



IJM CORPORATION BERHAD

(104131-A)

ANNUAL REPORT 2001



THE MALAYSIAN
CONSTRUCTION
INDUSTRY
AWARDS
2001

IJM Construction Sdn. Bhd.
Builder Of The Year Award



IJM CORPORATION
BERHAD

The Malaysian Construction Industry Awards

Vision

To be a regional leader in the delivery of well built infrastructure and building projects.

Mission

To bring to bear the Mark of Excellence on all our ventures as a means to maximising stakeholders benefits.

Culture

- Maximising returns to stakeholders while steadfastly upholding high standards of professionalism and exemplary corporate governance;
- Ensuring our products and services are of a quality that matches or exceeds our customers' expectations;
- Respecting the different cultures, gender, religion, human rights and dignity of individuals locally and in all the countries we operate;
- Being a responsible and respected corporate citizen with concerns for social, safety, health and environmental issues;
- Creating an environment conducive for team spirit and for our employees to work towards attaining their career goals.

Builder of the Year 2001



“ This award, coming closely after the Malaysian International Contractor of the Year 2000 Award, stands testimony to our steadfast commitment to excellence and the ‘can do’ spirit of the IJM people. ”

Group Managing Director
Mr Krishnan Tan

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IJM’s Vision, Mission & Culture Statement
(inside front cover)

This Annual Report is also printed in Bahasa Malaysia and is available upon request.

COVER : A montage of local engineering & construction projects by IJM.



Corporate Profile

IJM can trace its beginnings to three professionally run companies – IGB Construction Sdn Bhd, Jurutama Sdn Bhd and Mudajaya Construction Sdn Bhd. These three enterprising construction companies merged in 1983 in a bid to compete more effectively against bigger foreign rivals.

Jurutama and Mudajaya, founded by the country's first generation engineers to become contractors, brought with them professionalism and management systems in the then newly-formed RM46 million construction group, enabling it to gain instantaneous credibility and considerable market presence.

Today, IJM is recognised as one of few independent professionally run companies in Malaysia, with an excellent track record for performance in both local and international markets; a fact duly acknowledged by the Construction Industry Development Board which conferred on the company, the Malaysian International Contractor of the Year Award in 2000 and the Malaysian Builder of The Year Award in 2001.

IJM was able to grow by leaps and bounds over the last two decades because of our strategy of building on our core competencies while expanding into new areas of businesses selectively.

We took first step into property development out of necessity, during the recession in the mid 1980s, when the Government provided land for construction companies to build mass low and medium cost houses

under privatisation programmes. From there, the properties division grew to become a major part for the group's business.

Similarly, IJM took the opportunity to transform its internal building material businesses into a core activity as demand grew significantly outside the Group.

We diversified into plantations in 1984 in a bid to reduce the cyclical nature of earnings from the construction division. Our investment in plantations paid off as the division help cushion the group's earnings during the tough times such as the recent Asian financial crisis.

IJM has also successfully ventured into the overseas markets by investing in major infrastructure projects such as the Guangdong Provincial Expressway in China, the Western Access Tollway project in Argentina, highway projects in India and a water treatment plant in Vietnam. Today, the infrastructure division contributes substantially to our earnings.

IJM went public in 1986 with a market capitalisation of RM66 million and total assets of RM172 million. We have the distinction of being one of few companies listed on the Kuala Lumpur Stock Exchange that had enjoyed steady growth and uninterrupted profitability. As at 31 December 2001, the Group has a market capitalisation and total assets of RM1.5 billion and RM2.3 billion respectively. IJM will strive to maintain this momentum of growth well into the 21st Century.

Our Business Policy and Commitments

Our business conduct is guided by a strong commitment towards product quality; safety, health and environment; ethical conduct; employees' welfare; social responsibility; good corporate governance; and maximising return to all stakeholders.

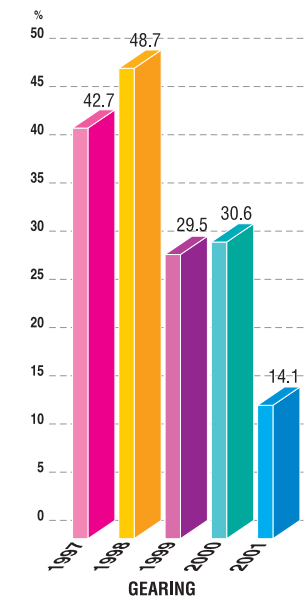
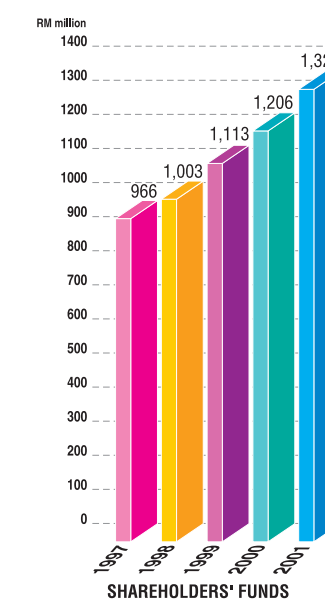
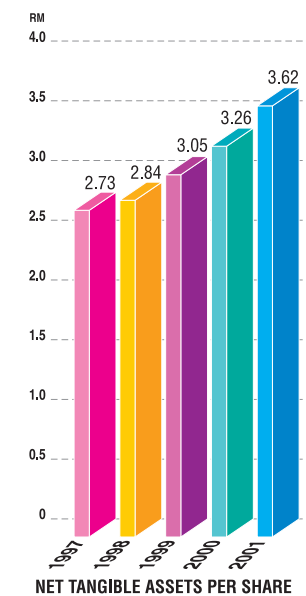
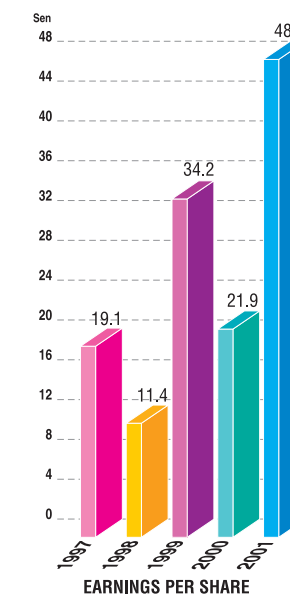
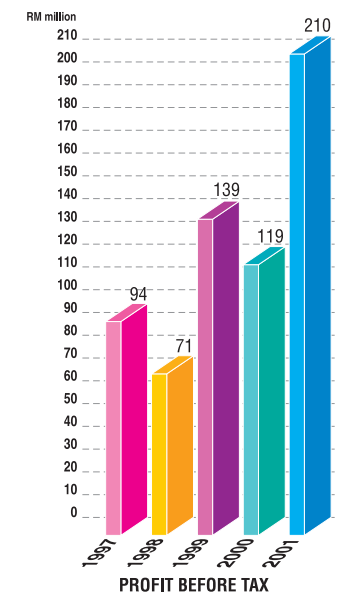
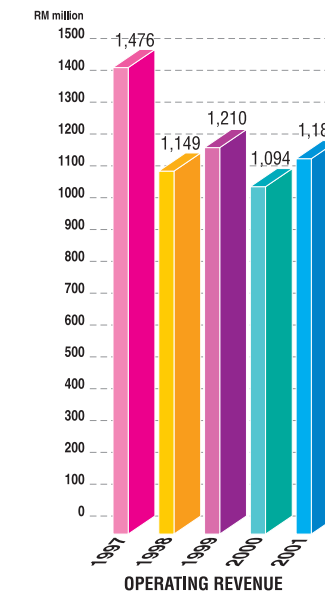
We are committed to:

- The quality of our products and services and the value they provide to our clients;
- Create mutually beneficial relationship with all our clients so that such trust and respect will carry our relationship even further;
- Achieve our goals of accident-free operations, elimination of occupational health hazard and ensure no permanent damage to the environment;
- Be a good corporate citizen by respecting the rule of law in whatever business and in whichever country we operate;
- Creating a work environment of mutual trust and respect, in which diversity and inclusion are valued and contributions are recognised and competitively rewarded;
- Ensuring that our employees' welfare is considered at all times as we pursue the business objectives;
- Managing our financial performance to maximise the long-term return to our stakeholders – investors, employees, clients, creditors and the government;
- Be at the forefront in the pursuit of good corporate governance.

Group Financial Highlights

		2001 RM'000	2000 RM'000	1999 RM'000	1998 RM'000	1997 RM'000
OPERATING REVENUE*						
Construction		628,314	621,377	612,122	636,462	883,900
Property development		148,575	97,247	252,594	180,226	202,207
Manufacturing and quarrying		237,711	188,708	155,607	132,962	230,957
Plantations		72,554	65,123	114,964	158,269	140,849
Infrastructure		80,068	98,020	56,336	31,467	6,128
Investment & Others		18,914	24,149	18,345	9,130	11,514
		1,186,136	1,094,624	1,209,968	1,148,516	1,475,555
PROFIT BEFORE TAX						
Construction		86,599	64,040	42,083	15,247	28,349
Property development		16,873	13,411	25,864	8,527	22,672
Manufacturing and quarrying		17,378	11,718	8,693	(8,472)	11,271
Plantations		6,796	4,792	24,314	40,025	36,602
Infrastructure		99,293	27,911	36,230	15,023	5,700
Investment & Others		(16,530)	(2,916)	2,247	393	(10,794)
		210,409	118,956	139,431	70,743	93,800
PROFIT ATTRIBUTABLE TO SHAREHOLDERS						
		168,998	76,773	117,676	39,130	63,234
ISSUED SHARE CAPITAL						
		352,723	351,517	345,966	342,090	342,072
SHAREHOLDERS' FUNDS						
		1,320,641	1,205,851	1,113,479	1,002,532	965,991
TOTAL ASSETS						
		2,289,922	2,262,011	2,050,274	1,969,561	1,918,291
EARNINGS PER SHARE (Basic)						
Sen		48.0	21.9	34.2	11.4	19.1
GROSS DIVIDEND PER SHARE						
Sen		20.0	8.0	6.0	5.0	8.0
NET TANGIBLE ASSETS PER SHARE						
RM		3.62	3.26	3.05	2.84	2.73
RETURN ON TOTAL ASSETS						
%		7.38	3.39	5.74	1.99	3.30
RETURN ON EQUITY						
%		12.80	6.37	10.57	3.90	6.55
GEARING (Debt/Equity)						
%		14.14	30.57	29.54	48.69	42.65
SHARE PRICE						
High	RM	4.60	4.42	3.46	2.45	7.05
Low	RM	2.27	2.56	1.86	0.60	1.22
Close	RM	4.26	2.66	3.08	2.39	1.29
WARRANT PRICE						
High	RM	1.51	1.69	0	0	0
Low	RM	0.60	0.70	0	0	0
Close	RM	1.29	0.73	0	0	0

* Including share of revenue of associates and joint ventures





CONSTRUCTION

IJM Construction Sdn Bhd

Subsidiaries

IJM Building Systems Sdn Bhd
Jurutama Sdn Bhd
Prebore Piling & Engineering Sdn Bhd

Associates

Hexacon Construction Pte Ltd
Integrated Water Services (M) Sdn Bhd
THB-IJM Joint Venture Sdn Bhd

Nilai Cipta Sdn Bhd

Associate

Deltabumi Sdn Bhd



PROPERTIES

IJM Properties Sdn Bhd

Subsidiaries

Chen Yu Land Sdn Bhd
IJM Management Services Sdn Bhd
Jalanan Masyhur Sdn Bhd
Liberty Heritage Sdn Bhd
Suria Bistari Development Sdn Bhd
Wedec Sdn Bhd
Xylocorp Sdn Bhd

Associate

Worldwide Venture Sdn Bhd

IJM Australia Pty Ltd

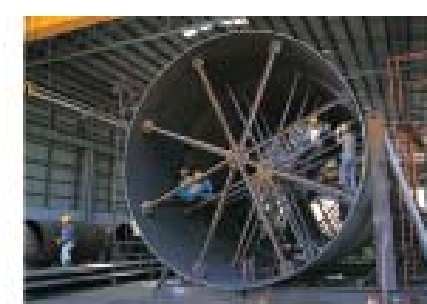
Billmex Pty Ltd

Associate

Quay Link Enterprise Pty Ltd

Associate

Jelutong Development Sdn Bhd



INDUSTRIES

Malaysian Rock Products Sdn Bhd

Subsidiaries

Aggregate Marketing Sdn Bhd
Azam Ekuiti Sdn Bhd
Bohayan Industries Sdn Bhd
Damansara Rock Products Sdn Bhd
Kemena Industries Sdn Bhd
Scaffold Master Sdn Bhd
Strong Mixed Concrete Sdn Bhd

Associates

Batu Kenangan Sdn Bhd
Kuang Rock Products 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

Subsidiaries

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

Gunaria Sdn Bhd
IJM Agri Services Sdn Bhd
Rakanan Jaya Sdn Bhd

Subsidiary

Isu Mutiara Sdn Bhd
Sabang Mills Sdn Bhd
Sijas Plantations Sdn Bhd

Associates

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



INFRASTRUCTURE & OTHERS

IJM International Limited

Associate

OSW Properties Pty Ltd

IJM International (BVI) Pty Ltd

Associates

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

IJM Overseas Ventures Sdn Bhd

Associate

Earning Edge Sdn Bhd

IJM Investments (M) Limited

IEMCEE Infra (Mauritius) Limited
- Gautami Power Limited
IJMII (Mauritius) Limited
- IJM (India) Infrastructure Limited

Associates

CIDB Inventures Sdn Bhd
Emas Utilities Corporation Sdn Bhd
Grupo Concesionario del Oeste S. A.
Inversiones E Inmobiliaria Sur Sur S. A.
JWS Projects Sdn Bhd
Masscorp-Chile Sdn Bhd

Note: Dormant companies are not included

Statement of Value Added & Distribution

	2001 RM'000	2000 RM'000
Value added :		
Revenue	857,391	615,848
Purchases of goods & services	(652,982)	(457,674)
Value added by the Group	204,409	158,174
Share of profits of associated companies	22,351	55,383
Share of profits of jointly controlled entities	12,966	10,244
Allowance for diminution in value of associated company	(47,000)	-
Gain on disposal of associated company	122,257	-
Other investment income	3,415	489
Total value added	318,398	224,290
Distribution :		
To employees		
- Salaries & other staff costs	55,774	49,106
To Government		
- Taxation	34,418	30,421
To providers of capital		
- Dividends	50,690	28,655
- Finance costs	27,769	35,426
- Minority interest	6,993	11,762
Retained for future reinvestment & growth		
- Depreciation	24,446	20,802
- Retained profits	118,308	48,118
Total distributed	318,398	224,290

Value added is a measure of wealth created. The above statement shows the Group's value added for 2001 and 2000 and its distribution by way of payments to employees, government and capital providers, with the balance retained in the Group for future reinvestment and growth.

Information for Investors

OUTLOOK 2002

As explained in the Chairman's Statement and Group Managing Director's Operations Review in this annual report, the Group is optimistic of good performance in the current year.

HISTORICAL 2001

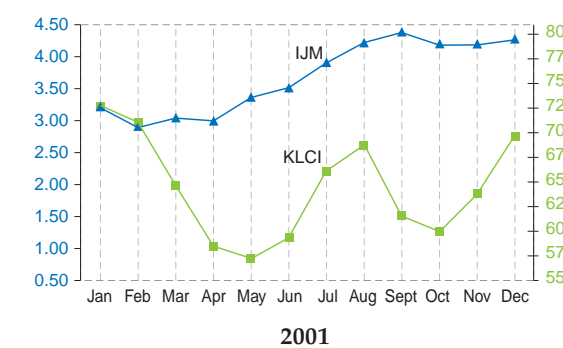
The Company's share had a good run in 2001, out-performing the relatively subdued Kuala Lumpur Composite Index (KLCI). Over the year, IJM share rose from RM2.66 to RM4.26 registering a gain of 60.15%, while the KLCI only managed a meagre 2.4% gain. On the whole, IJM ended 2001 as the second best performer on the KLSE.

TOP 10 KLCI component stocks that most outperformed the index

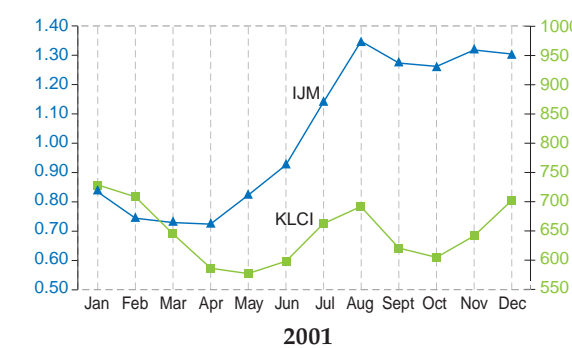
The Edge 14 Jan 2002

	26/12/00	31/12/01	DIFF (%)	PERF. INDEX BY (%)
KL COMPOSITE INDEX	679.64	696.09	2.42	
STOCK				
1 Proton	RM4.66	RM8.05	72.75	68.67
2 IJM Corp	RM2.66	RM4.26	60.15	56.37
3 IOI Corp	RM2.55	RM3.84	50.59	47.03
4 Road Builder	RM2.99	RM4.50	50.50	46.94
5 Petronas Dagangan	RM2.86	RM4.22	47.55	44.06
6 Magnum	RM1.46	RM2.13	45.89	42.44
7 Bandar Raya Devts	RM0.85	RM1.23	44.71	41.29
8 M'sian Ind Devt Finance	RM0.67	RM0.96	43.61	40.22
9 Tan & Tan Devts	RM0.88	RM1.24	40.91	37.58

IJM Share vs the KLCI



IJM Warrant vs the KLCI



ESOS AND IJM WARRANTS

Investors may refer to Note 7 and 8 of the Directors' Report for detailed information.

