have been charged to the Group's plantation development expenditure include depreciation charge amounting to RM1,534,000 (1999: RM1,413,000) and interest expense amounting to RM2,718,000 (1999: RM6,637,000).

(e) **Assets acquired under finance lease agreements**

Included in property, plant and equipment of the Group and the Company are the net book values of the following assets acquired under finance lease agreements:-

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Plant, machinery, equipment and vehicles	55,509	64,690	-	192

(f) Certain long term leasehold plantation land and development expenditure of the Group, at a net book value of RM61,838,000 have been charged as security for the amount due to an associated company referred to in Note 11 to the financial statements.

(g) The net book values of assets pledged as securities for term loan facilities (Note 8) and bank overdrafts (Note 29):-

	The Group	
	2000	1999
	RM'000	RM'000
Leasehold land	1,353	1,379
Buildings	267	274
Plant and machinery and vehicles	227	422
Furniture and fittings	5	11
	<u>1,852</u>	<u>2,086</u>

SUBSIDIARY COMPANIES

	The Company	
	2000	1999
	RM'000	RM'000
14. Unquoted shares, at cost		
- in Malaysia	224,879	140,958
- outside Malaysia	5,362	5,363
	<hr/>	<hr/>
	230,241	146,321
Less: Provision for diminution in value	173	-
	<hr/>	<hr/>
	230,068	146,321
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The Group's effective equity interest in the subsidiary companies and their respective principal activities and countries of incorporation are set out in Note 43 to the financial statements.

ASSOCIATED COMPANIES

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
15. At cost:-				
Quoted shares				
- in Malaysia	46,476	45,649	46,476	45,649
- outside Malaysia	160,882	154,224	38,080	19,080
	<hr/>	<hr/>	<hr/>	<hr/>
	207,358	199,873	84,556	64,729
Unquoted shares				
- in Malaysia	85,957	80,925	51,650	57,014
- outside Malaysia	135,118	121,887	52,979	54,319
	<hr/>	<hr/>	<hr/>	<hr/>
	428,433	402,685	189,185	176,062
Share of post acquisition retained profits	126,478	86,304	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	554,911	488,989	189,185	176,062
Less: Provision for diminution in value	11,944	6,804	7,640	2,500
	<hr/>	<hr/>	<hr/>	<hr/>
	542,967	482,185	181,545	173,562
	<hr/>	<hr/>	<hr/>	<hr/>
Represented by:-				
Group's share of net assets	502,556	456,334		
Group's share of goodwill	2,971	-		
Goodwill on acquisition	37,440	25,851		
	<hr/>	<hr/>		
	542,967	482,185		
	<hr/>	<hr/>		
Market value of:-				
Quoted shares				
- in Malaysia	43,077	51,173	43,077	51,173
- outside Malaysia	192,251	142,962	51,987	33,420
	<hr/>	<hr/>	<hr/>	<hr/>
	235,328	194,135	95,064	84,593
	<hr/>	<hr/>	<hr/>	<hr/>

The Group's effective equity interest in the associated companies and their respective principal activities and countries of incorporation are set out in Note 43 to the financial statements.

INVESTMENTS

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
16. At cost:-				
Quoted shares				
- in Malaysia	48,911	48,911	48,911	48,911
- outside Malaysia	14,400	238	54	54
	63,311	49,149	48,965	48,965
Unquoted shares				
- in Malaysia	7,802	7,755	6,500	6,500
- outside Malaysia	260	260	260	260
	8,062	8,015	6,760	6,760
Quoted non-convertible loan stock				
- outside Malaysia	359	359	359	359
Unquoted unit trusts				
- outside Malaysia	1,742	13,153	-	-
	73,474	70,676	56,084	56,084
Less: Provision for diminution in value	5,904	4,695	3,823	3,554
	67,570	65,981	52,261	52,530
Market value of:-				
Quoted shares				
- in Malaysia	23,498	29,187	23,498	29,187
- outside Malaysia	14,851	371	144	207
	38,349	29,558	23,642	29,394
Quoted non-convertible loan stock				
- outside Malaysia	450	599	450	599
	38,799	30,157	24,092	29,993

Although at balance sheet date, the costs of the Group's quoted long term investments exceeded their market values, these investee companies are profitable and their attributable net tangible assets are above the cost of the Group. As such, the Directors are of the opinion that a provision for diminution of investments is not necessary.

LONG TERM RECEIVABLES

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
17. Receivables	73,024	80,188	-	-
Less:				
Amount due within 12 months (included in trade receivables - Note 21)	7,164	7,164	-	-
Amount due after 12 months	65,860	73,024	-	-

LONG TERM RECEIVABLES (Continued)

The amount represents the cost of construction incurred up to 31 December 1997 on the Kementerian Kerja Raya Office Blocks by a subsidiary company. The cost of construction upon completion is reimbursable 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 company 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 7 to the financial statements.

INTANGIBLE ASSETS

	The Group	
	2000	1999
	RM'000	RM'000
18. Goodwill on consolidation	3,097	3,109
Deferred expenditure	3,040	4,259
	<hr/>	<hr/>
	6,137	7,368
	<hr/>	<hr/>
a) Goodwill on consolidation		
Cost		
At 1 January	9,085	9,085
Arising from the acquisition of subsidiary companies	354	-
	<hr/>	<hr/>
At 31 December	9,439	9,085
Less: Accumulated amortisation		
At 1 January	5,976	5,664
Current amortisation	366	312
	<hr/>	<hr/>
At 31 December	6,342	5,976
	<hr/>	<hr/>
	3,097	3,109
	<hr/>	<hr/>
b) Deferred expenditure		
Deferred expenditure comprises:-		
At cost:-		
Premium paid on the conversion of leasehold mining land to industrial land	-	110
Expenses incurred on the development of quarry face	11,737	10,115
Pre-operating expenses	-	684
	<hr/>	<hr/>
	11,737	10,909
Less: Accumulated amortisation	8,697	6,650
	<hr/>	<hr/>
	3,040	4,259
	<hr/>	<hr/>

DEVELOPMENT PROPERTIES

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
19. At valuation:				
Freehold land	7,222	7,585	-	-
At cost:				
Freehold land	224,655	131,292	281	281
Leasehold land	209,015	121,075	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	440,892	259,952	281	281
Add: Attributable profits	34,664	10,812	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	475,556	270,764	281	281
Less: Progress billings	281,665	73,450	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	193,891	197,314	281	281
	<hr/>	<hr/>	<hr/>	<hr/>

Included in the development properties of the Group are interests incurred and capitalised during the financial year amounting to RM Nil (1999: RM416,000).