INVESTORS SERVICE

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

Mr Jeremie Ting Keng Fui
Corporate Services Department
Tel : 03-79558122
Fax : 03-79550745
E-mail: jt@ijm.com.my



Analysis of Shareholdings

as at 29 March 2002

Authorised Share Capital	:	RM1,000,000,000
Issued & paid-up Capital	:	RM362,477,654
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	323	91,846	0.03%
1,000 - 10,000	3,647	10,517,402	2.90%
10,001 - 100,000	653	22,912,452	6.32%
100,001 - to less than 5% of issued shares	359	259,301,020	71.53%
5% and above of issued shares	2	69,654,934	19.22%
	4,984	362,477,654	100.00%

REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Number of Shares		Percentage of Issued Capital
	Direct	Deemed Interests	
1. Dato’Tan Chin Nam	-	70,982,534	19.58%
2. Employees Provident Fund Board	19,510,000	-	5.38%
3. IGB Corporation Berhad	12,903,600	58,078,934	19.58%
4. Permodalan Nasional Berhad	21,576,000	-	5.95%
5. Riraiance Enterprise Sdn Bhd	48,078,934	-	13.26%
6. Robert Tan Chung Meng	-	70,982,534	19.58%
7. Tan & Tan Developments Berhad	-	70,982,534	19.58%
8. The Capital Group Companies, Inc.	-	21,894,897	6.04%
9. Yayasan Pelaburan Bumiputra	-	21,576,000	5.95%

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	13.26%
2. Permodalan Nasional Berhad	21,576,000	5.95%
3. HSBC Nominees (Asing) Sdn Bhd - Emerging Markets Growth Fund	16,512,714	4.56%
4. Arab-Malaysian Nominees (Tempatan) Sdn Bhd		
- Pledged Securities Account for IGB Corporation Berhad (BK 7/786-2)	12,903,600	3.56%
5. Malaysia Nominees (Tempatan) Sdn Bhd		
- Pledged Securities Account for Intercontinental Aviation Services Sdn Bhd (01-0075-000)	10,000,000	2.76%
6. Employees Provident Fund Board	8,422,000	2.32%
7. Malaysia Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (MLF)	6,989,000	1.93%
8. Mayban Securities Nominees (Tempatan) Sdn Bhd		
- PhileoAllied Credit & Leasing for Salient Growth Sdn Bhd	5,000,000	1.38%
9. HSBC Nominees (Asing) Sdn Bhd - JPMCB for Fleming Flagship Asian Opportunities Fund	4,961,000	1.37%
10. HSBC Nominees (Asing) Sdn Bhd		
- BNY Brussels for The State Teachers Retirement System of Ohio (Genesis Asst Mg)	4,750,000	1.31%
11. Cartaban Nominees (Asing) Sdn Bhd		
- Nordea Bank Danmark A/S for Uni-Invest Engros Asiatiske Aktier (3297)	4,200,000	1.16%
12. Malaysia Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (MLF2)	4,037,000	1.11%
13. AM Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (A/C 1)	3,184,000	0.88%
14. HSBC Nominees (Asing) Sdn Bhd - BBH and Co Boston for GMO Emerging Markets Fund	3,051,000	0.84%
15. Citicorp Nominees (Tempatan) Sdn Bhd - Prudential Assurance Malaysia Berhad (Par Fund)	2,743,332	0.76%
16. Universal Trustee (Malaysia) Berhad - Mayban Unit Trust Fund	2,697,000	0.74%
17. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Nasional	2,601,000	0.72%
18. AM Nominees (Tempatan) Sdn Bhd - Pertubuhan Keselamatan Sosial	2,503,000	0.69%
19. Citicorp Nominees (Tempatan) Sdn Bhd - Aetna Universal Insurance Berhad (INV-IL PAR)	2,500,000	0.69%
20. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	2,365,294	0.65%
21. HSBC Nominees (Asing) Sdn Bhd - Abu Dhabi Investment Authority	2,161,000	0.60%
22. Citicorp Nominees (Asing) Sdn Bhd - TINTC for Government of Singapore Investment Corporation Pte Ltd	2,015,000	0.56%
23. HSBC Nominees (Asing) Sdn Bhd		
- BNY Brussels for the State Teachers Retirement System of Ohio (Sanford Emerg)	1,938,000	0.53%
24. HSBC Nominees (Asing) Sdn Bhd -Capital International Emerging Markets Investment Fund	1,921,000	0.53%
25. Malaysia Nominees (Asing) Sdn Bhd		
- Oversea-Chinese Bank Nominees Pte Ltd for Greatlink Asean Growth Fund (9011D)	1,889,000	0.52%
26. Citicorp Nominees (Asing) Sdn Bhd - CB LDN for Stichting Shell Pensioenfonds	1,850,000	0.51%
27. DB (Malaysia) Nominee (Asing) Sdn Bhd - DB GCS London for Credit Lyonnais (OPCVM.FCP)	1,813,000	0.50%
28. HSBC Nominees (Asing) Sdn Bhd - Genesis Malaysia Maju Fund Limited	1,744,000	0.48%
29. Amanah Raya Berhad - Tabung Ittikal Arab-Malaysian	1,725,000	0.48%
30. Glenfield Enterprise Sdn Bhd	1,621,000	0.45%
	187,751,874	51.80%

Analysis of Warrantholdings

as at 29 March 2002

Warrants 2000/2004 : RM79,845,930 outstanding

DISTRIBUTION OF WARRANTHOLDINGS			
Range of Warrantholdings	Number of Warrantholders	Number of Warrants	Percentage of Outstanding Warrants
Less than 1,000	228	81,201	0.10%
1,000 - 10,000	2,538	5,714,665	7.16%
10,001 - 100,000	246	8,675,636	10.87%
100,001 - to less than 5% of issued warrants	87	42,673,342	53.44%
5% and above of issued warrants	3	22,701,086	28.43%
	3,102	79,845,930	100.00%

THIRTY LARGEST WARRANTHOLDERS

	Number of Warrants	Percentage of Outstanding Warrants
1. Riraiance Enterprise Sdn Bhd	10,768,828	13.49%
2. Employees Provident Fund Board	6,653,200	8.33%
3. Permodalan Nasional Berhad	5,279,058	6.61%
4. Sow Cheng Kow	3,000,000	3.76%
5. IGB Corporation Berhad	2,886,000	3.61%
6. HSBC Nominees (Asing) Sdn Bhd - Emerging Markets Growth Fund	2,432,542	3.05%
7. Intercontinental Aviation Services Sdn Bhd	2,237,000	2.80%
8. Glenfield Enterprise Sdn Bhd	1,916,000	2.40%
9. Arab-Malaysian Nominees (Tempatan) Sdn Bhd		
- Arab-Malaysian Trustee Bhd for HLB Penny Stock Fund (5/4-3)	1,786,000	2.24%
10. Tan Boon Seng @ Krishnan	1,543,000	1.93%
11. HSBC Nominees (Asing) Sdn Bhd - HSBCIT HK for JF Malaysia Fund	1,500,000	1.88%
12. HSBC Nominees (Asing) Sdn Bhd - BNY Brussels for JF Asean Fund	1,250,000	1.57%
13. Mayban Securities Nominees (Tempatan) Sdn Bhd - PhileoAllied Credit & Leasing for Salient Growth Sdn Bhd	1,000,000	1.25%
14. Goh Chye Koon	986,000	1.23%
15. HSBC Nominees (Asing) Sdn Bhd		
- BNY Brussels for The State Teachers Retirement System of Ohio (Genesis Asst Mg)	950,000	1.19%
16. Mayban Securities Nominees (Tempatan) Sdn Bhd		
- Pledged Securities Account for Choo Thye (Rem 890-Margin)	750,000	0.94%
17. Ooi Poay Lum	735,000	0.92%
18. Tengku Uzir Bin Tengku Ubaidillah	731,000	0.92%
19. Universal Trustee (Malaysia) Berhad - BHLB Pacific Emerging Companies Growth Fund	709,000	0.89%
20. Soo Heng Chin	580,000	0.73%
21. HSBC Nominees (Asing) Sdn Bhd - RBC Noms SG for Asian Dragon Worldwide Ltd	569,000	0.71%
22. Mayban Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Velayuthan A/L Tan Kim Song	551,600	0.69%
23. Norwest Corporation Sdn Bhd	516,000	0.65%
24. Seah Hong Ghee (Gee) @ Chair Kow	514,000	0.64%
25. Lim Yong Keat	507,000	0.63%
26. Takaful Nasional Sdn Bhd	500,000	0.63%
27. AAA Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim HwaYew	490,000	0.61%
28. DB (Malaysia) Nominee (Asing) Sdn Bhd - DB GCS London for Credit Lyonnais (OPCVM.FCP)	485,800	0.61%
29. Ee Ching Wah	460,000	0.58%
30. BHLB Trustee Berhad - TA Comet Fund	445,000	0.56%
	52,731,028	66.05%

Directors’ Shareholdings & Warrantholdings

as at 12 April 2002

Name of Directors	Number of Shares		Percentage of Issued Capital	Number of Warrants		Percentage of Outstanding Warrants
	Direct	Deemed		Direct	Deemed	
Tan Sri Dato’ (Dr) Haji Ahmad Azizuddin bin Haji Zainal Abidin	-	45,000 ¹	0.012%	31,000	8,200 ¹	0.05%
Tan Boon Seng @ Krishnan	750,698	357,698 ²	0.306%	1,647,000	234,000 ²	2.36%
Goh Chye Koon	298,712	-	0.082%	986,000	-	1.24%
Soo Heng Chin	80,000	-	0.022%	719,000	-	0.90%
Velayuthan a/l Tan Kim Song	282,000	-	0.078%	528,600	-	0.62%
Tan Sri Dato’ (Dr) Haji Murad bin Mohamad Noor	10,333	-	0.003%	-	-	-
Datuk Yahya Bin Ya’acob	-	-	-	-	-	-
Oh Chong Peng	-	-	-	-	-	-
Tan Sri Dato’ Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	-	-	-	33,400	-	0.04%
Dato’ Goh Chye Keat	693,362	710,132 ³	0.387%	132,000	172,000 ³	0.38%
Choo Choon Yeow	150,000	100,000 ⁴	0.069%	190,000	31,000 ⁴	0.28%
Lai Meng	-	-	-	-	-	-
Haji Osman Bin Haji Ismail	-	-	-	-	-	-

Note:-

*1 Through Azizuddin Sdn Bhd and a family member

*2 Through a family member

*3 Through CK Goh Holdings Sdn Bhd, Jurutama Holdings Sdn Bhd and a family member

*4 Through Aldrey (M) Sdn Bhd

Corporate Diary

5 January PRESENTATION OF OHSAS CERTIFICATE

IJM Corporation Berhad and its wholly-owned subsidiary IJM Construction Sdn Bhd became the first Malaysian companies in the Construction Industry to receive the Occupational Health and Safety Management Systems Approval Certificate under the OHSAS 18001:1999 certification by SIRIM. The award was presented by SIRIM QAS Sdn Bhd Chairman Y. Bhg. Dato' Dr Mohd Ariffin bin Haji Aton to IJM Group Managing Director Mr Krishnan Tan and was witnessed by the Honorable Minister of Human Resources, YB Datuk Dr Fong Chan Onn at the Sheraton Hotel, Subang Jaya.



17 January AWARD OF JALAN LINGKARAN BANDAR U4 CONTRACT

IJM Corporation Berhad successfully secured a Deferred Payment Fixed Lump Sum Design and Build Contract for RM470 million from the Government of Malaysia for the construction of the Primary Distributor Road at Putrajaya. The 15.2 km highway consists of 2 full cloverleaf interchanges, 1 trumpet interchange, 1 diamond interchange, 1 directional ramp, 1 ERL crossing, 3 river crossings, 2 pond crossings, 2 underpasses and 1 overpass.

29 January AWARD OF PUTRAJAYA GOVERNMENT OFFICE CONTRACT

Norwest-Orbtech-IJM Joint Venture was awarded a contract valued at RM229 million for the construction and completion of 4 blocks of Government Office. Located on part of Lot PT 111 of Precinct 1 of Putrajaya Development, the office buildings consist of 8 to 13 storey tower blocks and are scheduled for completion by early 2003.

23 February ISO 9002 CERTIFICATION



IJM Building Systems Sdn Bhd, a wholly-owned subsidiary of IJM Construction Sdn Bhd, was awarded the MS ISO 9002:1994 certification by SIRIM.

3 March RIANA GREEN PHASE III – VACANT POSSESSION

Purchasers and residents gathered at the cascading pool deck to celebrate the completion of Phase III – 14 months ahead of schedule. The crowd was treated to food, drinks, music and karaoke-singing. There were also lucky draws.

28 April DEVELOPMENT OF SANDAKAN INTO A MAJOR HUB FOR THE PALM OIL PROCESSING AND EXPORT MARKET IN SABAH

A presentation on the "Development of Sandakan into a major hub for the palm oil processing and export market in Sabah" was made by IJM Group Executive Director Mr Velayuthan Tan at Wisma IJM Plantations. The presentation, chaired by YB Datuk Musa Haji Aman, Minister of Finance, Sabah, was attended by YB Datuk Anifah bin Haji Aman (Deputy Minister of Primary Industries Malaysia), YB Datuk Mark Koding (Chairman of Sabah Port Authority) and YB Datuk Lau Ngan Siew (MP of Sandakan), among others.

6 June TADA-NELLORE BOT PROJECT – GROUND BREAKING CEREMONY

A groundbreaking ceremony was officiated by YB Dato Seri S. Samy Vellu, Minister of Works Malaysia and Major General (Retd.) B.C. Khanduri, Minister of State, Road Transport and Highways India for a four-lane highway between Tada-Nellore (NH5) and from Vijayawada-Nandigama (NH9) on a Built-Operate-Transfer basis with a concession period of 30 years.

18 June IJM SECURES ANOTHER PRESTIGIOUS PUTRAJAYA PROJECT

IJM clinched the prestigious Putrajaya Convention Centre, Design and Build Contract. This is one of several projects secured by the Group in what has been a record year in so far as procurement of projects is concerned. The scope of work comprises a 2-level basement car park and a multi-level convention facility which includes a 2,880-seating capacity Plenary Hall, a circular Banquet Hall, a high-level government Head of State Conference Hall, 2 multi-purpose Exhibition halls, meeting rooms and conference halls of various sizes, and other ancillary facilities.

31 July BINH AN AWARDED ISO 9001 CERTIFICATION

Binh An Water Corporation Limited (BAWC) attained the unique distinction of becoming the first "Built-Operate-Transfer" infrastructure company in Vietnam to achieve the prestigious ISO 9001: 2000 certification.



8 August KLSE RAT RACE

On a sun-wrapped afternoon, more than 200 corporate figures – some fully-dressed in their working attire – wiggled their hips and swung their limbs in the 2nd KLSE Rat Race. With the cheering calls of "We are blue, we are white, we are IJM..!" from our cheerleaders all dressed up in matching tennis skirts and tank, the IJM team ran the race of their lives to emerge winner in the team event.



17 August "BUILDING FOR THE FUTURE"



IJM Properties Sdn Bhd (IJMP), a wholly-owned subsidiary of IJM Corporation Berhad, signed a Memorandum of Understanding with HICOM Teleservices Sdn Bhd to jointly build the Information Communication Technology (ICT) infrastructure – better known as e-Condo. This exercise would enable IJMP to provide ICT infrastructure for Internet Access and its related value-added services in our commercial and residential development projects.

5 - 9 September KLSE INVESTORS WEEK



To further enhance investors' relation, IJM took part in this annual event organised by the KLSE. The company gave away annual reports, brochures and souvenirs to visitors while our Group Managing Director held a 30-minute briefing session to members of the Press, fund managers, research analysts and visitors.



14 September CIDB CONSTRUCTION AWARDS 2001

IJM received further recognition from the Construction Industry Development Board (CIDB) when IJM Construction Sdn Bhd clinched the 2001 Builder of the Year award. This award came hot on the heels of the Malaysian International Contractor of the Year Award received in 2000.



15 November MOU WITH UMS FOR COLLABORATIVE R&D AND TRAINING

IJM Plantations signed a MoU with Universiti Malaysia Sabah (UMS) for collaborative R&D and training that allows both sides to tap into their respective strengths and resources for mutual benefit.



Board of Directors & Secretary



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

Standing from left to right (top):
Independent Non-Executive Directors
Tan Sri Dato' (Dr) Haji Murad
bin Mohamad Noor
Datuk Yahya bin Ya'acob
Oh Chong Peng
Non-Executive Directors
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman
bin Wan Yaacob
Dato' Goh Chye Keat
Choo Choon Yeow
Lai Meng
Haji Osman bin Haji Ismail
Secretary
Jeremie Ting Keng Fui

Group Executive Directors
Group Managing Director
Tan Boon Seng @ Krishnan
(2nd from left)
Deputy Group Managing Director
Goh Chye Koon
(3rd from left)
Executive Directors
Velayuthan a/l Tan Kim Song
(Extreme Right)
Soo Heng Chin
(Extreme Left)

Profile of Directors, Secretary and Senior Management

DIRECTORS

TAN SRI DATO' (DR) HAJI AHMAD AZIZUDDIN BIN HAJI ZAINAL ABIDIN

PSM, DPMP, KMN, JP, *B.Eng.(Mining)(NZ)*, *AM (Aust)IMM, FIME(Mal)*, *P.Eng*

Y. Bhg. Tan Sri Ahmad, aged 74, is the Independent non-executive Chairman of the Group. He joined the IJM Board on 16 April 1984.

He started out as a civil servant and was the Senior Inspector of Mines for 14 years. Y. Bhg. Tan Sri Ahmad was also a Senator (1976-1978), Speaker of the Perak State Legislative Council (1978-1982), and State Assemblyman of Belanja District (1982-1986).

TAN BOON SENG @ KRISHNAN #^

SMS, *B. Econ(Hons)*, CPA, CA, MBA

Mr Tan, aged 50, is an accountant by training. He joined IJM as Financial Controller in 1983 and joined the Board as an Alternate Director on 12 June 1984. He rose in ranks to assume the post of Group Managing Director on 1 January 1997.