INVENTORIES

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
20. At cost:				
Completed buildings	33,491	24,907	5,982	5,959
Construction materials	7,175	4,620	1,030	256
Raw materials	1,207	887	-	-
Finished goods	2,306	3,388	-	-
Stores and spares	5,070	5,261	-	37
Oil palm nurseries	1,980	6,671	-	-
Consumables	164	110	-	-
Fertilisers and chemicals	728	1,687	-	-
Work-in-progress	23	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	52,144	47,531	7,012	6,252
	<hr/>	<hr/>	<hr/>	<hr/>
At net realisable value:				
Crude palm oil	2,764	-	-	-
Palm kernel	332	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	3,096	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	55,240	47,531	7,012	6,252
	<hr/>	<hr/>	<hr/>	<hr/>

TRADE AND OTHER RECEIVABLES

	Note	The Group		The Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
21. Trade receivables		411,604	377,077	141,254	195,142
Less: Provision for doubtful debts		38,162	38,751	23,317	25,317
		373,442	338,326	117,937	169,825
Amounts due from customers on construction contracts	30	23,781	29,823	9,835	2,744
Amounts owing by subsidiary companies		-	-	421,608	383,186
Amounts owing by associated companies		149,439	178,358	74,075	90,962
Less: Provision for doubtful debts		3,197	1,903	2,010	716
		146,242	176,455	72,065	90,246
Amounts owing by jointly controlled entities	26	62,291	28,528	42,500	23,437
Other receivables	22	80,639	100,418	26,822	30,272
		686,395	673,550	690,767	699,710

The amounts owing by subsidiary companies and associated companies are unsecured, bear interest ranging from 7.50% to 8.80% (1999: 7.80% to 10.05%) per annum and have no fixed terms of repayment.

OTHER RECEIVABLES

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
22. Trade and tender deposits	24,834	34,411	11,761	3,426
Trade advances	34,959	43,050	10,746	25,748
Other deposits and prepayments	20,846	22,957	4,315	1,098
	80,639	100,418	26,822	30,272

SHORT TERM INVESTMENTS

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
23. At cost:-				
Quoted shares - in Malaysia	21,669	21,675	20,387	20,387
Quoted debentures - in Malaysia	221	221	-	-
	21,890	21,896	20,387	20,387
Less: Provision for diminution in value of investments	11,767	9,250	11,098	8,833
	10,123	12,646	9,289	11,554
Market value:				
Quoted shares - in Malaysia	10,096	12,583	9,289	11,554
Quoted debentures - in Malaysia	27	63	-	-
	10,123	12,646	9,289	11,554

DEPOSITS WITH LICENSED BANK

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
24. Short term deposits with a licensed bank	11,625	7,872	-	-
Fixed deposits with licensed banks	94,434	11,773	85,887	10,388
	<u>106,059</u>	<u>19,645</u>	<u>85,887</u>	<u>10,388</u>

The short term deposits with a licensed bank are assigned to the trustee of the bond holders to hold as security in connection with the 8% Secured Fixed Rate Bond issued by a subsidiary company during the financial year referred to in Note 7 to the financial statements. The short term deposits are maintained by the trustee for payment of interest, income tax and for the redemption of the bond. Surplus fund could only be released to the subsidiary company with the consent of the trustee.

CASH AND BANK BALANCES

25. Cash and bank balances include balances amounting to RM1,879,000 (1999: RM2,304,000) 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.

AMOUNTS OWING BY JOINTLY CONTROLLED ENTITIES

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
26. (a) Amounts owing by jointly controlled entities	41,252	21,061	30,125	20,284
Share of profits	21,039	7,467	12,375	3,153
	<u>62,291</u>	<u>28,528</u>	<u>42,500</u>	<u>23,437</u>

(b) Details of the jointly controlled entities are as follows:

	Group's effective interest in jointly controlled entities		Principal activity
	2000	1999	
IJM-Gammon Joint Venture	50%	50%	Construction
Dywidag-IJM Joint Venture	49%	49%	Construction
IJM-IT&T Joint Venture	51%	51%	Construction
IJM-Rezeki Joint Venture	70%	70%	Construction
IJM-Perkasa Sutera Joint Venture	70%	70%	Construction
IJM-SCL Joint Venture	50%	50%	Construction
IJM-Salcon Joint Venture	50%	50%	Construction
IJM-Gayatri Joint Venture	60%	60%	Construction
WGI-IJM Joint Venture	40%	40%	Construction
Liberty Properties – IJM Joint Venture	60%	-	Construction
IJM Properties – JA Manan Development Joint Venture	50%	-	Property development
IJM Properties – Danau Lumayan Joint Venture	60%	-	Property development
IJM Management Services – Giat Bernas Joint Venture	70%	-	Project management services

- (c) The Group's and the Company's share of assets, liabilities, revenue and profit less losses before taxation of the jointly controlled entities are as follows:-

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	6,975	10,224	6,907	10,189
Current assets	98,959	57,499	83,491	36,331
Current liabilities	66,467	69,365	60,178	45,944
Revenue	141,162	202,042	91,958	169,845
Profit less losses before taxation	10,244	1,428	1,580	(1,321)

There are no capital commitments and contingent liabilities relating to the Group's and the Company's interests in the jointly controlled entities.

TRADE AND OTHER PAYABLES

	Note	The Group		The Company	
		2000	1999	2000	1999
		RM'000	RM'000	RM'000	RM'000
27. Trade payables		171,515	129,334	18,715	38,878
Amounts due to customers on construction contracts	30	55,026	37,946	18,638	15,778
Amounts owing to subsidiary companies		-	-	162,795	124,426
Amounts owing to associated companies		79,783	93,498	20,057	30,797
Amounts owing to jointly controlled entities		19,634	8,301	12,279	-
Trade accruals		26,892	48,940	15,391	16,643
Other payables and accruals		52,849	61,938	12,814	14,412
Dividend payable		97	41	97	41
		<u>405,796</u>	<u>379,998</u>	<u>260,786</u>	<u>240,975</u>

The amounts due to subsidiary companies, associated companies and jointly controlled entities are unsecured, bear interest at rates ranging from 2.55% to 6.80% (1999: 3.25% to 8.05%) per annum and have no fixed terms of repayment.

BANK BORROWINGS

	Note	The Group		The Company	
		2000	1999	2000	1999
		RM'000	RM'000	RM'000	RM'000
28. Term loans	8	54,209	69,804	12,201	26,908
Revolving credits		74,005	96,014	29,000	76,500
Bankers acceptances		46,515	16,554	42,815	14,254
		<u>174,729</u>	<u>182,372</u>	<u>84,016</u>	<u>117,662</u>

The bankers acceptances and revolving credits are unsecured, bear interest at rates ranging between 2.95% and 8.40% (1999: 3.10% and 9.62%) per annum.

BANK OVERDRAFTS

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
29. Secured by:-				
Leasehold land of subsidiary companies	2,030	623	-	-
Development properties of subsidiary companies	6,144	5,103	-	-
	8,174	5,726	-	-
Unsecured	12,793	11,389	485	355
	20,967	17,115	485	355

The bank overdrafts bear interest at rates for the year ranging between 7.0% and 7.80% (1999: 6.8% and 13.80%) per annum.

AMOUNTS DUE FROM / (TO) CUSTOMERS ON CONSTRUCTION CONTRACTS

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
30. Aggregate costs incurred to date	943,963	760,712	246,590	256,653
Attributable profits less recognised losses	54,720	50,148	(3,302)	2,278
	998,683	810,860	243,288	258,931
Less: Progress billings on contracts	1,029,928	818,983	252,091	271,965
	(31,245)	(8,123)	(8,803)	(13,034)
Amounts due from customers on contracts (included in trade and other receivables - Note 21)	23,781	29,823	9,835	2,744
Amounts due to customers on contracts (included in trade and other payables - Note 27)	(55,026)	(37,946)	(18,638)	(15,778)
	(31,245)	(8,123)	(8,803)	(13,034)
Advances received on contracts (included in trade payables)	14,869	14,733	-	2
Retention sums on contracts (included trade receivables)	38,725	4,125	14,846	18,366

OPERATING REVENUE

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
31. Construction contract revenue	409,089	255,625	74,347	98,641
Sale of development properties and property management services	85,463	117,435	5,592	44,933
Sale of quarry and manufactured products	71,527	58,515	-	-
Sale of crude palm oil and by-products	46,855	114,964	-	-
Dividend income	342	327	45,786	17,567
Rental of properties	2,572	2,732	2,024	3,030
	615,848	549,598	127,749	164,171
Share of operating revenue of:-				
Associated companies	337,614	458,328	-	-
Jointly controlled entities	141,162	202,042	91,958	169,845
	1,094,624	1,209,968	219,707	334,016

OPERATING PROFIT BEFORE FINANCE COSTS

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
32. Operating profit before finance costs is stated after charging:-				
Depreciation	20,802	21,424	1,544	4,971
Hire of plant and equipment	1,449	757	-	-
Auditors' remuneration:				
- current year	514	440	105	103
- under/(over) provision in respect of prior year	10	(1)	-	-
Amortisation of deferred expenditure	2,058	774	-	-
Rental of land and buildings	1,292	817	-	-
Amortisation of goodwill	366	312	-	-
Lease rental	2,466	106	-	-
Property, plant and equipment written off	94	154	-	-
Bad debts written off	200	28	-	-
Construction contract costs	320,345	161,244	71,205	83,483
Cost of quarry and manufactured products sold	61,325	28,864	-	-
Staff cost (note (a))	49,106	45,890	10,458	19,314
Net exchange (loss)/gain:				
- unrealised	(3,608)	8,817	(3,464)	6,011
- realised	(27)	-	-	-
Provision for diminution in value of investment in subsidiary companies	-	-	(173)	-
Provision for diminution in value of investment in associated companies	(4,690)	-	(5,140)	-
Provision for diminution in value of long term unquoted investments	(270)	(875)	(270)	-
Provision for diminution in value of long term quoted investments	(940)	-	-	-
Provision/(write back of provision) for diminution in value of short term quoted investments	(2,519)	4,495	(2,264)	4,275

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
and crediting:-				
Gross dividends received from:				
- subsidiary companies (unquoted)	-	-	44,689	9,227
- associated companies				
(quoted)	-	-	642	7,134
(unquoted)	-	-	39	879
- other investments				
(quoted)	440	344	416	327
(unquoted)	49	34	-	-
Interest income	12,964	17,254	21,500	29,626
Profit on disposal of property, plant and equipment	153	12,374	88	9,348
Rental income from properties	2,458	3,797	2,024	3,030
Plant rental income	54	1,511	1,607	-
Bad debts recovered	140	334	-	-
Gain on disposal of shares in a subsidiary company	1,473	-	-	-
Gain on disposal of shares in associated companies	92	12,587	8,642	11,737

(a) Included in staff cost for the financial year are:

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration:-				
Fees				
Current year	165	157	165	157
Over provision in respect of prior year	(15)	(7)	(15)	(7)
Other emoluments	2,345	3,644	1,787	2,720
Directors of subsidiary companies:-				
Fees	71	60	-	-
Other emoluments	1,717	2,209	-	-

The estimated monetary value of benefits-in-kind provided to the Directors of the Group and the Company by way of usage of the Group's and of the Company's assets and the provision of other benefits amounted to RM139,000 (1999: RM125,600) and RM89,000 (1999: RM65,300) respectively.

(b) Professional fees of RM48,000 (1999: RM78,000) was paid to a company in which a director of a subsidiary company has interest. This transaction is based on commercial terms and conditions mutually agreed by the parties.

FINANCE COSTS

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
33. Interest expense on borrowings	21,176	35,073	11,201	19,161
Interest expense on bonds	14,250	1,667	6,250	-
	35,426	36,740	17,451	19,161

TAXATION

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
34. (a) Taxation based on the profit for the year:				
Malaysian income tax	(17,333)	(77)	(8,670)	(1,572)
Overseas taxation	(1,129)	(37)	(547)	(37)
Transfer from deferred taxation (Note 10)	2,190	1,012	-	-
	(16,272)	898	(9,217)	(1,609)
Overprovision in prior year	162	984	-	-
	(16,110)	1,882	(9,217)	(1,609)

The effective rates of taxation of the Group and the Company for the current year are lower than the statutory rate of tax applicable to the Group's profit because of tax exempt overseas income.

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
(b) Share of taxation of associated companies:				
Current year	(11,005)	(3,552)	-	-
Underprovision in prior year	(3,306)	-	-	-
	(14,311)	(3,552)	-	-

EARNINGS PER SHARE35. (a) **Basic**

The basic earnings per share for the financial year has been calculated based on the Group's profit attributable to shareholders for the financial year of RM76,773,000 (1999: RM117,676,000) and on the weighted average number of ordinary shares in issue during the financial year of 349,871,000 (1999: 343,807,000). The weighted average number of ordinary shares in issue was derived at after taking into account the issuance of shares pursuant to the ESOS and from the conversion of Warrants 2000/2004.

(b) **Fully diluted**

The fully diluted earnings per share of the Group is calculated by dividing the Group's profit attributable to shareholders of RM76,773,000 (1999: RM117,676,000) by the weighted average number of ordinary shares in issue adjusted to assume the conversion of all dilutive potential ordinary shares, i.e. share options issued pursuant to the ESOS and the Warrants 2000/2004. 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 share options and warrants. This calculation serves to determine the unpurchased shares to be added to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to the net profit attributable to shareholders for the share options and warrants calculation.

	The Company	
	2000	1999
	RM'000	RM'000
Profit attributable to shareholders (RM'000)	76,773	117,676
Weighted average number of ordinary shares in issue ('000)	349,871	343,807
Adjustments for:-		
- share options	614	2,282
- warrants	15,366	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	365,851	346,089
Diluted earnings per share (sen)	20.9	34.0

DIVIDENDS

	The Company	
	2000	1999
	RM'000	RM'000
36. In respect of the year ended 31 December 2000:-		
Paid interim dividend of 3% (1999: nil) less tax	7,591	-
Proposed final dividend of 5% less tax (1999: 6% -tax exempt)	12,654	20,758
Underprovision of dividends declared in respect of prior years due to exercise of ESOS.	306	107
	20,551	20,865

The proposed final dividend is based on the issued and paid-up share capital at balance sheet date.