Mr Tan is also a non-executive Director of Industrial Concrete Products Berhad, MASSCORP Berhad, ABN AMRO Bank Berhad, Torsco Berhad and Grupo Concesionario del Oeste S.A. He is also a member of the Executive Committee of the Federation of Public Listed Companies Berhad (FPLC).

Prior to joining IJM, he was with Kumpulan Perangsang Selangor Berhad for seven years.

GOH CHYE KOON #^+

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

Mr Goh, aged 53, has been the Deputy Group Managing Director of IJM since 1 January 1997.

He served as an engineer in the Ministry of Works for 11 years and was its Superintending Engineer prior to joining IJM as Senior Engineer in 1984. He was promoted as General Manager (Central Region) in 1986 and was made Alternate Director on 25 July 1995 before assuming his present position.

Mr Goh is also the Vice President of the Master Builders Association.

SOO HENG CHIN #^

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

Mr Soo, aged 47, was appointed an Alternate Director on 12 June 1998 and subsequently a Group Executive Director on 17 May 2001. He heads a major construction unit within the Group and oversees the Purchasing & Store Department, Plant & Workshop Department, and Quality System & Safety Department.

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

VELAYUTHAN A/L TAN KIM SONG

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

Mr Velayuthan, aged 48, was made an Alternate Director on 12 June 1998 and subsequently a Group Executive Director on 17 May 2001. He heads the Plantations Division of the Group.

Before joining IJM in 1985, he was the Assistant Manager of Multi-Purpose Holdings Berhad. He started out as a Project Officer of Desa Talisai Sdn Bhd and rose to become the Executive Director of IJM Plantations Sdn Bhd in 1997.

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)*

Y. Bhg. Tan Sri Murad, aged 72, is a senior independent non-executive Director. He was appointed to the Board on 25 July 1985.

His 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).

DATUK YAHYA BIN YA'ACOB > *

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

Y. Bhg. Datuk Yahya, aged 58, is an independent non-executive Director. He was appointed to the Board on 31 March 1999.

He is also the Chairman of the Malaysian Highway Authority and Trenergy (Malaysia) Berhad as well as non-executive Director of UDA Holdings Berhad, Rumpun Hijau Capital Berhad and Torsco Berhad.

Y. Bhg. Datuk Yahya was in civil service for more than 32 years, having served the last five years as the Secretary General of the Ministry of Works before his retirement in 1999. His other postings include Secretary General of the Ministry of Information (1991-1994), Secretary of the 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).

OH CHONG PENG *

FCA, CPA

Mr Oh, aged 57, is an independent non-executive Director. He was appointed to the Board on 12 April 2002.

He is a non-executive Chairman of Land & General Berhad, Nanyang Press Holdings Berhad and RHB Management Company Sdn Bhd, and is a non executive Director of Star Publications (Malaysia) Berhad, British American Tobacco (Malaysia) Berhad, Rashid Hussain Berhad, RHB Capital Berhad, RHB Bank Berhad, RHB Insurance Berhad, Powertek Berhad and Renong Berhad. He is also a Council Member of the Malaysian Institute of Certified Public Accountants (MICPA), a Trustee of Huaren Education Foundation, and a Government appointed Member of the Labuan Offshore Financial Services Authority.

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

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

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

Y. Bhg. Tan Sri Wan Abdul Rahman, aged 61, joined the Board on 1 July 1996 and is a non-executive Director.

Besides this, he is also the Chairman of the Malaysian Construction Industry Development Board, Malaysian Standard & Accreditation Council, and The Road Engineering Association of Malaysia (REAM), Lingkaran Trans Kota Holdings Berhad and Lysaght Galvanized Steel Berhad. He also sits as non-executive Director of Malaysian Industrial Development Finance Berhad, Malaysia Mining Corporation Berhad, Northport Corporation Berhad, Powertek Berhad, Saujana Consolidated Berhad, and SIME UEP Properties Berhad. He is also a Council member of The Road Engineering Association of Asia & Australia (REAAA) and an Ex-Officio member of The Institution of Highways and Transportation (Malaysia Branch).

He 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.



DATO’ GOH CHYE KEAT >

DSPN, JSM, DJN, *Dip.Eng., P.Eng.*

Y. Bhg. Dato’ Goh, aged 61, one of the pioneers of the Group, has been a non-executive Director since he retired as Group Managing Director of IJM on 31 December 1996. He was appointed to the Board on 16 April 1984, and was made Group Managing Director in 1988.

He is a non-executive Director of Industrial Concrete Products Berhad and MASSCORP Berhad.

Y. Bhg. Dato’ Goh started out with the Public Works Department and was there for three years before joining Soon Tat & Co as Project Manager. He left Soon Tat & Co after three years to join Jurutama Sdn Bhd in 1970.

CHOO CHOON YEOW

B.Eng.(Hons), FIEM, MICE, P.Eng., C.Eng.

Mr Choo, aged 58, was made non-executive Director since his retirement as Deputy Group Managing Director of IJM on 24 March 1999.

He was with Jurutera Konsultant (M) Sdn Bhd for 13 years and was its Project Director prior to joining IJM in 1985 as Technical Manager. From there, he moved on to become Project Coordinator in 1987, Alternate Director on 1 November 1988, Director in 1994, and Deputy Group Managing Director in 1997.

LAI MENG

B.Econs(Hons)

Mr Lai, aged 47, is a non-executive Director of IJM. He was appointed Director on 23 June 1994 and is a representative of IGB Corporation Berhad.

He has been Executive Director of IGB Corporation Berhad since 1995, and a non-executive Director of Ipmuda Berhad.

He 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, he joined Tan & Tan Developments Berhad as Manager (Corporate Affairs) before being appointed Group Financial Controller in 1989 and General Manager (Finance & Administration) in 1990. He was promoted as Director (Corporate Affairs) of IGB Corporation Berhad in 1992.

HAJI OSMAN BIN HAJI ISMAIL

Adv Dip Acc

Tuan Haji Osman, aged 44, was appointed as non-executive Director of IJM on 5 January 2001. He is a representative of Permodalan Nasional Berhad (“PNB”).

He is also a non-executive Director of Gold IS Berhad, Heitech Padu Berhad, IGB Corporation Berhad and Tan & Tan Developments Berhad.

Tuan Haji Osman, who joined PNB in 1985, is currently the Senior Manager, Financial & Management Audit Department of PNB. He is also a member of the Institute of Internal Auditor Malaysia.

SECRETARY

JEREMIE TING KENG FUI

MBA, FCIS, FCSM

Mr Ting, aged 45, joined IJM in 1982 and was appointed Company Secretary on 1 July 1994. He heads the Corporate Services Department.

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

He is the Deputy President of the Malaysian Association of the Institute of Chartered Secretaries & Administrators (MAICSA) for 2002, and is an alternate member of the Executive Committee of the Federation of Public Listed Companies Berhad. He was awarded the ROC-MAICSA Company Secretary Award 2000 (Listed Company Category).

SENIOR MANAGEMENT

LING AH HONG

B.Agr. Sc (Hons)

Mr Ling, aged 51, has been the General Manager of IJM Plantations Division since 1 September 1999.

His past positions include Agronomist (1979-1985) and Manager, Agricultural Services (1986-1989) of 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.

LOY BOON CHEN

CPA, MBA

Mr Loy, aged 51, was appointed Finance Director on 1 July 1998. He is also a non-executive Director of Guangdong Provincial Expressway Development Co. Limited.

He heads both the Finance & Accounts Department and the Human Resource & Administration Department, and is a member of the Accounting Standards Sub-Committee of the Federation of Public Listed Companies Berhad since 1998.

He was with Ernst & Young for seven years. He joined Mudajaya Construction Sdn Bhd as Chief Accountant before being appointed Group Financial Controller of IJM in 1994.

He is also a member of the ESOS Committee.

MAH TECK OON

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

Mr Mah, aged 50, heads IJM Industries Division since 1 July 1998.

He was with the Hong Leong Group Malaysia for 15 years and was its General Manager of the ceramic tile factories for 10 years. He 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).

TEH KEAN MING

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

Mr Teh, aged 47, was appointed Group General Manager of IJM Properties Division on 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).

IJM Group of Companies - Organisation Chart

There are no family relationship between the Directors and/or major shareholders of the Company save for the following:

No.	Name	Relationship
1.	Tan Boon Seng @ Krishnan and Velayuthan a/l Tan Kim Song	Brothers
2.	Dato' Goh Chye Keat and Goh Chye Koon	Brothers

All Directors are Malaysians.

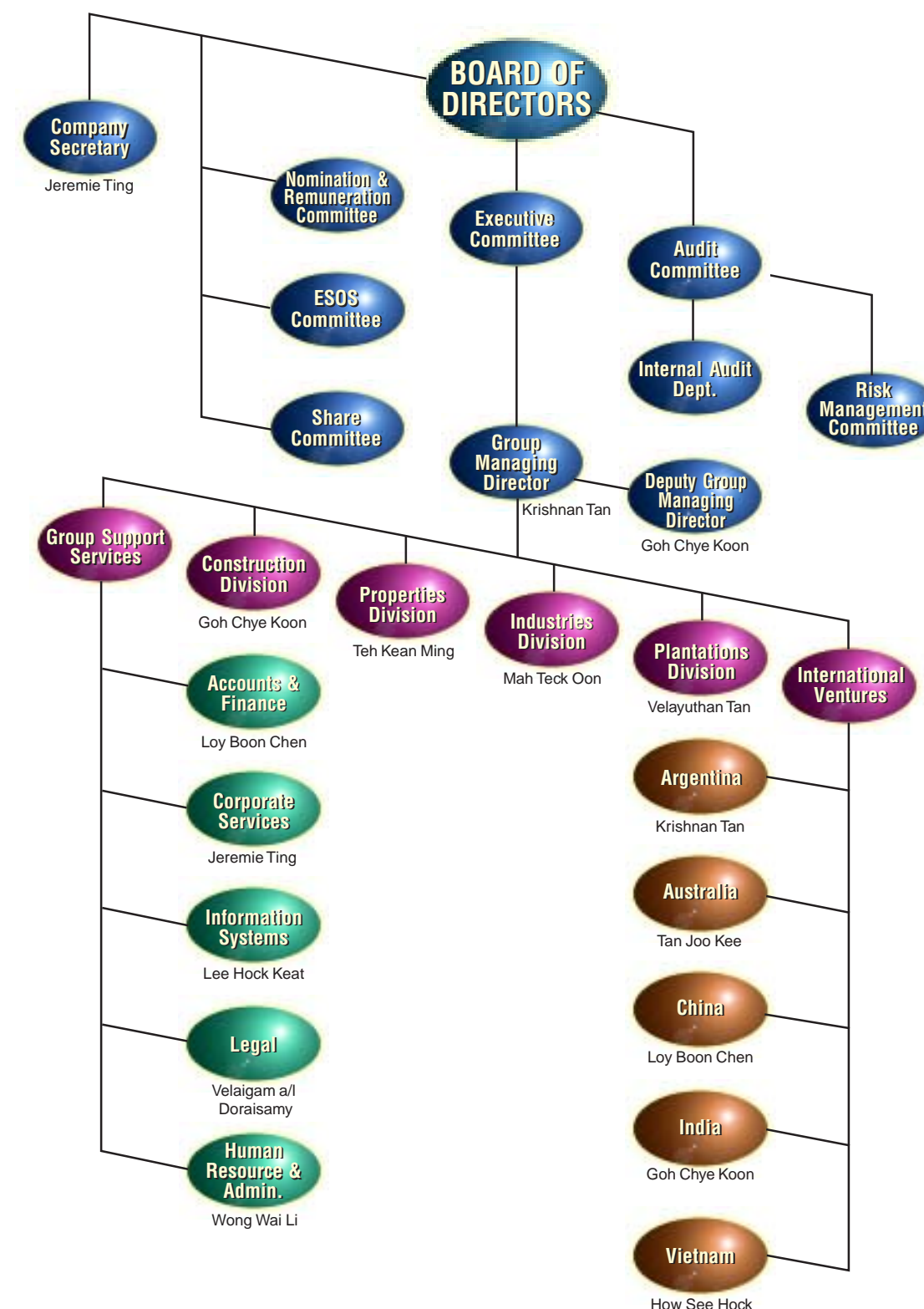
Save for Y. Bhg. Dato' Goh Chye Keat and Y. Bhg. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman Bin Wan Yaacob, none of the Directors has any conflict of interest with the Company.

None of the Directors has been convicted of any offences within the past 10 years, other than traffic offences.

- # Executive Committee
- > Nomination & Remuneration Committee
- * Audit Committee
- ^ Share Committee
- + ESOS Committee



Group Support Services
L to R: Mr Lee Hock Keat (General Manager - Accounts & Finance), Mr Jeremie Ting (Company Secretary), Mr Velaigam a/l Doraisamy (Sr. Manager - Legal), Ms Wong Wai Li (Manager - Human Resource & Admin) and Mr Loy Boon Chen (Finance Director).



Chairman's Statement



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 2001.

OPERATING RESULTS

The Malaysian economy took a turn for the worse in 2001, after the impressive rebound in 1999-2000 from the 1997 and 1998 recessionary years. It registered a GDP growth rate of only 0.4% against 8.3% in 2000. All major sectors in the economy, especially manufacturing and plantations, were hit by the slow-down in the global economy and the consequent export weakness. The September 11 incident in New York and the war in Afghanistan exacerbated the situation, further slowing down the recovery in the US and world economy and consequently, the Malaysian economy.

During 2001, the Government took proactive pump-priming measures to stimulate domestic demand to cushion the slowing Malaysian economy. These included two special fiscal stimulus packages totalling RM7.30 billion, to enable the construction sector to spearhead the growth in the local economy.

The Government also stepped up efforts to eliminate bureaucratic delays to accelerate project implementation and completion by giving all ministries and agencies deadlines to expedite payments to contractors and suppliers. Expansionary fiscal stimulus, both tax and non-tax, and accommodative monetary policies were put in place to help the country avert negative GDP growth for 2001.

In view of the positive measures taken by the Government and improved contributions from offshore operations, our Group was able to chalk up a 76.9% increase in pre-tax profit to RM210.41 million (2000: RM118.96 million) in 2001, on the back of revenues of RM857.39 million (2000: RM615.85 million). All the divisions, namely, Construction, Properties, Industries, Plantations and Infrastructure performed better in 2001. The pre-tax profit was also partially boosted by net exceptional gains of RM62.61 million. It should be noted that the Group enjoyed an exceptional gain of RM122.26 million from the partial disposal of investment in Guangdong Provincial Expressway Development Co. Ltd (GPED). But the gains were reduced by an allowance of RM47.00 million for diminution in value of investment in Grupo Concesionario del Oeste S.A. (GCO), following a severe devaluation of the Argentine peso.

Besides the record pre-tax profit, the Group also achieved other significant milestones in 2001. These included securing RM1.77 billion in construction contracts, the highest ever in a single year; recognition from the industry through the "Builder of the Year" award; and being the second best performing stock on the Kuala Lumpur Stock Exchange.

As at end 2001, the Group's gearing ratio (debt-equity) is at an all-time low of 14.1% (2000: 30.6%). This was mainly attributable to an increase in billings, vigilant credit control and debt collection, and the sale of GPED shares which brought in RM249.18 million to enable the Group to prepay and significantly reduce foreign currency borrowings.

BUSINESS OUTLOOK AND OPERATIONAL STRATEGIES

Several key US economic indicators are showing early signs of recovery, suggesting that the US-led world economy might be able to recover fairly quickly and avoid the risk of simultaneous, deep and prolonged recession for many countries. The current consensus opinion is that the world economy will recover faster in the second half of 2002. Although Bank Negara Malaysia has in its Annual Report, released on 20 March 2002, forecast a modest 3.5% growth in GDP for Malaysia for 2002, most research houses are projecting the local economy to grow between 5% and 7%.

Since the 2002 Budget is proactive, the consensus is that a higher economic growth is possible. The Budget seeks, among others, to strengthen economic growth through increased domestic expenditure, encourage consumption and diversify growth sources through trade and domestic activities while maintaining the role of foreign direct investment as well as expanding exports. It also earmarked RM28.40 billion for development expenditure, and this, together with the unspent amount under the 2001 special fiscal stimulus packages totalling RM7.30 billion, should enable the Malaysian economy, especially the construction sector, to register a higher GDP growth for 2002.

The Malaysian monetary policy remained stable and expansionist in 2001 and should remain so in 2002. The liquidity in the local banking system is such that interest rates will likely remain low for the rest of 2002.

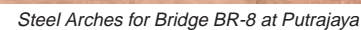
It is worthwhile to note that the local construction industry is seeing a convergence of positive factors where the cost-risk involved is minimal. Further, not only are contract opportunities good, the cost of borrowing for project financing is near historical lows.

Dato' Goh Chye Keat, Mr Krishnan Tan and Mr Goh Chye Koon with the CIDB Builder of the Year 2001 award.



“...despite a very difficult and uncertain world economic environment, our Group has performed creditably while holding fast to our commitment on the quality of our products and safe work environment for our people.”

Tan Sri Dato' (Dr) Haji
Ahmad Azizuddin Bin
Haji Zainal Abidin
Chairman




The low crude palm oil (CPO) price has been a drag on the palm oil industry in the past two years. If the current CPO price is any indication of better times, then the Plantations Division should turn in a better set of results in 2002. The Division's current total planted acreage is 49,208 of which 22,225 acres are matured and in production while the balance will

The Board of Directors proposes a final dividend of 5%, less income tax (2000: 5%, less income tax), subject to shareholders' approval at the 18th Annual General Meeting of the Company. Together with the interim and special interim dividends totalling 15%, less income tax, the total dividends for 2001 would be 20%, less income tax (2000: 8%, less income tax).