SUMMARY OF EFFECTS ON ACQUISITION AND DISPOSAL OF INTERESTS IN SUBSIDIARY COMPANIES

	2000
	RM'000
37. (a) Net assets acquired:-	
Property, plant and equipment	2,973
Inventories	245
Trade and other receivables	86
Cash and bank balances	139
Trade and other payables	(440)
Bank borrowings	(39)
Minority interest	(47)
Reserve on consolidation	(43)
Net cash acquired	2,874
Less: Cash and bank balances of subsidiary companies acquired	(139)
Cash flows on acquisition, net of cash acquired	2,735

The effect of the acquisition on the financial results for the financial year are as follows:-

	2000 RM'000
Revenue	944
Administrative expenses	(863)
Other operating expenses	(182)
	<hr/>
Operating loss before finance cost	(101)
Finance cost	(2)
	<hr/>
Loss from ordinary activities	(103)
	<hr/>

The effect of the acquisition on the financial position of the Group at 31 December 2000 are as follows:-

	2000 RM'000
Property, plant and equipment	2,972
Inventories	328
Trade and other receivables	1,038
Cash and bank balances	214
Trade and other payables	(1,372)
Bank borrowings	(814)
Minority interest	(926)
	<hr/>
	1,440
	<hr/>

	2000 RM'000
(b) Net assets disposed:-	
Property, plant and equipment	40
Trade and other receivables	10,396
Cash and bank balances	63
Trade and other payables	(12,424)
Provision for taxation	(42)
Minority interest	(490)
Net assets attributable to shares retained as an associated company	984
	<hr/>
Gain on disposal	(1,473)
	<hr/>
Cash and cash equivalents in subsidiary company disposed	(63)
	<hr/>
Net cash outflow on disposal	(63)
	<hr/>

The effect of the disposal on the financial results of the Group are as follows:

	As an associate 2000 RM'000	As a subsidiary 1999 RM'000
Operating revenue	-	-
Cost of sales	-	(131)
Gross loss	-	(131)
Other operating income	-	172
Administrative expenses	-	(122)
Other operating expenses	-	(51)
Loss from operations	-	(132)
Finance cost	-	(663)
Share of losses from associated companies	(27)	-
Loss from ordinary activities before taxation	(27)	(795)
Taxation	-	393
Loss from ordinary activities after taxation	(27)	(402)

CASH AND CASH EQUIVALENTS

38. Cash and cash equivalents included in the consolidated and Company's cash flow statements comprise the following:-

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Fixed deposits with licensed banks (Note 24)	94,434	11,773	85,887	10,388
Cash and bank balances	23,600	47,927	5,325	23,175
Bank overdrafts				
- Secured (Note 29)	(8,174)	(5,726)	-	-
- Unsecured (Note 29)	(12,793)	(11,389)	(485)	(355)
	97,067	42,585	90,727	33,208

SIGNIFICANT RELATED PARTY DISCLOSURES

39. The Group

- (a) In 1997, the Company has entered into a joint venture with IT & T Engineering & Construction Sdn Bhd, a 100% owned subsidiary company of a significant shareholder, IGB Corporation Berhad to undertake a turnkey contract at an original contract sum of RM968 million, subsequently revised to RM772 million to design and construct Phase 1 of Mid Valley. The progress billings made by the joint venture during the financial year amounted to RM34,750,000 (1999: RM245,777,000), out of which the balance outstanding at balance sheet date was RM22,062,535 (1999: RM87,972,000).

	2000 RM'000	1999 RM'000
(b) Associated companies:-		
Progress billings on contracts to:		
- THB-IJM Joint Venture Sdn Bhd	20,027	20,569
- Worldwide Ventures Sdn Bhd	609	20,599
- Akrab Perkasa Sdn Bhd	202	15,226
Management fee charged to:		
- Grupo Concesionario del Oeste S.A.	3,625	1,871
Sales of quarry products to:		
- Industrial Concrete Products Bhd	1,260	768
- Kuang Rock Products Sdn Bhd	120	56
Purchase of building materials from:		
- Industrial Concrete Products Bhd	22,750	505
Purchase of building maintenance services from:		
- Cofreth (M) Sdn Bhd	558	558
Purchase of agricultural fertilisers and chemicals from:		
- Loongsyn Sdn Bhd	2,731	5,294
Rental income from:		
- Industrial Concrete Products Bhd	262	235
Interest income from:		
- Worldwide Ventures Sdn Bhd	3,619	5,538
- Emas Utilities Corporation Sdn Bhd	938	1,401
- Jelutong Development Sdn Bhd	723	999
- Other associated companies *	279	306
Interest charged by:		
- THB-IJM Joint Venture Sdn Bhd	86	206
Advances to/(repayment from):		
- Emas Utilities Corporation Sdn Bhd	(15,391)	14,304
- Jelutong Development Sdn Bhd	3,859	(6,394)
Advances from:		
- THB-IJM Joint Venture Sdn Bhd	9,250	5,000
* These transactions are aggregated as they are similar in nature and none is significant enough to warrant separate disclosure.		
(c) Jointly controlled entities		
Progress billings on contracts by:		
- IJM Construction – Perkasa Sutera Joint Venture	6,212	-
(d) The above transactions with related parties were carried out in the normal course of business under terms and conditions which are obtainable in transactions with unrelated parties or negotiated amongst related parties.		

(e) Significant outstanding balances arising from the above non-trade transactions during the financial year:

Related party	Type of transaction	2000 RM'000	1999 RM'000
Receivables:			
- Jelutong Development Sdn Bhd	Advances	3,859	-
- Emas Utilities Corporation Sdn Bhd	Advances	-	14,594
Payables:			
- THB-IJM Joint Venture Sdn Bhd	Advances	9,250	5,000

CAPITAL COMMITMENTS

	The Group	
	2000 RM'000	1999 RM'000
40. Approved and contracted for	43,100	9,319
Approved but not contracted for	24,076	12,883
	<u>67,176</u>	<u>22,202</u>
Analysed as follows:-		
Property, plant and equipment	47,176	22,202
Development land	20,000	-
	<u>67,176</u>	<u>22,202</u>

CONTINGENT LIABILITIES (UNSECURED)

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
41. Bank borrowings of subsidiary companies guaranteed by the Company	-	-	103,453	160,680
Bank borrowings of associated companies guaranteed by the Company	79,577	106,633	79,577	106,633
	<u>79,577</u>	<u>106,633</u>	<u>183,030</u>	<u>267,313</u>

SEGMENTAL REPORTING

42. The analysis of Group's operations for the financial year ended 31 December 2000 are as follows:-

(a) Analysis by activity

	Turnover RM'000	Profit/(loss) before taxation RM'000	Total assets employed RM'000
2000			
Construction	621,377	64,040	677,493
Property development	97,247	13,411	417,682
Manufacturing and quarrying	188,708	11,718	208,634
Plantations	65,123	4,792	442,586
Infrastructure	98,020	27,911	401,542
Education and investment	24,149	(2,916)	114,074
	<u>1,094,624</u>	<u>118,956</u>	<u>2,262,011</u>
Group's share of turnover of associated companies and jointly controlled entities	(478,776)		
	<u>615,848</u>		

	Turnover RM'000	Profit before taxation RM'000	Total assets employed RM'000
1999			
Construction	612,122	42,083	588,170
Property development	252,594	25,864	417,013
Manufacturing and quarrying	155,607	8,693	187,647
Plantations	114,964	24,314	400,105
Infrastructure	56,336	36,230	350,421
Education and investment	18,345	2,247	106,918
	<hr/>	<hr/>	<hr/>
	1,209,968	139,431	2,050,274
Group's share of turnover of associated companies and jointly controlled entities	(660,370)		
	<hr/>		
	549,598		
	<hr/>		

(b) Analysis by geographical location

	Turnover RM'000	Profit/(loss) before taxation RM'000	Total assets employed RM'000
2000			
Malaysia	790,422	63,779	1,669,735
Australia	58,156	11,313	141,440
China	20,352	12,818	225,501
Argentina	66,638	17,070	102,258
Vietnam	16,064	7,345	25,765
Singapore	84,233	7,045	17,227
Other countries	58,759	(414)	80,085
	<hr/>	<hr/>	<hr/>
	1,094,624	118,956	2,262,011
Group's share of turnover of associated companies and jointly controlled entities	(478,776)		
	<hr/>		
	615,848		
	<hr/>		

(b) Analysis by geographical location

	Turnover RM'000	Profit/(loss) before taxation RM'000	Total assets employed RM'000
1999			
Malaysia	853,615	86,510	1,522,407
Australia	142,754	7,314	144,296
China	27,093	17,065	190,040
Argentina	24,929	18,459	77,993
Vietnam	13,418	8,945	41,471
Singapore	97,016	4,680	13,850
Other countries	51,143	(3,542)	60,217
	<hr/>	<hr/>	<hr/>
	1,209,968	139,431	2,050,274
Group's share of turnover of associated companies and jointly controlled entities	(660,370)		
	<hr/>		
	549,598		
	<hr/>		

List of Subsidiary and Associated Companies

IJM CORPORATION BERHAD (104131-A)

as at 31 December 2000

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43.

Name of Company	Country of incorporation	Effective equity interest		Principal activities
		2000 %	1999 %	
SUBSIDIARY COMPANIES				
Damansara Rock Products Sdn Bhd	Malaysia	70	70	Quarrying, road pavement construction, manufacture and sale of premix products
GR Concrete Sdn Bhd	Malaysia	72	72	Production and supply of ready-mixed concrete
IJM Argentina Sociedad Anomina *	Argentina	100	100	Investment holding
IJM Australia Pty Limited +	Australia	80	80	Engineering and construction consultancy and property development
IJM Construction Sdn Bhd	Malaysia	100	100	Civil and building construction and 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
IJM Plantations Sdn Bhd	Malaysia	100	100	Cultivation of oil palm and investment holding
IJM Properties Sdn Bhd	Malaysia	100	100	Property development and investment holding
Jurutama Sdn Bhd	Malaysia	100	100	Civil and building construction and property development
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
Malaysian Rock Products Sdn Bhd	Malaysia	100	100	Quarrying, sale of rock products and investment holding
Maxharta Sdn Bhd	Malaysia	100	100	Property development, civil and building construction
Nilai Cipta Sdn Bhd *	Malaysia	70	70	Office complex concession holder

Name of Company	Country of incorporation	Effective equity interest		Principal activities
		2000 %	1999 %	
Regal Glamour Sdn Bhd	Malaysia	100	100	Dormant
Scaffold Master Sdn Bhd	Malaysia	100	100	Sale and rental of steel scaffolding
Styrobilt Sdn Bhd	Malaysia	100	100	Dormant
Suria Bistari Development Sdn Bhd	Malaysia	51	51	Property development
Torsco Berhad *	Malaysia	90	90	Engineering, fabrication and construction
Held by GR Concrete Sdn Bhd				
Strong Mixed Concrete Sdn Bhd	Malaysia	100	100	Production and supply of ready-mixed concrete
Held by IJM Australia Pty Limited				
Billmex Pty Limited +	Australia	70	70	Property development
Held by IJM Construction Sdn Bhd				
Crendon Building Systems Sdn Bhd	Malaysia	100	100	Prefabricated building construction
IJM (India) Infrastructure Limited *	India	70	-	Construction
Prebore Piling & Engineering Sdn Bhd *	Malaysia	70	50.1	Piling, engineering and other construction works
Held by IJM International Limited				
Park-Lee Construction Limited #	Hong Kong	62.5	62.5	Dormant
Held by IJM Overseas Ventures Sdn Bhd				
IJM Construction (Vietnam) Sdn Bhd	Malaysia	100	100	Dormant
Held by IJM Plantations Sdn Bhd				
Berakan Maju Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Desa Talisai Sdn Bhd *	Malaysia	60	60	Cultivation of oil palm
Dynasive Enterprise Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Excellent Challenger (M) Sdn Bhd *	Malaysia	70	70	Cultivation of oil palm
Gunaria Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm

Name of Company	Country of incorporation	Effective equity interest		Principal activities
		2000 %	1999 %	
IJM Agri Services Sdn Bhd *	Malaysia	70	70	Provision of agricultural management services to plantations
Rakanan Jaya Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Ratus Sempurna Sdn Bhd *	Malaysia	100	100	Property holding
Sabang Mills Sdn Bhd *	Malaysia	100	100	Palm oil milling
Sijas Plantations Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Held by Desa Talisai Sdn Bhd				
Cahaya Adil Sdn Bhd *	Malaysia	100	-	Cultivation of oil palm
Desa Talisai Palm Oil Mill Sdn Bhd *	Malaysia	60	60	Operates a palm oil mill
Firdana Corporation Sdn Bhd *	Malaysia	100	-	Cultivation of oil palm
Gerbang Selasih Sdn Bhd *	Malaysia	100	-	Cultivation of oil palm
Sihat Maju Sdn Bhd *	Malaysia	100	-	Cultivation of oil palm
Held by Excellent Challenger (M) Sdn Bhd				
Ampas Maju Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Gapas Mewah Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Golden Grip Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Kulim Mewah Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Laserline Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Macmillion Group Sdn Bhd *	Malaysia	100	100	Dormant
Rantajasa Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Sri Kilau Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Held by Rakanan Jaya Sdn Bhd				
Isu Mutiara Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm

Name of Company	Country of incorporation	Effective equity interest		Principal activities
		2000 %	1999 %	
Held by IJM Properties Sdn Bhd				
BDA-Kidurong Development Sdn Bhd *	Malaysia	53	53	Property development
Chen Yu Land Sdn Bhd	Malaysia	100	100	Property development
IJM Management Services Sdn Bhd	Malaysia	100	100	Project and construction management services
Jalanan Masyhur Sdn Bhd	Malaysia	51	51	Property development
Liberty Heritage (M) Sdn Bhd	Malaysia	100	100	Property management and car parking services
Sinaran Intisari (M) Sdn Bhd	Malaysia	51	51	Property development
Wedec Sdn Bhd	Malaysia	100	100	Interior fit-out services, upgrades and renovation works
Xylocorp (M) Sdn Bhd	Malaysia	100	100	Property development
Held by Kemena Industries Sdn Bhd				
Kipal Industries Sdn Bhd *	Malaysia	51	51	Sale of ready-mixed concrete and manufacture of cement bricks
Held by Malaysian Rock Products Sdn Bhd				
Aggregate Marketing Sdn Bhd	Malaysia	51	51	Sale of rock products
Azam Ekuiti Sdn Bhd	Malaysia	100	100	Quarry owner
Bohayan Industries Sdn Bhd	Malaysia	70	70	Quarrying, sale of quarry products, production and sale of ready-mixed concrete
Global Rock Marketing Sdn Bhd	Malaysia	100	100	Sale of rock products
Masello (M) Sdn Bhd	Malaysia	100	100	Sale of rock products
Oriental Empire Sdn Bhd	Malaysia	100	100	Quarry owner
Held by Torsco Berhad				
Torsco Overseas Sdn Bhd* (formerly known as Mercury Trading Sdn Bhd)	Malaysia	100	100	Marketing piping spools worldwide
Sang Kee Enterprise Sdn Bhd *	Malaysia	100	100	Property investment
Sang Kee Feedmills Sdn Bhd *	Malaysia	100	100	Property investment

Name of Company	Country of incorporation	Effective equity interest		Principal activities
		2000 %	1999 %	

ASSOCIATED COMPANIES

CIDB Inventures Sdn Bhd	Malaysia	23	25.6	Construction
Cofreth (M) Sdn Bhd *	Malaysia	20	20	Total facilities management, operations & maintenance, co-generation and district cooling system/service provider
Community Resort Development System Sdn Bhd*	Malaysia	20	20	Dormant
Emas Utilities Corporation Sdn Bhd *	Malaysia	40	40	Investment holding
Grupo Concesionario del Oeste S.A. ~	Argentina	20.1	17.38	Construction, renovation, repair, conservation and operation of Acceso Oeste highway
IJM-Yorkville (BVI) Pty Ltd *	British Virgin Islands	50	50	Special purpose vehicle for financing
Industrial Concrete Products Berhad *	Malaysia	21.5	21.2	Manufacture of precast concrete products
Inversiones e Inmobiliaria Sur-Sur S.A. *	Chile	25	25	Property Development
Jelutong Development Sdn Bhd	Malaysia	50	50	Civil construction and property development
JWS Projects Sdn Bhd	Malaysia	50	50	Investment holding
Macroland Holdings Sdn Bhd	Malaysia	30	30	Dormant
MASSCORP-Chile Sdn Bhd	Malaysia	31.4	31.4	Investment holding
Precast Products Sdn Bhd *	Malaysia	25	25	Dormant
Precast Property Sdn Bhd *	Malaysia	50	50	Dormant
Precast Technology Sdn Bhd *	Malaysia	50	50	Dormant
Sin Kean Boon Group Berhad *	Malaysia	20.1	20.1	Manufacture of roller shutters and aluminium extrusions and investment holding
Spirolite (M) Sdn Bhd *	Malaysia	37.5	37.5	Manufacture of straight extruded pipes and "spiral" pipes, tubes, tanks and containers
Worldwide Ventures Sdn Bhd	Malaysia	50	50	Property development and investment holding

Name of Company	Country of incorporation	Effective equity interest		Principal activities
		2000 %	1999 %	
Held by IJM Australia Pty Limited				
D.E.M. Limited *	Australia	9	50	Architectural and design services
Quay Link Enterprises Pty Limited +	Australia	50	50	Property development
Held by IJM Construction Sdn Bhd				
@ Hexacon Construction Pte Limited ^	Singapore	49	-	Civil and building construction
@ Highway Master Sdn Bhd	Malaysia	50	-	Road pavement construction
IJM Binamaju Sdn Bhd	Malaysia	-	50	Civil and building construction
Intergrated Water Services (M) Sdn Bhd *	Malaysia	35	-	Operation and maintenance of a water treatment plant
@ IT&T Builders Sdn Bhd	Malaysia	45	-	Building construction
@ Kami Builders Sdn Bhd *	Malaysia	50	-	Civil construction and property development
Malaysian Construction Ventures (Overseas) Sdn Bhd	Malaysia	20	20	Project consultancy services
@ Nekadsatu Jaya Sdn Bhd	Malaysia	50	-	Construction and property development
THB-IJM Joint Venture Sdn Bhd	Malaysia	49	50	Construction
Held by IJM International (BVI) Pty Ltd				
Avillion Hotels International (Sydney) Pty Limited *	Australia	49	49	Hotel operator
Reliance-OSW (Nominees) Pty Limited *	Australia	49	49	Trustee company
Held by IJM International Limited				
Amcol Pacific Infrastructure Pte Limited *	Singapore	20	20	Dormant
Amcol Pacific Management Pte Limited *	Singapore	40	40	Dormant
Grapevine Investments (Hong Kong) Limited #	Hong Kong	50	50	Investment holding
OSW Properties Pty Limited *	Australia	50	50	Property development

Name of Company	Country of incorporation	Effective equity interest		Principal activities
		2000 %	1999 %	
Held by IJM Overseas Ventures Sdn Bhd				
Crendon Holdings Limited *	England	25	25	In members' voluntary liquidation
Earning Edge Sdn Bhd	Malaysia	20	20	Property development
Gautami Power Limited *	India	60 ⁽¹⁾	60 ⁽¹⁾	Power generation
Guangdong Provincial Expressway Development Co. Ltd *	China	13.77	15.1	Development, operation and management of expressways and large bridges
MASSCORP-Namibia Sdn Bhd	Malaysia	40	40	Investment holding
Meaga Corporation Sdn Bhd *	Malaysia	25	25	In members' voluntary liquidation
Held by IJM Plantations Sdn Bhd				
Cekap Tropikal Sdn Bhd*	Malaysia	60 43 ⁽²⁾	60 43 ⁽²⁾	Special purpose vehicle for financing
Loongsyn Sdn Bhd *	Malaysia	50	50	Trading in agricultural fertilizers and chemicals
Minat Teguh Sdn Bhd *	Malaysia	35	35	Cultivation of oil palm
Trunkline Plantations Sdn Bhd *	Malaysia	50	50	Cultivation of oil palm
Held by IJM Properties Sdn Bhd				
Ever Mark (M) Sdn Bhd	Malaysia	50	50	Property development
@ MASSCORP-Vietnam Sdn Bhd	Malaysia	20	-	Investment holding
Wilmington Sdn Bhd	Malaysia	50	50	Property development
Held by Malaysian Rock Products Sdn Bhd				
Batu Kenangan Sdn Bhd *	Malaysia	40	40	Leaseholder of quarry land
DML-MRP Resources (M) Sdn Bhd	Malaysia	50	50	Dormant
Kuang Rock Products Sdn Bhd	Malaysia	50	50	Quarrying and sale of rock products
Pulai Maju Sdn Bhd	Malaysia	50	50	Leaseholder of quarry land

^ Audited by PricewaterhouseCoopers, Singapore
 # Audited by PricewaterhouseCoopers, Hong Kong
 + Audited by PricewaterhouseCoopers, Australia
 ~ Audited by PricewaterhouseCoopers, Argentina

* Not audited by PricewaterhouseCoopers
 @ Held by IJM Corporation Berhad in 1999
 (1) Holding is temporary pending partial divestment
 (2) Voting power held

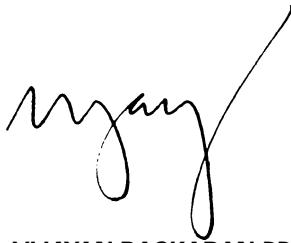
I, Loy Boon Chen, being the officer primarily responsible for the financial management of IJM Corporation Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 48 to 95 are correct and I make this solemn declaration conscientiously 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 21 February 2001.



LOY BOON CHEN

Before me: -



G. VIJAYAN BASKARAN PPN
Commissioner for Oaths
Petaling Jaya

We have audited the financial statements set out on pages 48 to 95. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and Company as at 31 December 2000 and of the results and cash flows of the Group and Company for the financial year ended on that date;

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies have been properly kept in accordance with the provisions of the Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 43 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' report thereon.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

Our audit reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any adverse comment made under subsection (3) of Section 174 of the Act.



PricewaterhouseCoopers

[AF: 1146]

Public Accountants



Shirley Goh

[1778/8/02 (J)]

Partner

Kuala Lumpur
21 February 2001

Location	Description	Area (Hectares)	Tenure	Existing Use	Net Book Value RM'000
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FIXED ASSETS**SELANGOR**

Lot 170, Section 7, Jalan Yong Shook Lin, 46050 Petaling Jaya	Commercial land	0.759	Leasehold (expiring 2069)	2 office buildings (20 years; 7,088 sq.m.)	10,503
55 Jalan TS6/10A, Subang Industrial Park, Subang Jaya, H.S.(D) 97263, P.T. 27731 Mukim of Petaling	Industrial land	0.018	Leasehold (expiring 2090)	3 storey industrial building (6 years; 178 sq.m.)	676

PENANG

Parcel No. M/0/05/20 & M/0/05/21, Pusat Perdagangan Tanjung	Office space	0.050	Leasehold (expiring 2089)	Office space (5 years, 548 sq.m.)	699
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PERAK

Lot 11004, 4-3/4 Miles, Jalan Lahat, Mukim Ulu Kinta	Industrial land	2.718	Leasehold (expiring 2053)	Office building and workshop (22 years; 8,757 sq.m.)	637
PT No. 595, H.S. (D) Dgs 1276/88 and PT No. 538, H.S. (D) Dgs 1272/88, Mukim Lumut, Daerah Manjung	Industrial land	2.016	Leasehold (expiring 2087)	Office building and workshop (7 years; 7,275 sq. m.)	330
Lot I1, Mukim Lumut, Daerah Manjung	Industrial land	2.497	Leasehold (expiring 2094)	Office building and workshop (1 year; 2500 sq. m.)	1,327
Lot D-2, Mukim Lumut, Daerah Manjung	Industrial land	5.075	Leasehold (expiring 2093)	Vacant; for future development	4,101

NEGERI SEMBILAN

H.S. (D) 77335, P.T. 6322 Mukim Labu, Daerah Seremban	Industrial land	14.164	Leasehold (expiring 2053)	Quarrying	1,250
H.S. (D) 75235, P.T. 6054 Mukim Labu, Daerah Seremban	Industrial land	16.997	Leasehold (expiring 2053)	Quarrying	3,600

Location	Description	Area (Hectares)	Tenure	Existing Use	Net Book Value RM'000
JOHOR					
Lot PTB 19233 H.S.(D) 210937 Unit 1701-1705, 13A01-13A07, 508 & 602 Jalan Tebrau, Johor Bahru	Commercial land	0.236	Freehold	Office space (3 years; 2,361 sq.m.)	9,130
Lot Nos. 810, 811 and MLO 23, GM 66, 68 & H.S. (M) 937 Mukim Sedenak, Air Bambau, Kulai	Agriculture land	8.147	Freehold	Vacant; for future development	2,000
SARAWAK					
Lot 1176 Block 32, Kemena Crossing, Bintulu	Mixed-zone land	3.710	Leasehold (expiring 2050)	Office and workshop buildings (12 years; 1,734 sq. m.)	1,353
Lot 2945, Block 32 Kemena Land District Bintulu	Industrial land	2.676	Leasehold (titles not issued yet)	Vacant; for future development	680
DEVELOPMENT PROPERTIES					
PENANG					
Lots 14, 17, 372, 374, 376 & 492, Section 19, Georgetown, North East District	Commercial land	0.546	Freehold	Vacant; for future development	10,631
Lots 397 and 343, Section 2, Town of Batu Ferringhi, North East District	Residential land	2.587	Freehold	Vacant; for future development	3,132
Lots 721 to 739 & 745, 1721 and 1727, Seksyen 4, Bandar Butterworth, Daerah Seberang Prai Utara	Commercial and residential land	5.378	Freehold	Vacant; for future development	9,360
Lots 37, 38 and 139, Seksyen 1, Bandar Butterworth, Daerah Seberang Prai Utara	Commercial and residential land	3.256	Freehold	Vacant; for future development	5,673
Lots 104, 105, 106, 262, 1253, 2870 and 2871, Seksyen 3, Bandar Butterworth, Daerah Seberang Prai Utara	Residential land	2.036	Freehold	Vacant; for future development	3,352
Lots 395 & 396, Mukim 1, Pulau Betong, Daerah Barat Daya	Agriculture land	2.104	Freehold	Vacant; for future development	1,306

Location	Description	Area (Hectares)	Tenure	Existing Use	Net Book Value RM'000
Lots 34, 35, 38, 40, 41, 1245 & 101, Mukim 12, Daerah Seberang Prai Tengah	Agriculture land	5.508	Freehold	Vacant; for future development	1,214
Holding No. 299, 300 & 304, Mukim 14, Seberang Prai Selatan	Commercial and residential land	25.710	Freehold	Under development	9,241
Lot No. 501, Mukim 14, Seberang Prai Selatan (comprised in Geran No. 38943)	Commercial and residential land	7.899	Freehold	Under development	2,964
Lot No. 502, Mukim 14, Seberang Prai Selatan (comprised in Geran Mukim No. 102)	Commercial and residential land	0.486	Freehold	Under development	65
Lot No. 862, Mukim 14, Seberang Prai Selatan (comprised in No. Pendaftaran 3754)	Commercial and residential land	2.226	Freehold	Vacant; for future development	716
Lot No. 583, Mukim 14, Seberang Prai Tengah (comprised in Geran Mukim No. 381)	Commercial and residential land	1.453	Freehold development	Vacant; for future development	233
Lot No. 590, Mukim 14, Seberang Prai Tengah (comprised in No. Pendaftaran 12126)	Commercial and residential land	21.032	Freehold	Vacant; for future development	3,737
Lot No. 591, No. GM 168, Mukim 14, Seberang Prai Tengah	Commercial and residential land	2.635	Freehold	Vacant; for future development	625
Lot No. 592, Mukim 14, Seberang Prai Tengah (comprised in No. Pendaftaran 12127)	Commercial and residential land	11.153	Freehold	Vacant; for future development	2,161
Lot No. 1639, Mukim 14, Seberang Prai Tengah, (comprised in Geran Mukim No. 299)	Commercial and residential land	2.978	Freehold	Vacant; for future development	479
Lot No. 1640, Mukim 14, Seberang Prai Tengah (comprised in Geran Mukim No. 300)	Commercial and residential land	0.121	Freehold	Vacant; for future development	181
Lot Nos. 1686 & 1729 Mukim 14, Seberang Prai Tengah	Agriculture land	5.233	Freehold	Vacant; for future development	3,393
Lot No. 1627, Mukim 14, Seberang Prai Tengah	Agriculture land	7.282	Leasehold (expiring 2876)	Vacant; for future development	3,504

Location	Description	Area (Hectares)	Tenure	Existing Use	Net Book Value RM'000
Lot No. 1628, Mukim 14, Seberang Prai Tengah	Agriculture land	1.174	Freehold	Vacant; for future development	565
Lot 1725, 1727, 1728, 1768, 1781 & 1789, Mukim 14, Seberang Prai Tengah	Agriculture land	8.720	Freehold	Vacant; for future development	5,731

PERAK

Lot 10520, 10524-7, 12163-6, 12179, 12180, 12212, 12338, 12393, 12963, 13027-9, 13031-2, 13169, 13170, 17369, 56432 & 56434-6, Off Jalan Kuala Kangsar, Mukim Ulu Kinta, Daerah Kinta	Industrial land	87.295	Freehold	Vacant; for future development	10,786
Parcel No. 1 Lot No. 78 Mukim of Gunong Semanggol, Daerah Kerian	Residential land	0.093	Leasehold (expiring 2093)	Vacant; for future development	268

SELANGOR

Lot 4446, Mukim Kapar, 41400 Kelang	Agriculture land	1.214	Freehold	Vacant; for future development	300
P.T. 29651, H.S.(D) 97465 Mukim Sungai Buluh, Daerah Petaling	Residential land	5.459	Leasehold (expiring 2090)	Under development	6,505
H.S. (D) 45120, P.T. 23728 Mukim Kapar, Daerah Klang	Industrial land	7.790	Freehold	Vacant; for future development	14,248
Grant No. 5051 Lot 240, Mukim Klang	Agriculture land	40.052	Freehold	Vacant; for future development	10,793
Lot 6497 C.T. 26645 Mukim Kapar, Daerah Klang	Industrial land	5.969	Freehold	Vacant; for future development	8,520

SARAWAK

Lot 5238, Section 65 KTLD, Kuching	Residential	8.308	Leasehold (expiring 2024)	Under development	2,947
Lot 5536, Section 65 KTLD, Kuching	Agricultural	2.752	Leasehold (expiring 2038)	Under conversion to residential	976

Location	Description	Area (Hectares)	Tenure	Existing Use	Net Book Value RM'000
PLANTATIONS					
SABAH					
LA 78080114 (CL085321535) District of Labuk/Sugut, Sandakan	Agriculture land	1,011.000	Leasehold (expiring 2087)	Oil palm cultivation	22,111
District of Labuk/Sugut Country Lease No. 085330141	Agriculture land	4,032.30	Leasehold (expiring 2082)	Oil palm cultivation	98,918
District of Labuk/Sugut Part of Country Lease No. 085330150	Industrial land	40.00	Leasehold (expiring 2082)	Palm oil mill	1,500
District of Labuk/Sugut Country Lease No. 085322881	Agriculture land	1,944.518	Leasehold (expiring 2087)	Oil palm cultivation	36,578
District of Sandakan Country Lease No. 075165774	Residential	3.169	Leasehold (expiring 2892)	Vacant; for future development	1,050
District of Sandakan Sungai Segaluid/Pangantin	Agriculture land	118.98	Leasehold (expiring 2077 to 2096)	Vacant; for future development	499
District of Labuk & Sugut Kampung Ensuan	Agriculture land	38.37	Leasehold (expiring 2097)	Vacant; for future development	205
District of Sandakan Sungai Mowtas	Industrial land	7.440	Leasehold (expiring 2022)	Vacant; for future development	2,126
District of Labuk/Sugut	Agriculture land	10,625	Leasehold (expiring 2078 to 2098)	Oil palm cultivation	119,529
District of Beluran Country Lease No. 085331559, 085331568, 085330098, 085333815	Agriculture land	769.30	Leasehold (expiring 2095 to 2097)	Oil palm cultivation	4,295
District of Beluran Country Lease No. 085331488	Agriculture land	249.00	Leasehold (expiring 2097)	Oil palm cultivation	1,078
District of Lubuk/Sugut Country Lease No. 085328310	Agriculture land	12.88	Leasehold (expiring 2094)	Vacant for future development	83
District of Sandakan Sungai Mowtas	Industrial land	9.33	Leasehold (expiring 2038 to 2095)	Vacant for future development	3,106
District of Sugut Country Lease No. 085333973	Agriculture land	2,428.17	Leasehold (expiring 2098)	Oil palm cultivation	14,428

Form of Proxy

IJM CORPORATION BERHAD (104131-A)

103

I/We _____

of _____

being a member/members of **IJM CORPORATION BERHAD (104131-A)**

hereby appoint _____

of _____

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the 17th Annual General Meeting (AGM) of IJM CORPORATION BERHAD (104131-A) to be held on Wednesday, 16 May 2001, at 4.00 p.m. and, at any adjournment thereof, in the manner indicated below:

No.	Resolution	For	Against
1.	To receive the audited financial statements together with the reports of the Directors and Auditors for the year ended 31 December 2000		
2.	To declare a final gross dividend of 5% or 5 sen per share for the year ended 31 December 2000		
3.	To reappoint Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin as Director to hold office until the next AGM		
4.	To reappoint Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor as Director to hold office until the next AGM		
5.	To reappoint Tan Boon Seng @ Krishnan as Director		
6.	To reappoint Goh Chye Koon as Director		
7.	To reappoint Lai Meng as Director		
8.	To reappoint Khoo Chew Meng as Director		
9.	To reappoint Osman Bin Ismail as Director		
10.	To reappoint PricewaterhouseCoopers as Auditors and to authorize the Directors to fix their remuneration		
11.	To authorize the issuance of up to 10% of the issued share capital of the Company		

Please indicate with "X" how you wish your vote to be cast.

In the absence of specific instruction, your Proxy will vote or abstain as he/she thinks fit.

Number of Shares Held

Signed (and sealed) this _____ day of _____ 2001

Signature(s) : _____

Notes:

A member or holder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and such a proxy need not be a member of the Company. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorized. The instrument appointing a proxy must be deposited at the Registered Office not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting. The Annual Report and Form of Proxy are available for access and download at IJM website at <http://www.ijm.com>.



Stamp

The Company Secretary
IJM CORPORATION BERHAD (104131-A)
2nd Floor, Wisma IJM
Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia