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 2001. The year 2002 will continue to be a challenging

The Board and I also wish to record our sincere appreciation to Mr Ooi Poay Lum, an Executive Director who resigned from the Company and the Board on 31 July 2001 after 21 years of service with the Group; Mr Khoo Chew Meng, a retired director who resigned from the Board on 15 August 2001 but will remain an adviser to the Group; and Y. Bhg. Dato' Arthur Tan Boon Shih, a Director who resigned from the board on 4 April 2002. In addition, Mr Choo Choon Yeow, with 17 years of service with the Group, has expressed his intention to retire from the Board at the conclusion of the forthcoming Annual General Meeting but will remain an adviser to the Group. I also wish to welcome two senior executives of the Group, Mr Soo Heng Chin and Mr Velayuthan Tan; and Mr Oh Chong Peng, who was appointed an independent non-executive Director and member to the Audit Committee; to the Board. I am confident they will add a wealth of experience to the deliberations at the Board.


Tan Sri Dato' (Dr) Haji Ahmad Azizuddin
Bin Haji Zainal Abidin
Chairman





“Year 2001 was an eventful year for us - good profits, an excellent order book, recognition from the industry through the Builder of the Year Award, the second best performing stock on the KLSE and many more.”



Mr Krishnan Tan
Group Managing Director

review of operations



Construction

Construction has been IJM's core business since its formation. Today, IJM has grown to be one of Malaysia's largest and most diversified construction groups in terms of work done and geographical spread. This has served as a solid foundation and as a springboard to venture into new growth areas.

Having earned a solid reputation in each of its specialised construction fields, IJM is effectively Malaysia's largest "Construction Supermarket". Its expertise ranges from civil engineering, foundation and building systems. Power, oil and gas projects and provision of project management and construction management services are also among its portfolio.

During the mid 80's, IJM Group ventured into overseas markets actively. It has since carried out construction activities in Australia, Hong Kong, Singapore, Mauritius, Myanmar, Pakistan, Bangladesh, Sri Lanka, India, China and Vietnam.



Construction Division Management Team

Seated (L to R): Project Directors - Mr Tan Gim Foo, Mr Debojit Chowdhury, Mr How See Hock, Mr Phoon Wai Weng, Mr Hiew Yet Kuei, Mr Goh Chye Koon (Deputy Group Managing Director), Mr Soo Heng Chin (Group Executive Director) & Mr Soo Sik Sang (Project Director)

Standing (L to R): Mr Kok Fook Yu (Project Director), Mr Ng Chin Meng (Country Director - India) & Mr Tan Kiam Choon (Project Director)

During 2001, as the Malaysian economy slowed, the construction sector was again thrust into the limelight by the fiscal stimulus packages provided by the Government, particularly for infrastructure projects and the construction of low and medium-cost residential houses. As a result, GDP for the construction sector grew 2.3% in 2001 against 1.0% in 2000.

Accordingly, the Construction Division continued to be the main engine of growth in 2001, contributing 53.0% to group revenue and 58.6% to group pre-tax profit, excluding the exceptional items. The Division's pre-tax profit rose 35.2% to RM86.60 million (2000: RM64.04 million) on the back of a marginal increase in revenue to RM628.31 million (2000: RM621.38 million), reflecting improving margins on contracts executed. The better margins were the result of a subdued cost environment and intensive management of projects.

The Construction Division started off 2001 with a bang, beginning in January, with a RM470 million contract from Jabatan Kerja Raya to construct the Putrajaya Primary Distributor Road - Jalan Lingkaran Bandar U4 and a RM229 million job from Putrajaya Holdings Sdn. Bhd. to build four office blocks under Parcel E, Sub-Package 1. The Division also succeeded in winning a RM132 million contract for Building Works Package for the Electrified Double Track Project between Rawang and Ipoh.

The highlight of the year came in June when the RM603 million Putrajaya Convention Centre contract was clinched. The design-and-build project is expected to take twenty two months to complete, in time for the proposed Conference of Organisation Of The Islamic Countries in the third quarter of 2003. A technically demanding and time sensitive project, it will be, when completed, a symbolic testimony of IJM's capability and professionalism in taking on and completing difficult jobs.

Overseas activities continued to be spearheaded by our office in India, which brought in two additional road construction projects with a total value of RM287 million.

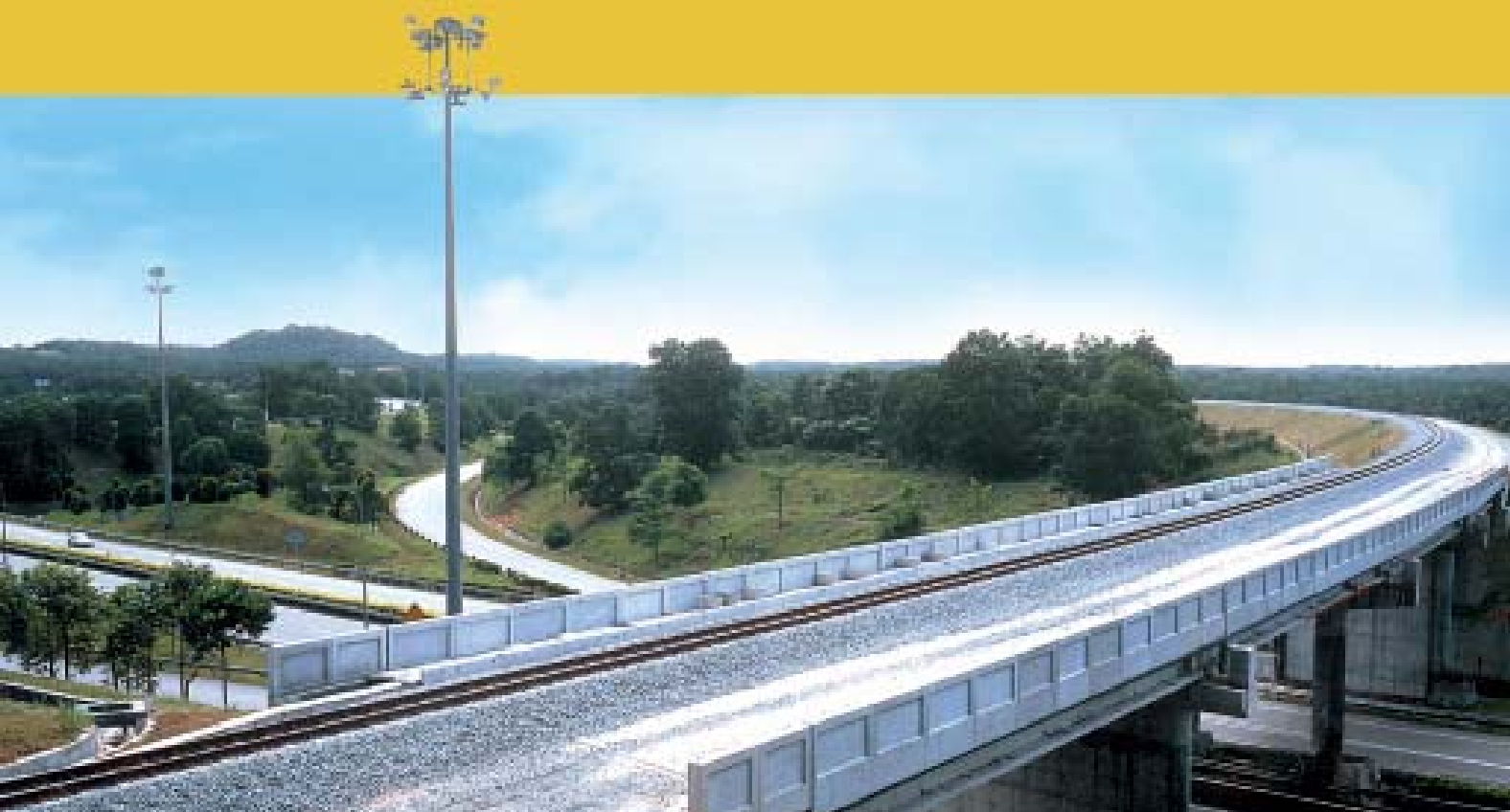
The year saw the division securing contracts totalling RM1.77 billion, with local projects contributing RM1.48 billion. This has been a record year for the division in so far as procurement of project is concerned.



Pantai Hospital Ayer Keroh



Year 2001 also saw the completion and handing over of eight projects to our clients. Notable projects completed include the civil works for Pelabuhan Tanjung Pelepas Rail Link Project, the Pantai Medical Centre Extension in Bukit Pantai, both in Malaysia; and Chennai Bypass Phase 1 (connecting NH-4 and NH-5) in Tamil Nadu State, India. The total value of the completed projects was RM368.67 million.



Pelabuhan Tanjung Pelepas Rail Link

Untiring efforts of the Division towards enhanced performance with special emphasis on safety and quality saw the Company being awarded the prestigious Builder of the Year 2001 Award by the Construction Industry Development Board during the year. This award, following closely on last year's Malaysian International Contractor of the Year Award, stands testimony to the industry's recognition of the Company's capability and reputation for performance and quality.

We can be justifiably proud of the recognition given. Today, our products and services are widely recognised for the quality of the end results, be it the construction projects we undertake or the property units that we sell. IJM's quality motto "Excellence Through Quality" is the driving force for every IJM person to ensure projects are completed expeditiously to achieve total customer satisfaction.

Prospects for 2002 appear bright for the Construction Division. Our optimism is based on our healthy order book, continuing high government development expenditure in 2002 and a promising construction market overseas, especially in India. A benign cost environment will support the earnings outlook.

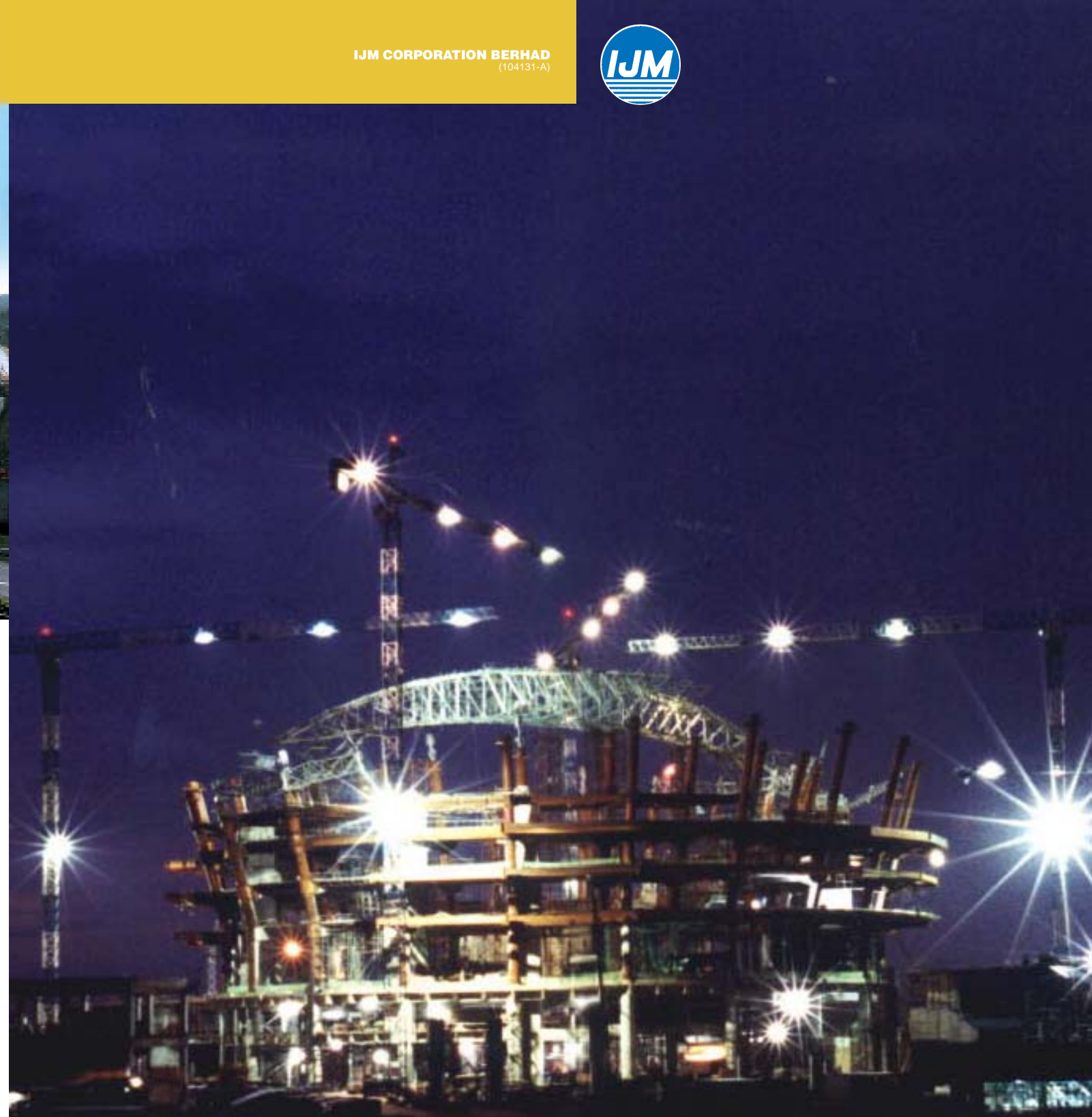


Pantai Medical Centre, Kuala Lumpur.



Construction Support Services

L to R: Mr Ng Yock Yin (General Manager - Contracts), Mr Liew Chee Khong (Senior Manager - Accounts), En Mohammad Albakri bin Tajuddin (Manager - Safety & Health), Ms Choo Lai Fong (Sr. Manager - Purchasing & Store), Mr Chang Khoo (Sr. Manager - Workshop), Ms Pang Sek Loh (Sr. Manager - Technical) & Mr Siva Kumar s/o Rajappan (Manager - Quality System)



Construction work in progress at the Putrajaya Convention Centre (PCC). When completed, the PCC would consist of a circular Banquet Hall with a clear span of 75 metres, a Plenary Hall with 2,880 seating capacity, a Head of State Hall, Exhibition Halls and other state-of-the-art facilities.



“...the Division will be intensifying its effort to launch new and innovative products at competitive prices.”

review of operations



Properties

The Group's success in properties can be credited to its long and impressive track record that began as an extension of the Group's expertise and experience in construction. Since then, the Properties Division has made impressive gains in its entire range of residential, commercial, retail, industrial and mixed-use developments.

From massive mixed-use developments to ambitious satellite townships, the Group has also developed large-scale condominium projects from Penang to Johor Bahru, industrial and office parks as well as corporate headquarters buildings for major local and international companies.

The Properties Division takes pride in its meticulous planning to deliver projects that meet customer expectations in every aspect of design, environment, landscape, function and aesthetics.



Properties Division Management Team

Seated (L to R): Mr Low Eng Bee (Sr. Marketing Manager), Mr Teh Kean Ming (Group General Manager - Properties) & Mr Wong Chee Voon (General Manager - Southern Region)

Standing (L to R): Mr Tan Aik Hong (Sr. Manager), Mr Joey Khoo (Sr. Marketing Manager), Mr Ch'ng Ewe Ghee (Ass. Manager - Contracts), Mr Karam Singh (Sr. Manager), Mr Colin Samson (Manager - Liaison), Mr Khoo Kah Hock (Asst. Manager - Finance) & Mr Toh Chin Leong (Sr. Engineer)

The Division registered an improved pre-tax profit of RM16.87 million on a turnover of RM148.58 million representing increases of 25.8% and 52.3% respectively over 2000.

During the year, the property market remained sluggish despite competitive pricing and a low interest environment. The subdued demand could be due to the uncertain environment resulting from rising unemployment and deteriorating business sentiment.

Nevertheless, the Government continued its proactive role to boost the industry by relaxing the Foreign Investment Committee guidelines, lifting the restriction for bridging financing of properties above RM250,000 and exempting stamp duty for sales and purchases, transfer and loan agreements. In addition, civil servants were also given exemptions on processing fees for purchases of completed properties up to end of 2001.

Despite the challenging market conditions, the Division performed considerably well through contributions from existing on-going projects such as Riana Green, Petaling Jaya; Yen Yen Park, Kuching and Taman Utama, Sandakan. The Division continues to emphasise quality products, timely completion and professionalism in property management services to give property owners and investors greater assurance of a liveable home and long-term capital appreciation.

Despite a promising prospect of early recovery in the global economy, the Division is cautiously optimistic of the outlook for 2002 and will be intensifying its effort to launch new and innovative products at competitive prices. The Division will continue to capitalise on the strength of its in-house expertise to deliver quality properties coupled with value engineering to bring the cost down and to create value for property owners and investors. In response to the current competitive environment, new innovative products incorporating

elements of K-economy will be offered to meet the demands of the ever changing and more sophisticated needs of purchasers.

The Division will embark on new projects in strategic locations which include mixed development projects along the new proposed Jelutong Expressway, Penang; new luxurious condominiums in Bukit Jambul, Penang; and housing schemes in Kg Jawa, Klang and Larkin, Johor. With the upward trend in CPO prices and the rising purchasing power of the residents, more phases will be launched in Taman Utama, Sandakan, Sabah.



Taman Idaman in Seberang Perai, Penang



GMD Mr Krishnan Tan handing over the mock key to representatives of Riana Green Phase III owners



“The next steps forward would be to raise efficiency and increase utilisation of existing capacities.”

review of operations



Industries Division Management Team

Seated (L to R): Mr Low Hong Imm (Manager - Accounts & Finance), Mr Leong Yew Kuen (General Manager), Mr William Ho (General Manager), Mr Mah Teck On (Director - Industries Division), Mr Yeo Poh Meng (Managing Director - Torsco Berhad) & Mr Chee Kok Phoon (Manager)

Standing (L to R): Mr Peter Tan (Manager - Credit Control) & Ms Chan Choy Ping (Manager - Accounts & Finance)

For 2001, the division chalked up a higher turnover of RM237.71 million (2000: RM188.71 million), an increase of 26.0%. In line with this, pre-tax profit rose by 48.3% to RM17.38 million (2000: RM11.72 million). The better performance was attributed to higher sales volume and better margins, increased capacity utilisation, efficient cost control and strong support from within the IJM Group.



Assembly of Quayside Container Crane for North Port

The steel fabrication business of Torsco Berhad (Torsco), a subsidiary, continued its steady performance. It registered an annual turnover of RM56.96 million and pre-tax profit of RM6.35 million, an improvement of 34.4% and 15.6% respectively. Among the major jobs undertaken by Torsco during 2001 were the fabrication of container cranes for both local and international customers, fabrication and commissioning of a palm oil mill in Sabah and a major arch bridge in Putrajaya. We envisage that Torsco would perform better in the current year, with its existing healthy order book of RM58.53 million.

The quarrying business under Malaysian Rock Products Sdn Bhd posted a turnover of nearly RM55.91 million with a pre-tax profit of RM3.17 million. This compared well to last year's turnover of RM48.56 million and pre-tax profit of RM2.48 million. The better results were achieved on the back of a slightly lower sales volume of 3.63 million tons (2000: 3.66 million tons) for aggregates and higher pre-mix sales of 283,000 tons (2000: 252,000 tons). The quarries in South Johor recorded higher sales. Selling

prices for both the aggregates and pre-mix rose during the year, which contributed significantly towards pre-tax profit. The demand at Klang Valley, although stagnant, remained at a comfortable level with prices moving in a tight range that was near last year's level. Similarly, there was also no increase in demand in the Labu vicinity.

In the year, the Management actively sought out new quarries to replenish the reserves in the present quarries. These searches were carried out with a view to support the Group's construction activities throughout the country and address demand in new corridors of development.

Backed by better demand from both external and in-house markets, the ready-mixed concrete business under Strong Mixed Concrete Sdn Bhd achieved a 47.2% growth in turnover to RM53.86 million from RM36.58 million in financial year 2000. In tandem with this, pre-tax profit rose to RM4.20 million (2000: RM0.45 million), aided by higher selling prices, better cost control and lower depreciation. In order to achieve continuous growth and profitability, this sector is adopting a strategy to ensure full capacity utilisation of its existing plant and to seek new markets in better locations to expand its business.

At Scaffold Master Sdn Bhd, total billings of scaffolding rental for 2001 surged by 69.5% to RM4.95 million from RM2.92 million in 2000, helped by significant in-house usage, which amounted to 60.0% of total turnover. Pre-tax profit rose 37.8% to RM1.35 million despite absorbing higher depreciation charges. During the year, the company purchased additional scaffoldings worth RM3.23 million to cater for higher customer demand.

On the whole, the Industries Division performed well in financial year 2001, achieving its best result in the last five years. The next steps forward would be to raise efficiency and increase utilisation of existing capacities and to venture into new businesses with some synergy to existing operations. We are confident of achieving better results on the back of a larger Group order book and continuous effort by the Malaysian Government to spur economic growth through the construction sector.

Industries

The Industries Division manufactures products ranging from ready-mixed and pre-cast concrete and bituminous products to HDPE pipes and tanks. Steel engineering and fabrication, and production of aggregates and rock products are other core activities of the Division.

The Division is one of Malaysia's largest quarrying groups, with an annual capacity exceeding 6.5 million tons of granite and industrial-use stones. It is the first quarry in Malaysia to be awarded the ISO 9002 certificate for its quality management in aggregate and pre-mix production.





“The management is proactively addressing the cost issues.”

review of operations



Plantations

Incorporated in 1985, the Plantations Division has an extensive area of well-managed oil palm plantations of over 30,000 hectares comprising 14 estates in Sandakan, Sabah.

To complement the plantation, the Division has three palm oil mills capable of processing 750,000 tonnes of oil palm fruits per year. This state-of-the-art processing mills consistently produce results above the industry's average. Awards from the Malaysia Palm Oil Board (MPOB, previously known as the Palm Oil Registration and Licensing Authority, PORLA) are testimony of this.

Future plans call for increased planted hectareage and the creation of new palm oil mills and associated facilities.



Plantations Division Management Team

L to R: Mr Christopher Richard Donough (Research Controller), Mr Ng Chung Yin (Plantation Controller - Sugut Region II), Mr P.K. Venugopal (Controller - Agri Services), Mr Velayuthan Tan (Executive Director), Mr Ling Ah Hong (Group General Manager), Mr David Das (Group Planting Advisor), Mr Kunjuman Thomas (Plantation Controller - Sandakan Region), Mr Siah Heng San (Plantation Controller - Sugut region I) and Mr Steve Ong (Chief Accountant)

The Division's turnover rose 11.4% to RM72.55 million from RM65.12 million posted in 2000. Pre-tax profit amounted to RM6.80 million, representing a jump of 42.0% over the RM4.79 million achieved in the previous year. The better pre-tax profit was mainly attributed to an increase in fresh fruit bunches (FFB) production of the estates to 237,151 tonnes (2000: 219,039 tonnes). In terms of key industry parameters of yield and costs, the Division continued to perform well in 2001. Crude palm oil (CPO) prices, however, remained low throughout the year. The Group achieved an average CPO price of RM838 compared to RM897 in 2000.

The Division's land bank totalled 77,475 acres at the end of 2001, an increase of 6,954 acres over the previous year. The matured estates of 22,225 acres (representing 45% of the total planted acreage) produced a total of 237,151 tonnes of FFB in 2001, which represents an increase of 8.2% over the year 2000. The rise in FFB production was mainly due to increase in the age profile of the younger planted acreage.

As at 31 December 2001, immature planted acreage of the Division, located mainly at Labuk Sugut Region, was 26,983, an increase of 4,305 acres from last year's. As this acreage matures, the Group's profitability is expected to

be enhanced in the future. The balance of the land bank of approximately 28,267 acres will be planted in the next few years.

The Desa Talisai Palm Oil Mill processed 220,110 tonnes of FFB in 2001. The 30/45 tonne-per-hour palm oil mill of 35%-associate Minat Teguh Sdn Bhd processed 116,668 tonnes of FFB in 2001. The newly completed Sabang Palm Oil Mill, with a 30/45 tonnes processing capacity, commenced its operations in January 2002. This mill is to cater for estates in the Sugut Region of Sandakan.

In addition, earthwork on the Division's 200/400 tonne-per-day palm kernel crushing plant has been completed. The plant and building structure work will commence shortly.

The management is proactively addressing the cost issues facing the Plantations Division. With the expected increase in demand from China and other countries and expected lower FFB production by the Industry, CPO price should stay above RM1,000 for the year 2002. Consequently, we are hopeful of an improved performance from the Division.



Sabang Palm Oil Mill in Sugut Region, Sabah



“We shall duplicate
another IJM in India.”

review of operations



Infrastructure

The steady accumulation of skills gained from the Group's steady overseas construction activities, combined with its strong managerial and organisational expertise, led to its investment in overseas infrastructure projects.

Since the early 1990's, the Group has taken active stakes in three projects in China: [one co-generation power plant, one bridge over Changjiang river and a listed Built-Operate-Transfer ("BOT") expressway company, Guangdong Provincial Expressway Development Co. Ltd]; a water treatment plant in Vietnam; a listed BOT tolled expressway in Argentina and currently, a BOT highway project in India.



Binh An Water Treatment plant, Vietnam

In 2001, the Division achieved a record pre-tax profit of RM99.29 million (2000: RM27.91 million) despite a major provision made in respect of its investment in Argentina.

During 2001, the Group partially cashed out from its investment in Guangdong Provincial Expressway Development Co. Ltd. (GPED) and made a capital gain of RM122.26 million. The decision was carefully taken after considering the future growth potential of this investment and the state of the stock market in Shenzhen. The proceeds of RM249.18 million from the disposal enabled the Group to prepay most of its foreign currency borrowings, with the balance earmarked for investment in other profitable ventures. Arising from this, the Company rewarded its shareholders with a special dividend of 10%, less income tax. The Group still holds a 5.2% equity stake (65 million shares) in GPED. It is the intention of the Group to exit completely from the investment profitably at an opportune time in the future.

The severe economic crisis in Argentina finally led the Government to abandon the decade-old peg between the peso and the US dollar. The flotation of the peso required the Group to make an allowance of RM47.00

million for diminution in the value of its investment in Grupo Concesionario del Oeste S.A. (GCO), in which it holds a 20.1% equity stake. Though traffic volume of the expressway has seen a decline but now remains relatively stable, the devaluation of peso would, however, significantly reduced GCO's profit contribution in ringgit terms to the Group in 2002.

The Group's 36%-associate in Vietnam, Binh An Water Corporation Limited (BAWC) contributed a net profit of RM5.37 million (2000: RM2.23 million), a vast improvement over 2000 due to higher volume of treated water supplied and maximisation of production capacity. BAWC expects to maintain this performance in 2002 with improved profitability from higher water off take and lower bank debts.

In the beginning of 2001, the Group secured its first BOT (Built-Operate-Transfer) project in India. The Group holds an effective 31.9% of Swarna Tollway Pte Ltd, which will undertake the privatisation of two highways (on NH5 and NH9, a total 156 km in length), with a concession period of 30 years, in Andhra Pradesh State. Work has started in the second quarter of 2001 and is scheduled to be completed by end 2003.



Chennai Bypass, India

Corporate Governance Statement

DIRECTORS

The Board places great importance and is committed to ensuring that the highest standard of corporate governance are practiced throughout the Group so as to ensure greater transparency and protection of shareholders' interests. To this end, the Board fully supports the recommendations of the Malaysian Code of Corporate Governance ("the Code"). The Board is pleased to confirm that the Group has complied with the principles and best practices set out in the Code throughout the year ended 31 December 2001.

The corporate governance practices that were in place during the financial year ended 31 December 2001 were as follows:-

The Board

An effective Board leads and controls the Group. Besides the statutory duties, the Board is also responsible for the Group's overall strategic plans, business performance, succession planning, risk management, investor relations, internal control and management information systems.

The Board has at least four (4) regularly scheduled meetings annually, with additional meetings for particular matters convened as and when necessary. Informal meetings and consultations are frequently and freely held to share expertise and experiences. Directors also attend the semi annual senior management dialogue where operational strategies, performance progress and other issues are extensively presented, discussed and communicated to senior managers of the Group. Four (4) Board meetings were held during the year 2001. The attendance record of each Director is as follows:

	Number of Meetings Attended	Percentage
Executive Directors		
Tan Boon Seng @ Krishnan	4	100%
Goh Chye Koon	3	75%
Soo Heng Chin	4	100%
Velayuthan a/l Tan Kim Song	4	100%
Independent Non-Executive Directors		
Tan Sri Dato' (Dr) Haji Ahmad Azizuddin bin Haji Zainal Abidin	4	100%
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	4	100%
Datuk Yahya bin Ya'acob	4	100%
Oh Chong Peng (<i>Appointed on 12 April 2002</i>)	-	-
Non-Executive Directors		
Tan Sri Dato' Ir (Dr) Wan Abdul Rahman bin Wan Yaacob	4	100%
Dato' Goh Chye Keat	4	100%
Dato' Arthur Tan Boon Shih (<i>Resigned on 4 April 2002</i>)	4	100%
Choo Choon Yeow	4	100%
Lai Meng	4	100%
Haji Osman bin Haji Ismail (<i>Appointed on 5 January 2001</i>)	3	75%

Of the thirteen Board members, nine 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 independent non-executive Directors make up one third of the membership of the Board.

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 two (2) Directors are Y. Bhg. Dato' Goh Chye Keat and Mr Choo Choon Yeow. Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor was appointed as the Senior Independent Non-Executive Director. Any concerns or queries concerning the Group may be conveyed to him.

The Directors are professionals in the field of engineering, finance, accounting, economics, and experienced senior civil administrators. Together, they bring a wide range of technical skills and relevant experience to ensure that the Group continues to be a competitive leader in the construction industry with a strong reputation for technical and professional competence. The non-executive Directors bring independent judgment to bear on issues of strategy, business performance, resources and standards of conduct.

A brief description of the background of each Director is presented on pages 18 to 20.

There is a balance of executive, non-executive and independent non-executive Directors. This is to ensure that there is effective representation for 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.

There is a division of responsibility between the Chairman and the Group Managing Director to ensure that there is a balance of power and authority. The responsibilities of the Chairman include representing the Board to shareholders; ensuring the integrity and effectiveness of the governance process of the Board; maintaining regular dialogues with the Group Managing Director on all operational matters; and act as facilitator at the meetings of the Board. The Group Managing Director is responsible to duly ensure execution of strategic goals, effective operation within the Group, explain, clarify and inform the Board on matters pertaining to the Group.

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

1. Executive Committee

The Executive Committee was established on 31 March 1995 and its members consist of the Executive Directors of the Board. The Executive Committee meets monthly to review the performance of the Group's operating divisions. In attendance are the Finance Director and Head of Properties and Industries Divisions besides the Company Secretary.

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

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

Eleven (11) Executive Committee meetings were held during the year 2001. The attendance record of each member of the Committee is as follows:

	Number of Meetings Attended	Percentage
Executive Directors		
Tan Boon Seng @ Krishnan	11	100%
Goh Chye Koon	11	100%
Soo Heng Chin (<i>Appointed on 17 May 2001</i>)	6	85%
Velayuthan a/l Tan Kim Song (<i>Appointed on 17 May 2001</i>)	7	100%
Ooi Poay Lum (<i>Resigned on 31 July 2001</i>)	6	85%

2. Audit Committee

The Audit Committee was established on 31 January 1994 and is chaired by Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor. Other members of the Audit Committee are Y. Bhg. Datuk Yahya bin Ya'acob, Mr Oh Chong Peng and Y. Bhg. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob. The terms of reference and summary of activities of the Audit Committee are set out on pages 48 and 49.

3. Nomination & Remuneration Committee

The Remuneration Committee was established on 2 December 1998 and was renamed Nomination & Remuneration Committee on 16 May 2001. The Nomination & Remuneration Committee comprises four members; two of them are independent non-executive Directors, namely Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor (Chairman) and Y. Bhg. Datuk Yahya Bin Ya'acob, and the other members are Y. Bhg. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob and Y. Bhg. Dato' Goh Chye Keat.

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

1. to establish and review the terms and conditions of employment & remuneration of Executive Directors and senior executives of the Group;
2. to review and approve annual salary increments and bonuses of Executive Directors and senior executives of the Group;
3. to review, recommend and consider candidates to the Board of the Company, subsidiaries and associates of the Group, including committees of the Board;
4. to review and determine the mix of skills, experience and other qualities, including core competencies of non-executive Directors, on an annual basis; and
5. to assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director on an annual basis.

The Nomination & Remuneration Committee will meet as required and for year 2001, three (3) meetings were held. All recommendations of the Nomination & Remuneration Committee are subject to the endorsement of the Board.

4. Share Committee

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

5. ESOS Committee

The ESOS Committee was established on 13 March 1992 and is responsible for implementing and administering the Employees Share Option Scheme (ESOS) of the Company. The ESOS Committee comprises Y. Bhg. Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor (Chairman), Mr Goh Chye Koon and Mr Loy Boon Chen. The Scheme expired on 12 March 2002.

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 (including the summary of dealings of securities of the Directors).

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 Senior Management Dialogue in session

The Directors are also notified of any corporate announcements released to the Kuala Lumpur Stock Exchange ("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.

In addition, there is a schedule of matters reserved specifically for the Board's deliberation, such as the approval of corporate plans and annual budgets, acquisitions and disposals of undertakings and properties of a substantial value, and changes to the management and control structure within the Group, including key policies, delegated authority limits and participation in the adjudication of tenders for any construction project in excess of RM500 million (or RM250 million for overseas contracts).

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 KLSE Listing Manual, the Code, Statement on Internal Control: Guidance for Directors of Public Listed Companies and Code of Ethics for Directors and Secretaries.

Appointments to the Board

The Nomination & Remuneration Committee is responsible for making recommendations to the Board, including those of subsidiaries and associated companies. In making these recommendations, the Nomination & Remuneration considers the required mix of skills and experience which the Directors should bring to the Board.

Directors are informed and aware they may take independent advice, where necessary, in furtherance of their duties and at the Group's expense.

Directors' Training

All the Directors have attended the Directors' Mandatory Accreditation Programme organised by the KLSE. Directors also receive further training from time to time, particularly on relevant new laws and regulations and changing commercial risks. A brief induction to the Group is provided to newly appointed Directors.

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

Re-election

The Articles of Association was amended on 27 June 2001 to provide for all Directors (including Group Managing Director and Deputy Group Managing Director) to submit themselves for re-election at least every three (3) years in compliance with the listing requirements of the KLSE. The new Articles of Association of the Company provides that one third of the Board shall retire from office and be eligible for re-election at every Annual General Meeting.

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

REMUNERATION

Directors' Remuneration

The remuneration of each Director reflects the level of responsibility and commitment that goes with the Board's membership.

In the case of Executive Directors, the component parts of the remuneration are structured so as to link rewards to the individual and Group performance. Performance is measured by the Directors' contribution and commitment to both the Board and the Group. In the case of non-executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular non-executive Director.

The Nomination & Remuneration Committee recommends to the Board the framework of the executive Directors' remuneration and the remuneration package for each executive Director.

The determination of the remuneration of the executive and 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.



Basic Salary

The Nomination & 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 and practices within the industry.

Bonus & Incentive Scheme

The Group operates a bonus & incentive scheme for all employees, including the Executive Directors. The criterion 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 Nomination & Remuneration Committee and approved by the Board. Payments in respect of 2001 are shown below.

Benefits-In-Kind

Other customary benefits (such as private medical care and 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 sum payments 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 2001 are set out on pages 68 and 69.

Directors' Remuneration

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

1. Aggregate remuneration of Directors categorised into appropriate components:

	Salaries RM'000	Fees RM'000	Bonus & Incentives RM'000	Benefits -in-kind RM'000	Total RM'000
Executive Directors	1,412	0	522	37	1,971
Non-executive Directors	343	150	98	40	631

2. Aggregate remuneration of each Director:

Executive Directors	RM'000 (In successive band of RM50,000)									
	≤200	>200 ≤250	>250 ≤300	>300 ≤350	>350 ≤400	>400 ≤450	>450 ≤500	>500 ≤550	>550 ≤600	>600 ≤650
Tan Boon Seng @ Krishnan										✓
Goh Chye Koon								✓		
Soo Heng Chin			✓							
Velayuthan a/l Tan Kim Song				✓						
Ooi Poay Lum (Resigned on 31 July 2001)	✓									

Non-Executive Directors	RM'000 (In successive band of RM50,000)					
	>0 ≤50	>50 ≤100	>100 ≤150	>150 ≤200	>200 ≤250	>250 ≤300
Tan Sri Dato' (Dr) Haji Ahmad Azizuddin bin Haji Zainal Abidin		✓				
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	✓					
Datuk Yahya Bin Ya'acob	✓					
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob		✓				
Dato' Goh Chye Keat	✓					
Dato' Arthur Tan Boon Shih (Resigned on 4 April 2002)	✓					
Choo Choon Yeow						✓
Lai Meng	✓					
Haji Osman bin Haji Ismail	✓					
Khoo Chew Meng (Resigned on 15 August 2001)			✓			

INVESTOR RELATIONS & SHAREHOLDERS COMMUNICATION

Dialogue between the Company and Investors

In line with good corporate governance, the Group encourages the adoption of an open and transparent policy in respect of its relationship with its shareholders and investors. The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group.

In addition to various announcements made during the year, the timely release of financial results on a quarterly basis provides shareholders with an overview of the Group's performance and operations.

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. A Press conference is normally held after the Annual General Meeting and/or Extraordinary General Meeting of the Company.

As for 2001, presentation was made by the Group Managing Director to explain the Group's strategy, performance and major developments to shareholders during the Annual General Meeting. However, any information that may be regarded material would not be given to any single shareholder or shareholder group.

The Company had participated in some institutional investors' forums during the financial year both locally and outside Malaysia. The Company also participated in the Investors' Week 2001 organised by the KLSE in September 2001.

The Annual Report contains commentaries on business review, financial and operational review and a brief description of the Group's services and products. In addition, the Group has established a website at <http://www.ijm.com> (which has been revamped in March 2002) to further enhance investors relations and shareholders communications, including their access to information about the Company and the Group. 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 a profile of the Group, including the Memorandum & Articles of Association of the Company.



Audit Committee Report

Annual General Meeting

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

At each Annual General Meeting, the Board encourages 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 will declare the number of proxy votes received both for and against the resolutions prior to voting of each of 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. This also applies to other price sensitive public reports and reports to regulators.

Directors' Responsibility Statement

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

In preparing the financial statements, the Directors have:

- used appropriate accounting policies which are consistently applied;
- made judgements and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

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

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

Internal Control

The Group's Internal Control Statement is set out on pages 50 and 51.

Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is set out on pages 47 to 49.

Membership and Meetings

The Audit committee met on four (4) occasions during year 2001 and the attendance of each member of the Audit Committee are as follows:

	No. of meetings held during the year	No. of meeting attended
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor Chairman of the Audit Committee (Senior Independent Non-Executive Director)	4	4
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob Member (Non-Executive Director)	4	4
Tan Boon Seng @ Krishnan Member (Group Managing Director) (Resigned on 12 April 2002)	4	4

The Internal Audit Manager and the Finance Director attended relevant meetings of the Audit Committee when required to do so. The external auditors attended three of the meetings during the year.

Y. Bhg. Datuk Yahya bin Ya'acob and Mr Oh Chong Peng were appointed as independent non-executive members of the Audit Committee on 12 April 2002.

Activities

During the year, the activities of the Audit Committee include the review and deliberation of:

- the quarterly financial result announcements;
- the year end financial statements of the Group;
- 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;
- annual audit strategy and plan of the external auditors;
- related party transactions that arose within the Company or Group;
- annual audit plan proposed by the Internal Auditors; and
- audit reports presented by the Internal Auditors on findings and recommendations with respect to system and control weaknesses.

Internal Audit Function

The Internal Audit function is now formalised and is being undertaken by the Internal Audit Department (IAD), which was established by the Audit Committee during the year. The main role of IAD is to provide the Audit Committee with independent and objective reports on the effectiveness of the system of internal control within the Group.

The Internal Audit Department had conducted the evaluation of the system of internal controls that encompass the Group's governance, operations, and information systems of major areas of the Group operation. The internal audit reports were deliberated by the Audit Committee and recommendations were duly acted upon by the management.



TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Membership

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

At least one member of the Audit Committee:

- (i) must be a member of the Malaysian Institute of Accountants; or
- (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
 - (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

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

Meetings and minutes

Meetings shall be held not less than four times a year, and will normally be attended by the Finance Director and Head of Internal Audit. The presence of the external auditors will be requested, if required. Other Board members may attend meetings upon the invitation of the Audit Committee. At least once a year, the Committee shall meet with the external auditors without any executive board members present. The auditors, both internal and external, may request a meeting if they consider that one is necessary.

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

The Secretary to the Audit Committee shall be the Company Secretary. Minutes of each meeting shall be distributed to each member of the Board. The Chairman of the Committee shall report on each meeting to the Board.

Authority

The Committee is authorised by the Board to investigate any activity within its term of reference and shall have unrestricted access to any information pertaining to the Group, both external and internal auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain legal or independent advice as necessary.

Duties

- 1) To discuss with the external auditors, prior to the commencement of audit, the audit plan, which state the nature of the audit, and to ensure co-ordination of audit where more than one audit firm is involved.
- 2) To review the assistance given by the employees of the Company to the external auditor.
- 3) To review quarterly reporting to Kuala Lumpur Stock Exchange ("KLSE") and year end financial statements of the Group before submission to the Board, focusing on:
 - (i) going concern assumption;
 - (ii) any changes in accounting policy changes;
 - (iii) significant issues arising from the audit;
 - (iv) compliance with accounting standards, regulatory and other legal requirements; and
 - (v) major judgmental areas.
- 4) To monitor any related party transactions 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. They are also required to ensure that the Directors report such transactions annually to the shareholders via the annual report.
- 5) To review any letter of resignation from the external auditors, and any questions of resignation or dismissal.
- 6) To consider the nomination and appointment of external auditors, as well as audit fee.
- 7) To review with the external auditors, his evaluation system of internal controls, his management letter and management's response.
- 8) To review the following in respect of internal audit:
 - (i) 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) internal audit programme,
 - (iii) the major findings of internal audit investigations and management's responses, and ensure appropriate actions are taken on the recommendations of the internal audit function.
 - (iv) assessment of the performance of the staff of the internal audit function.
 - (v) appointment or termination of senior staff members of the internal audit function.
 - (vi) resignations of internal audit staff members and provide resigning staff member an opportunity to submit his/her reason for resignation.
- 9) To consider the major findings of internal investigations and management's response.
- 10) To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of Management, where necessary).
- 11) To review the reports of the Risk Management Committee in relation to the adequacy and integrity of the Group's internal control system.
- 12) To consider other topics as defined by the Board.
- 13) To report promptly to the KLSE on any matter reported by it to the Board of Directors, which has not been satisfactorily resolved resulting in the breach of the KLSE Listing Requirements.
- 14) To review all prospective financial information provided to the regulators and/or the public.

Internal Control Statement

Responsibility

The Board of Directors recognises the importance of sound internal control and risk management practices to good corporate governance. The Board affirms its overall responsibility for IJM Group's systems of internal control and risk management, and for reviewing the adequacy and integrity of those systems. It should be noted, however, that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. In addition, it should be noted that any system can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Group had in place an ongoing process of identifying, evaluating, monitoring, and managing significant risks affecting the achievement of its business objectives throughout the period. This process is reviewed by the Audit Committee, which dedicates separate time for discussion of this subject. With the help of external experts, the Group is currently reviewing, restructuring, and documenting its risk management practices to further enhance them.

Risk management framework

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

The Group has put in place a Risk Management Committee (RMC), which is chaired by the Group's Finance Director. The RMC, at the moment, includes the Group's Internal Audit Manager and representatives from relevant business units in the Construction division. The RMC meets regularly to consider what changes to the risk management and control process should be recommended. Its reviews cover matters such as responses to significant risks identified, output from monitoring processes and changes made to internal control systems. It reports to the Audit Committee. It is the intention of the RMC to put all divisions of the Group's business under its coverage within 2002.



Risk Management Committee

From left to right: Mr Raw Koon Beng (Asst. Manager - Accounts), En Md. Ghazali bin Ali (Project Manager), Mr Loy Boon Chen (Finance Director), Mr Wong Choong Ming (Manager - Internal Audit), Ms Pang Sek Loh (Sr. Manager - Technical) & Mr Liew Chee Khong (Sr. Manager - Accounts)

Control Self Assessment

Central to the Group's internal control and risk management system is its Control Self-Assessment (CSA) process, which it has recently developed with the help of the external experts. Risk assessment and evaluation will take place as an integral part of the annual strategic planning cycle. Having identified the risks to achievement of their strategic objectives, each business or functional unit is required to document the management's mitigating actions for each significant risk. New areas are introduced for assessment as the business risk profile changes.

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

Other key elements of internal control

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

- clearly defined delegation of responsibilities to committees of the Board and to operating units, including authorisation levels for all aspects of the business which are set out in an authority mix;
- clearly documented standard operating policies and procedures which are subject to regular review and improvement;
- regular and comprehensive information provided to management, covering financial performance and key business indicators, such as staff utilization 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 actions taken, where necessary; and
- visits to operating units by members of the Board and senior management.

A number of minor internal control weaknesses were identified during the period, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies, or uncertainties that would require disclosure in the Group's annual report.

Statement on Quality

JOURNEY TOWARDS EXCELLENCE THROUGH QUALITY

The IJM Group has built a reputation for quality and is firmly committed to its motto "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.

Policy on Quality

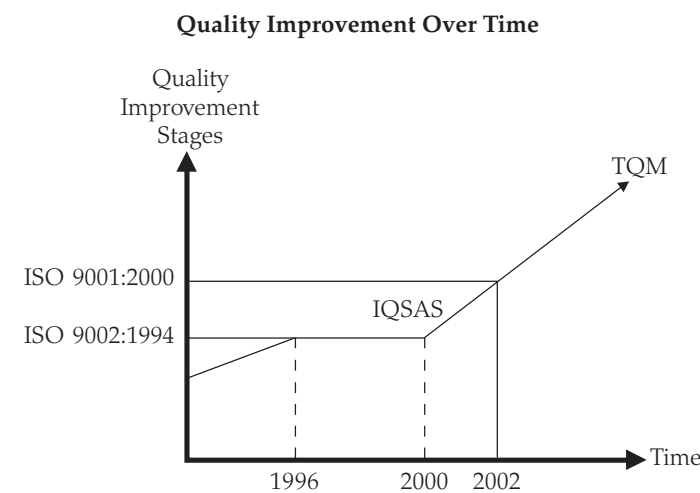
It is IJM Group's policy that:

- All projects and services undertaken will be implemented in such a manner that they exceed customer's expectation.
- The quality of the final products and services will be improved through continuous review and advancement of construction processes and quality assurance system.
- The skills of our qualified and dedicated workers at all levels will be enhanced to serve our customers better.

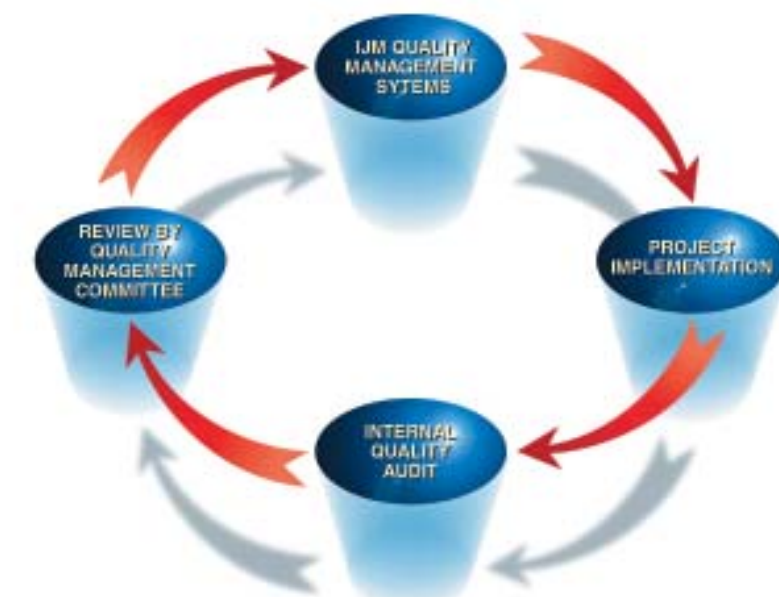
IJM Quality and Safety Assessment System (IQSAS)

The IJM Group has developed a quality management system that is certified to ISO 9002:1994 starting in 1996. Since then, the Group has successfully renewed its certification every year. To further improve the quality of its finished buildings, the Group has developed a standard known as IJM Quality and Safety Assessment System (IQSAS).

IQSAS is a self-regulated assessment system of procedures and testing methods in which standards are set out for the various quality and safety aspects of the building construction such as structures, architecture, and mechanical and engineering works.



The above chart explains the quantum leap in IJM's quality achievements over the last few years.



Continuous Quality Improvement Cycle

In an environment of poor skills and a transient migrant workforce, the introduction of IQSAS will enable the Group to enhance the quality and safety performance standards in its building projects.

IJM projects' quality management systems are continuously assessed through Internal Quality Audits conducted by the auditors from Quality System and Safety Department (QSSD) based at the Head Office. Each project is normally audited twice a year. During 2001, QSSD carried out a total of 50 audit assignments. Once the non-conformance report (NCR) is issued, projects are expected to rectify the weaknesses in quality performance.

The results of all audits are tabled and presented to the Quality Management Committee (QMC), headed by the Group Managing Director, for management review regularly. The QMC in return, where necessary, makes recommendations on steps to improve the IQSAS.

This continuous improvement process ensures that enhancement of end product quality is given utmost importance.

The Group also has a Quality Award competition where the projects are assessed annually for customers' satisfaction through independent surveys. The project with the top score are rewarded with the QMC Chairman's Challenge Trophy and prize money, and enhanced bonuses for project staff.



Quality Management Committee meeting, chaired by the GMD Mr Krishnan Tan, in progress

Statement on Safety and Health

Safety and Health Policy

The Group views pre-emptive measures to prevent injury and occupational health hazards to ensure public safety as paramount when carrying out its business activities.

Over the years, the Group has also inculcated into its work culture the need to maintain and enhance a high level of safety awareness.

Our motto "Health, Safety and Environment Is Everyone's Responsibility" has been our guiding principle in achieving group-wide compliance. A concerted effort is expected of everyone to prevent accidents and occupational health hazards.

Strategies to implement policy

- Comply with all applicable legislative requirements;
- Commit itself to achieve higher standards of compliance;
- Increase awareness and accountability at all levels of management and employees on their responsibilities for safety and health;
- Provide information, training and facilities to every employee and interested parties;
- Monitor performance and review the system regularly to achieve higher health and safety standards.

Safety And Health Management System

A Safety and Health Committee (SHC) is formed at every project and IJM Head Office for the purpose of:

- assisting in the development of safety and health rules and safe systems of work;
- reviewing the effectiveness of safety and health programmes;
- carrying out investigations on the trends of accident, near-misses accident, dangerous occurrence, occupational poisoning or occupational disease, if any, which occurs at the place of work, and report to the management of any unsafe or unhealthy condition or practices at the place of work together with recommendations for corrective actions; and
- reviewing the safety and health policies at the place of work and make recommendations to the management for any revision of such policies.



First Aid Training

The SHC meets regularly and inspects the place of work once a month to ascertain if there is anything prejudicial to the safety and health of persons working in that area. Thereafter, SHC ensures that all recommendations are acted upon expeditiously. The Group observes and complies fully with the Occupational Safety And Health Act, 1994.



GMD Mr Krishnan Tan addressing guests during the presentation of OHSAS 18001:1999 award at the Sheraton Hotel, Subang Jaya

Training

IJM employees also undergo regular safety management system training programmes organised by the Department of Occupational, Safety and Health (DOSH). Induction training is given to all new employees or workers joining the worksite. In a proactive move to raise the level of safety awareness, in 2001, IJM has jointly organised a Safety and Health Officer course with the National Institute of Occupational Safety and Health (NIOSH).

OHSAS 18001:1999

On 3 November 2000, IJM Corporation Berhad and IJM Construction Sdn Bhd received the OHSAS 18001:1999 certification by SIRIM, thus becoming the first Malaysian companies in the construction industry to be conferred this internationally acclaimed certification.

During 2001, at least two safety and health audits were conducted on every project. Appropriate actions for improvement and preventive actions were recommended and taken to rectify any weakness or deficiency identified.

The Group Occupational Health and Safety Management Committee, headed by the Group Managing Director, and comprising senior management from various business and functional units, meet periodically to review the safety and health management systems as part of the efforts to ensure effective practice of occupational health and safety at the work places.



Statement on Environment

Policy

The Group has a social responsibility towards greater environmental well-being and would combine business objectives with long-term sustainable development.

Environmental Management

The Group recognises that environmental issues are both long-term and complex. There are environmental issues in many of our operations and there is a need to apply common principles and basic structure in the rapidly expanding IJM Group. The Group is constantly reviewing and monitoring areas with environmental concern in pre-emptive measures to prevent irreversible damage being done to the environment. Sensibly designed environmental management systems are, therefore, a pre-requisite for efficient environmental control.

Environmental management of the construction operation follows the outline of an Environmental Management Plan (EMP), which includes but not necessarily limited to:

- how environmental issues arising will be addressed during engineering design, and
- how environmental protection procedures and mitigation will be implemented during all construction phases and operational phases, if applicable.

The main components of an EMP incorporate the following items:

- Project Description: Outline of project components and features, and the major activities involved during construction;
- Environmental Impact: Summary of potential environmental impacts and their significance. The area of impact encompasses air, noise and water quality, as well as human and ecological issues relevant to the project;
- Amelioration: Identifying specific mitigating measures that will be applied to control or ameliorate the impacts identified and, in the case of amelioration, the extent to which the stated measures will reduce the impact;
- Monitoring: Program for compliance monitoring of potential impact areas identified and the effectiveness of proposed amelioration measures.

EMP has been implemented in certain projects since 1997 and will be implemented in other projects progressively.

Environmental Monitoring And Compliance Report

Environmental monitoring is continuously being carried out at the project level, often with the help of outside consultants. The purpose of monitoring is to evaluate the effectiveness of mitigating measures taken to ensure that the impacts to the environment are kept to the minimum.

Environmental Monitoring and Compliance Reports generally incorporate the following main elements:

- analysis of the results of various environmental monitoring conducted;
- evaluation of the anticipated environmental impacts and the effectiveness of amelioration measures;
- report on work progress based on information submitted;
- compliance to approved conditions and regulatory requirements;
- recommendation on further action, if any.

These reports are intended to provide the contractor and the relevant authorities with feedback on compliance and progress with implementation of EMP and to take necessary corrective action where a non-compliance report has been filed.

Protection of Environment in the Plantations

The Group's Plantations Division is fully aware of the importance of environment and sustainable plantation development and as such have adopted good environmental friendly practices since its inception.

Environmental management in our oil palm plantations follows the best practices outlined in our planting manual, which has the following main objectives:

- Introduce best agro-management practices to protect environment and conserve soil, water, nutrients and carbon;
- Implement processes for total compliance with relevant laws, regulations and standards on environment;
- Monitor effectiveness of implementation and compliance.

The Plantations Division has undertaken various environmental friendly practices to protect the environment, for example:

- Soil and Water Conservation – legume cover establishment, terracing, irrigation and mulching;
- Mill Waste Management – full utilisation of empty fruit bunches, decanter waste and palm oil mill effluents as fertilizers and water for application into the fields;
- Integrated Pest Management – including early warning system, biological control and planting of beneficial plants to enhance bio-diversity of beneficial insects;
- Zero-Burning Approach – for oil palm replanting.

The Plantation Division's Quality, Training and Research Centre is constantly monitoring compliance and developing new practices to enhance the environmental management practice in the oil palm plantations.



Measurement of noise level generated by construction machineries at an open space within the nearest residential area of Jalan Lingkar Bandar U4 project in Putrajaya

Research & Development, and Innovation

IJM recognises that it operates in a competitive environment where quality and matching of clients' expectations are the means of achieving its business objectives.

We allocate our resources in a synergistic manner and eliminate duplication to ensure greater productivity and efficiency. However, these cannot be adequately accomplished without investment in research and development, and innovative approaches to our businesses.

Construction Innovation and Excellence

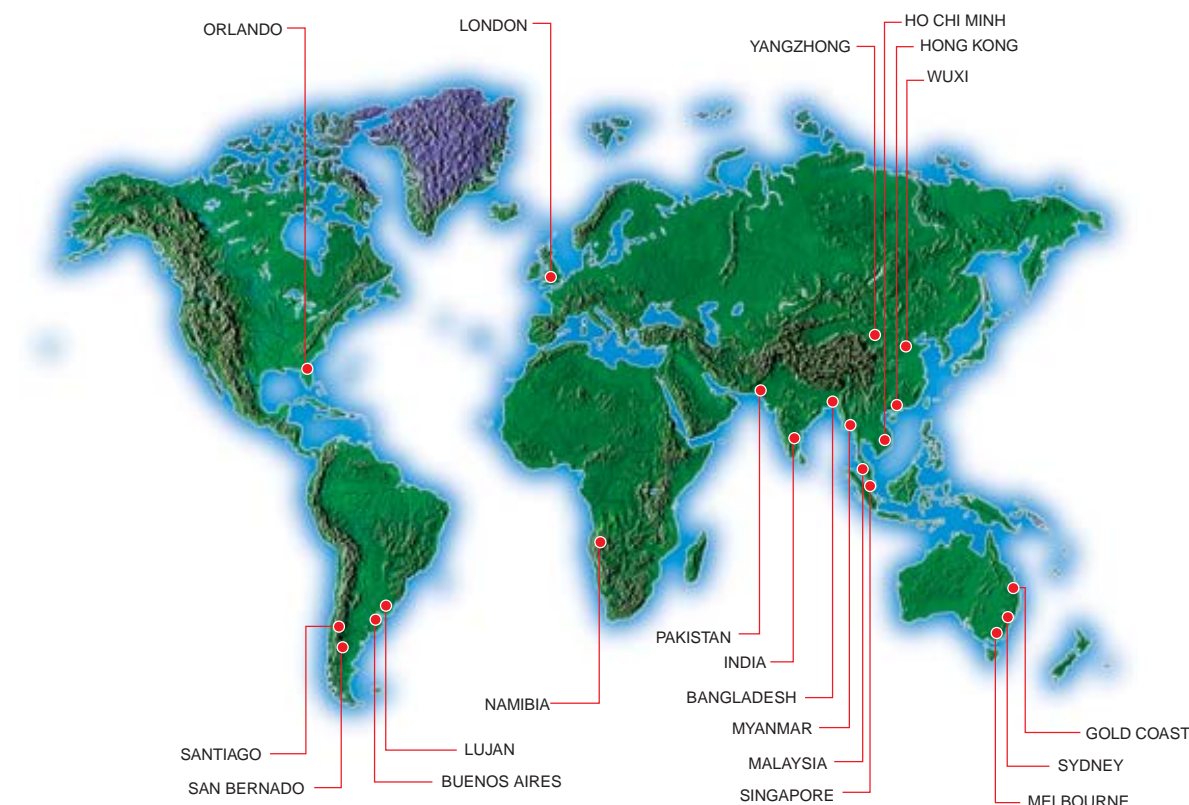
The Group has established itself as a leading player in the construction industry, particularly through innovatively designed and quality construction works carried out in the shortest possible time. We believe in harnessing the latest tools and technologies to create products and build structures speedily, efficiently and with the highest quality standards which meet today's needs and serve the needs of the country well into the future.

Being awarded the turnkey Putrajaya Convention Centre (PCC) bore testament to that. The PCC, when completed,

would consist of a circular Banquet Hall with a clear span of 75 metres, a Plenary Hall with 2,880 seating capacity, a Head of State hall and exhibition halls. The walls and flooring of these facilities are acoustically treated to eliminate interference and the lighting and interior design are optimised to create the right atmosphere and ambience. Since the PCC will play host to prominent international functions, its esthetics, facilities and security features are designed to meet the United Nations standards. The sophistication of the facilities and the complexities of their integration require construction innovation of a higher degree few can undertake.

IJM has also built the turnkey Putrajaya Hospital – among the first paperless hospital in Malaysia; the Kuala Lumpur International Airport Runway 2 and the MAS Cargo Terminal – considered among the most modern in the world; six major highway packages on the North South Expressway – one of the most modern and aesthetically pleasing in the world; five-star hotels such as Renaissance Hotel and New World Hotel; and world-class shopping complexes such as the Mid Valley City Megamall, with a gross floor area of 4.5 million square feet, in Kuala Lumpur.

Our footprints in the world



Past projects in...



USA

Australia

Argentina

Other specialised construction projects include the Ministry of Works Office – the first built-operate-transfer project for a Government office; the Lumut Naval Base in Perak; the Kuala Lumpur Light Rail Transit system; the National Theatre; and gas export terminals and important turnkey projects such as the National Heart Centre. From these efforts, IJM won the premier Builder of the Year award in 2001.

We have established ourselves as a major international player in the construction and construction-related industries. We have set foot in all continents in the world, excluding, of course the North and South Poles. We were among the first Malaysian contractors to venture into overseas markets such as Argentina, Australia, Bangladesh, Chile, China, Florida (USA), Hong Kong, India, Mauritius, Namibia, Pakistan and Singapore, among others. We secured the first Built-Operate-Transfer water treatment plant concession in Vietnam when few investors were looking there. In 2000, in recognition of its outstanding contribution overseas, IJM was awarded the prestigious Malaysian International Contractor of the Year award.

Research and Development

The Group places high importance on research and development (R&D) in its plantations division as demonstrated by the establishment of a Quality, Training & Research Centre in Sandakan.

Construction work on the new R&D centre was completed in April 2001. Facilities at the R&D centre include lecture and conference rooms, a 12-room

hostel, dining hall, various laboratories for R&D and a seed production unit.

R&D activities continue to expand during 2001. The first phase of a long-term breeding programme was established with the planting of some 70 hectares of selected genetic crosses from the Malaysian Palm Oil Board. This breeding programme will one day enable the Plantations Division to produce high quality planting materials to its own specifications.

The Kluang seed production unit finished its first full year of operation since its commencement in October 2000, producing over 600,000 seeds to date. This supply of seeds will meet the requirements for IJM Plantations' continued expansion in Sugut, Sabah.

In November 2001, IJM Plantations signed a Memorandum of Understanding (MoU) with Universiti Malaysia Sabah (UMS) for collaborative R&D and training. This MoU allows IJM Plantations to leverage on the strengths and resources of UMS in areas of mutual interests.



Quality, Training & Research Centre, Sandakan, Sabah

Our People

IJM strongly believes in the interdependence of the Company's destiny and its people. The people of IJM – professional, competent, committed and caring – ensure the organisation delivers its promises. In turn, the employees assure themselves continuity of employment.



In IJM, we trust our people to do a good job, hence creating an environment of freedom for individuals to direct their own work and work improvement. We believe that it is our people who make the difference. We build our organisation from within, promoting and rewarding our people without regard to any differences unrelated to performance. We act on the conviction that the men and women of IJM will always be our most important assets.



Training

In line with the Group objectives, we continue to emphasise on training to improve core competencies at all levels. Our people undergo continuous training, workshops and seminars to keep the Group's high standards of excellence in work performance sharpened and honed.

In 2001, a total of RM463,972 was expended on training programmes to further improve staff's skills of all levels. These included seminars and workshops on technical programmes such as on-the-job skills, computer literacy, quality control, safety and health, environment, and soft

skills such as management, supervisory and clerical development, report writing and presentation skills.

Apart from this, workplace mentoring are encouraged in a bid to foster closer rapport and promote greater integration and assimilation of new recruits into the work culture of IJM.



Caring for Our People

Whilst the Group endeavours to generate maximum yield for the shareholders in the Company's business ventures, considerable attention is also paid to improve the welfare of the employees. Apart from creating safety nets to assure employees after retirement or ill health through retirement benefit and critical illness insurance schemes, significant efforts have been made to organise events and activities towards creating better social interaction and a sense of belonging among our people. These events have taken up a momentous place in our corporate calendar.



In 2001, the Company's 17th Annual Dinner & Dance was held on a grand scale at Sunway Lagoon Resort Hotel. About 850 employees and their spouses attended the function. The highlight of the evening was the presentation of the 20-year service award to 23 of our staff (picture above). To further promote staff morale and interaction among our employees, IJM held its Family Day at the Sunway Lagoon Theme Park



where a 800-strong crowd had a field day enjoying various events rolled out for them.

IJM recognises that harmonious multi-racial co-existence in our country is a unique heritage that must be preserved and encouraged. We in IJM celebrate various festivities with our people. During 2001, the company organised Muhibbah get-togethers at our Kompleks Sukan IJM-COBRA to celebrate Hari Raya Puasa, Chinese New Year, Deepavali and Christmas in true traditional uniqueness and participated by all races.



IJM also promote programmes for the well-being of its employees and organised several health-related talks for them. These include "General Nutrition Towards a Healthy Lifestyle" by Dr Zawiah Hashim of Nestle (M) Bhd; "Use of Mushroom in the Treatment of Cancer" by world-renowned oncologist Dr Raymond Chang of Cornwell University, USA; and "Stress Management" by Dr Lee Aik Hoe, President of the Malaysian Mental Health Association.

Sports Activities

At IJM, our people also have their share of fun through sporting events. Throughout the year, the Kelab Sukan IJM has an active sports programme involving staff.

In 2001, IJM emerged as overall champions at the 5th Friendship Games – a tournament designed to foster goodwill and friendship among employees of IGB Corporation Berhad, Tan & Tan Development Berhad, PricewaterhouseCoopers and IJM.



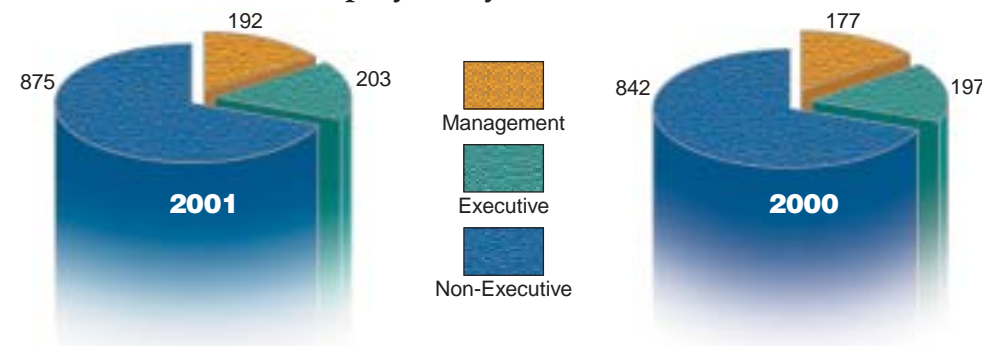
In June, 28 of our staff successfully scaled the highest peak in South East Asia: Mount Kinabalu. This marked the second occasion in recent years that participants from the Group had braved the chilly cold and height to conquer Mount Kinabalu.

Way back in 1995, our Group constructed our very own sports complex on a piece of land owned by the Combined Old Boys Rugby Association (COBRA). It underlined the Group's commitment to provide for the social and sports needs of its employees. The sports complex provides facilities such as a squash court, a gymnasium, a sauna room, separate male and female changing rooms, nine bedrooms, six dormitories, one training room and a multi-purpose hall which houses three badminton courts.

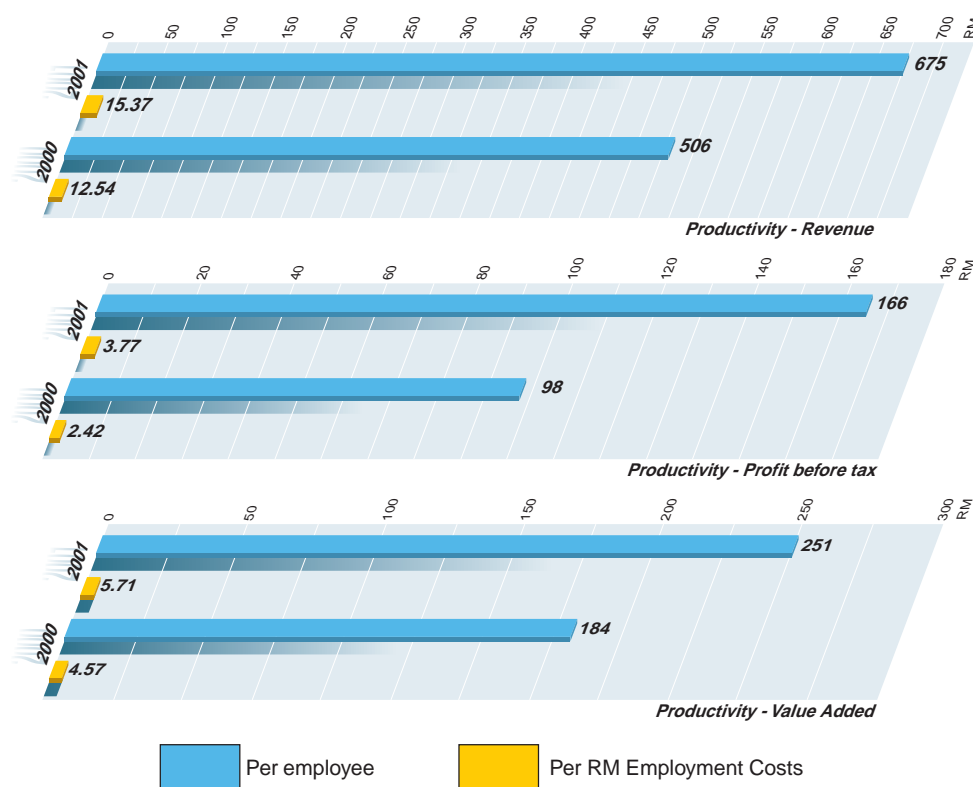
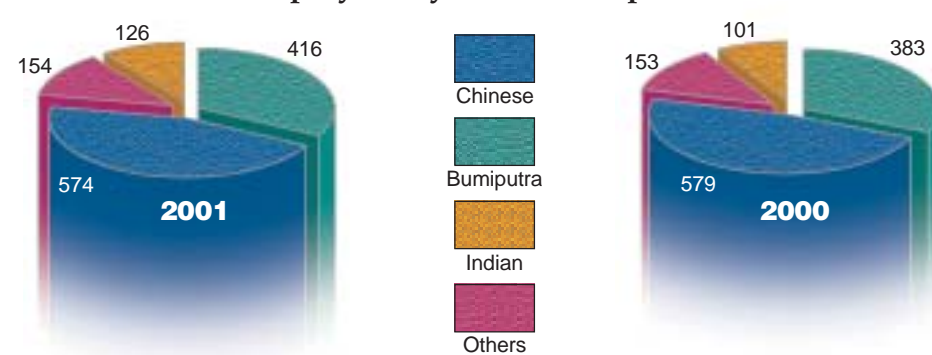


Employees & Productivity

Employees by Classification



Employees by Ethnic Composition



Community Services

Caring for the Community

IJM is not merely a business, it is also a responsible corporate citizen which is fully supportive of the needs of the community. And in what is now an annual event, IJM continues to support University Hospital's call for blood donation. During the year, 72 of our staff took time off work to donate blood.



The Group continues to make monetary contributions to charitable, educational, cultural, health and sports organisations. During the year, the Group made donations to various organizations including the Afghan Refugee Fund, Gujarat Relief Fund, Malaysian Red Crescent, Rumah Ozanam, Pusat Penjagaan Kanak-Kanak Cacat, Persatuan Rumah Kebajikan Grace, Majlis Kanser Nasional, National Kidney Foundation, Badan Warisan Malaysia, Malaysian Humanitarian Foundation, Yayasan Sultan Idris, Sandakan Community Services, Pusat Penjagaan Warga Tua Lovely, Yayasan Kecemerlangan Sukan Malaysia, Persatuan Murut Sabah, Majlis Sukan Negeri Pulau Pinang, Shelter Christian Fellowship for Aid and Welfare Selangor, among others.

The Group also contributed regularly to the COBRA Fund to help in the promotion and development of rugby in Malaysia.



Caring for the Environment

The commitment to be a responsible corporate citizen is part of IJM's corporate culture. In a proactive move to preserve the environment, the Group, on 19 November 2001, invited two guest speakers to hold briefing on "Recycling of Household Waste", attended by many employees. Programs in the various businesses to enhance environmental protection are actively encouraged and are seeing very positive results, for instance in our plantations.

IJM Scholarship Award

On a yearly basis, IJM awards scholarships to needy and deserving undergraduates pursuing local tertiary education. These scholarships are granted to deserving young undergraduates that also ensure a steady stream of bright young professionals joining the Group. In 2001, 5 scholarships were awarded, bringing the total scholarships awarded to 50 and an approximate RM1.3 million since 1994. Loans and grants are also given to existing staff to pursue further qualification like MBA programmes.





financial statements

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DIRECTORS' REPORT AND STATEMENT

For the year ended 31 December 2001

The Directors have pleasure in submitting their 18th annual report together with the audited financial statements of the Group and Company for the financial year ended 31 December 2001.

PRINCIPAL ACTIVITIES

2. The Company is principally engaged in construction, property development and investment holding. The Group's principal activities are in construction, property development, manufacturing and quarrying, oil palm cultivation, 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 after taxation	175,991	44,889
Minority interest	(6,993)	-
Net profit for the year	<u>168,998</u>	<u>44,889</u>

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 2000 as proposed in the Directors' Report for that year: Final dividend of 5% less tax paid on 13 July 2001	<u>12,665</u>
b) In respect of the year ended 31 December 2001: Special interim dividend of 10% less tax paid on 13 July 2001 Interim dividend of 5% less tax paid on 9 November 2001 Proposed final dividend of 5% less tax to be paid on 19 July 2002	<u>25,332</u> <u>12,693</u> <u>12,698</u>

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 RM351,516,654 to RM352,722,654 by way of:
- a) The issuance of 1,127,000 new ordinary shares of RM1 each pursuant to the ESOS referred to in paragraph 7 below:-
- i) 224,000 new ordinary shares of RM1 each at the exercise price of RM4.01 per share;
- ii) 36,000 new ordinary shares of RM1 each at the exercise price of RM3.89 per share; and
- iii) 867,000 new ordinary shares of RM1 each at the exercise price of RM1.82 per share.

- b) The issuance of 79,000 new ordinary shares of RM1 each arising from the conversion of warrants 2000/2004 at the exercise price of RM2.99 in accordance with the Deed Poll dated 24 January 2000.

The new ordinary 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 2001, 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	6,609	2,348	10,937	RM4.01 *
29.12.1995	1,537	1,017	72	448	RM3.89
01.11.1997	10,832	9,862	629	341	RM1.82
	<u>32,263</u>	<u>17,488</u>	<u>3,049</u>	<u>11,726</u>	

* Adjusted for the bonus issue in 1995.

The consideration in cash is 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 preceding 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 RM2.99 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 pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions or rights 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' (Dr) Haji Ahmad Azizuddin bin Haji Zainal Abidin, *Independent Non-Executive Chairman*
 Tan Boon Seng @ Krishnan, *Group Managing Director*
 Goh Chye Koon, *Deputy Group Managing Director*
 Soo Heng Chin
(appointed Group Executive Director and ceased as alternate to Ooi Poay Lum on 17 May 2001)
 Velayuthan A/L Tan Kim Song
(appointed Group Executive Director and ceased as alternate to Choo Choon Yeow on 17 May 2001)
 Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor, *Senior Independent Non-Executive Director*
 Datuk Yahya bin Ya'acob, *Independent Non-Executive Director*
 Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob, *Non-Executive Director*
 Dato' Goh Chye Keat, *Non-Executive Director*
 Dato' Arthur Tan Boon Shih, *Non-Executive Director*
 Choo Choon Yeow, *Non-Executive Director*
 Lai Meng, *Non-Executive Director*
 Haji Osman bin Haji Ismail, *Non-Executive Director*
 Ooi Poay Lum *(resigned on 31 July 2001)*
 Khoo Chew Meng *(resigned on 15 August 2001)*

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 01.01.2001	Acquired	Disposed	Balance 31.12.2001
Tan Sri Dato' (Dr) Haji Ahmad Azizuddin bin Haji Zainal Abidin				
Direct interest	155,000	-	155,000	-
Indirect interest	40,000	5,000	-	45,000
Tan Boon Seng @ Krishnan				
Direct interest	432,698	-	-	432,698
Indirect interest	357,698	-	-	357,698
Goh Chye Koon				
Direct interest	325,712	-	67,000	258,712
Soo Heng Chin				
Direct interest	70,000	5,000	75,000	-
Velayuthan A/L Tan Kim Song				
Direct interest	8,000	-	-	8,000
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	37,000	-	37,000	-
Dato' Goh Chye Keat				
Direct interest	658,362	50,000	50,000	658,362
Indirect interest	851,132	-	50,000	801,132
Dato' Arthur Tan Boon Shih				
Direct interest	140,000	323,000	253,000	210,000
Choo Choon Yeow				
Direct interest	392,000	-	294,000	98,000
Indirect interest	155,000	-	55,000	100,000

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

Name of Director	Number of Ordinary Shares of RM1 each		
	Balance 01.01.2001	Options Exercised	Balance 31.12.2001
Tan Boon Seng @ Krishnan	318,000	-	318,000
Goh Chye Koon	250,000	-	250,000
Soo Heng Chin	174,000	-	174,000
Velayuthan A/L Tan Kim Song	274,000	-	274,000
Dato' Goh Chye Keat	228,000	50,000	178,000

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

Name of Director	Balance 01.01.2001	Number of Warrants		Balance 31.12.2001
		Acquired	Disposed	
Tan Sri Dato' (Dr) 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	172,000	-	1,647,000
Indirect interest	184,000	50,000	-	234,000
Goh Chye Koon				
Direct interest	1,331,000	-	205,000	1,126,000
Soo Heng Chin				
Direct interest	1,015,000	-	75,000	940,000
Velayuthan A/L Tan Kim Song				
Direct interest	801,600	-	-	801,600
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	50,000	150,000	-
Choo Choon Yeow				
Direct interest	90,000	250,000	-	340,000
Indirect interest	31,000	-	-	31,000

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 and/or the Group in the ordinary course of business and Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob who has substantial financial interest in Minconsult Sdn Bhd, which trades with the Company and/or the Group 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 Company were made out, the Directors took reasonable steps:-
- (a) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate allowance 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 Company inadequate to any material extent or the values attributed to current assets of the Group and Company misleading;
 - (b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and 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 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 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 72 to 123 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 2001 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.

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' (DR) HAJI AHMAD AZIZUDDIN
BIN HAJI ZAINAL ABIDIN**



TAN BOON SENG @ KRISHNAN

Petaling Jaya
27 February 2002

INCOME STATEMENTS

For the year ended 31 December 2001

	Note	THE GROUP		THE COMPANY	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
OPERATING REVENUE	4	857,391	615,848	192,306	127,749
COST OF SALES		(696,909)	(504,638)	(86,851)	(71,228)
GROSS PROFIT		160,482	111,210	105,455	56,521
OTHER OPERATING INCOME		31,726	38,178	37,378	20,125
TENDERING, SELLING AND DISTRIBUTION EXPENSES		(8,746)	(3,785)	-	-
ADMINISTRATIVE EXPENSES		(39,940)	(38,470)	(12,244)	(8,337)
OTHER OPERATING EXPENSES (NET OF WRITE BACK OF ALLOWANCE FOR DOUBTFUL DEBTS-NOTE 5)		(15,918)	(18,378)	127	(1,726)
OPERATING PROFIT BEFORE FINANCE COST	5	127,604	88,755	130,716	66,583
FINANCE COST	6	(27,769)	(35,426)	(16,307)	(17,451)
OPERATING PROFIT AFTER FINANCE COST		99,835	53,329	114,409	49,132
SHARE OF RESULTS OF ASSOCIATED COMPANIES		22,351	55,383	-	-
ALLOWANCE FOR DIMINUTION IN VALUE OF AN ASSOCIATED COMPANY ARISING FROM DEVALUATION OF FOREIGN CURRENCY	7	(47,000)	-	(45,000)	-
GAIN/(LOSS) ON DISPOSAL OF ASSOCIATED COMPANIES	8	122,257	-	(11,697)	-
SHARE OF RESULTS OF JOINTLY CONTROLLED ENTITIES		12,966	10,244	-	1,580
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION		210,409	118,956	57,712	50,712
TAXATION					
Company and subsidiary companies		(24,668)	(14,501)	(12,823)	(9,217)
Associated companies		(5,912)	(14,311)	-	-
Jointly controlled entities		(3,838)	(1,609)	-	-
	9	(34,418)	(30,421)	(12,823)	(9,217)
PROFIT FROM ORDINARY ACTIVITIES AFTER TAXATION		175,991	88,535	44,889	41,495
MINORITY INTEREST		(6,993)	(11,762)	-	-
NET PROFIT FOR THE YEAR		168,998	76,773	44,889	41,495
EARNINGS PER SHARE:-					
Basic	10(a)	48.0 Sen	21.9 Sen		
Fully diluted	10(b)	45.7 Sen	20.9 Sen		
DIVIDEND PER SHARE					
- Less income tax of 28%	11	20.0 Sen	8.0 Sen		

BALANCE SHEETS

As at 31 December 2001

	Note	THE GROUP		THE COMPANY	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
CAPITAL AND RESERVES					
Share capital	13	352,723	351,517	352,723	351,517
Share premium		210,559	208,913	210,559	208,913
Revaluation reserve		73,853	73,853	-	-
Exchange translation reserve		5,946	12,317	1,272	176
Capital reserves	14	34,161	55,990	-	-
Retained profits	15	643,399	503,262	219,975	225,776
Shareholders' equity		1,320,641	1,205,852	784,529	786,382
Minority interest		95,587	96,138	-	-
		1,416,228	1,301,990	784,529	786,382
DEFERRED AND LONG TERM LIABILITIES					
Bonds	16	246,178	245,684	150,000	150,000
Term loans	17	982	932	-	-
Hire purchase and lease creditors	18	21,935	39,277	-	-
Deferred taxation	19	8,598	8,710	2,903	3,103
Amount due to an associated company	20	36,628	36,295	-	-
Trade payable	36	12,000	-	-	-
Retirement benefits		1,514	1,673	936	1,032
		327,835	332,571	153,839	154,135
DEFERRED INCOME	21	12,515	18,199	-	-
		1,756,578	1,652,760	938,368	940,517
NON-CURRENT ASSETS					
Property, plant and equipment	22	586,007	504,169	19,637	21,092
Subsidiary companies	23	-	-	266,586	230,068
Associated companies	24	261,176	542,967	120,427	181,545
Investments	25	60,987	67,570	51,015	52,261
Long term receivables	26	85,618	65,860	-	-
Intangible assets	27	5,814	6,137	-	-
		999,602	1,186,703	457,665	484,966
CURRENT ASSETS					
Development properties	28	217,896	193,891	281	281
Inventories	29	47,380	55,240	6,669	7,012
Trade and other receivables	30	776,317	686,395	643,257	693,044
Short term investments	32	84,009	10,123	10,688	9,289
Deposits with licensed banks	33	141,895	106,059	73,297	85,887
Cash and bank balances	34	22,823	23,600	2,272	5,325
		1,290,320	1,075,308	736,464	800,838
CURRENT LIABILITIES					
Trade and other payables	36	452,248	405,796	200,894	260,786
Bank borrowings	37	61,041	174,729	54,703	84,016
Bank overdrafts	38	1,686	20,967	164	485
Taxation liabilities		18,369	7,759	-	-
		533,344	609,251	255,761	345,287
NET CURRENT ASSETS		756,976	466,057	480,703	455,551
		1,756,578	1,652,760	938,368	940,517

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2001

THE GROUP	Note	Non-distributable					Distributable	
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Capital reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2001:								
- as previously reported		351,517	208,913	73,853	12,317	55,990	490,607	1,193,197
- prior year adjustments	43	-	-	-	-	-	12,655	12,655
- as restated		351,517	208,913	73,853	12,317	55,990	503,262	1,205,852
Reserves arising from translation of foreign subsidiary and associated companies and branch		-	-	-	(390)	-	-	(390)
Exchange differences arising from foreign equity investments, net of foreign currency borrowings		-	-	-	1,171	-	-	1,171
Realisation of exchange translation reserves on disposal of an associated company		-	-	-	(7,152)	-	-	(7,152)
Realisation of reserves on disposal of an associated company		-	-	-	-	(21,829)	21,829	-
Net loss not recognised in income statement		-	-	-	(6,371)	(21,829)	21,829	(6,371)
Net profit for the year		-	-	-	-	-	168,998	168,998
Dividends for the year ended:								
31 December 2000	11	-	-	-	-	-	(12,665)	(12,665)
31 December 2001	11	-	-	-	-	-	(38,025)	(38,025)
Issue of shares under ESOS	13	1,127	1,489	-	-	-	-	2,616
Conversion of warrants	13	79	157	-	-	-	-	236
At 31 December 2001		352,723	210,559	73,853	5,946	34,161	643,399	1,320,641

THE GROUP	Note	Non-distributable				Distributable		
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Capital reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2000:								
- as previously reported	43	345,966	203,482	74,451	18,306	21,314	429,202	1,092,721
- prior year adjustment		-	-	-	-	-	20,758	20,758
- as restated		345,966	203,482	74,451	18,306	21,314	449,960	1,113,479
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 for the year ended:								
31 December 1999	11	-	-	-	-	-	(21,063)	(21,063)
31 December 2000		-	-	-	-	-	(7,591)	(7,591)
Issue of shares under ESOS	13	5,447	5,224	-	-	-	-	10,671
Conversion of warrants	13	104	207	-	-	-	-	311
At 31 December 2000		351,517	208,913	73,853	12,317	55,990	503,262	1,205,852



STATEMENT OF CHANGES IN EQUITY (Continued)

For the year ended 31 December 2001

THE COMPANY	Note	← Non-distributable →			Distributable	Total
		Share capital RM'000	Share premium RM'000	Exchange translation reserve RM'000	Retained profits RM'000	RM'000
At 1 January 2001						
- as previously reported		351,517	208,913	176	213,121	773,727
- prior year adjustment	43	-	-	-	12,655	12,655
- as restated		351,517	208,913	176	225,776	786,382
Exchange differences arising from translation of a foreign branch		-	-	(140)	-	(140)
Realised exchange differences arising from foreign equity investments net of foreign currency borrowings		-	-	1,236	-	1,236
Net gain not recognised in income statement		-	-	1,096	-	1,096
Net profit for the year		-	-	-	44,889	44,889
Dividends for the year ended:						
31 December 2000	11	-	-	-	(12,665)	(12,665)
31 December 2001	11	-	-	-	(38,025)	(38,025)
Issue of shares under ESOS	13	1,127	1,489	-	-	2,616
Conversion of warrants	13	79	157	-	-	236
At 31 December 2001		352,723	210,559	1,272	219,975	784,529
At 1 January 2000						
- as previously reported		345,966	203,482	264	192,177	741,889
- prior year adjustment	43	-	-	-	20,758	20,758
- as restated		345,966	203,482	264	212,935	762,647
Reserves arising from translation of a foreign branch		-	-	(88)	-	(88)
Net loss not recognised in income statement		-	-	(88)	-	(88)
Net profit for the year		-	-	-	41,495	41,495
Dividends for the year ended:						
31 December 1999		-	-	-	(21,063)	(21,063)
31 December 2000	11	-	-	-	(7,591)	(7,591)
Issue of shares under ESOS	13	5,447	5,224	-	-	10,671
Conversion of warrants	13	104	207	-	-	311
At 31 December 2000		351,517	208,913	176	225,776	786,382

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2001

	Note	THE GROUP	
		2001 RM'000	2000 RM'000
OPERATING ACTIVITIES			
Receipts from customers		949,920	579,326
Payments to contractors, suppliers and employees		(765,519)	(399,684)
Trade advances, deposits and prepayments		(6,919)	(44,037)
Interest received		12,741	12,086
Interest paid		(32,418)	(33,472)
Income tax paid		(14,170)	(15,410)
Net cash flow from operating activities		143,635	98,809
INVESTING ACTIVITIES			
Acquisitions of subsidiary companies		-	(2,735)
Acquisitions of shares from minority shareholders		(2,400)	(1,805)
Investments in associated companies		(2,976)	(20,157)
Acquisitions of long term investments		(277)	(669)
Acquisition of short term investments		(7)	-
Capital distribution by associated companies		19,416	-
Purchases of property, plant and equipment		(111,429)	(106,583)
Disposal of shares in a subsidiary company		-	(63)
Disposal of shares in associated companies		249,178	651
Disposal of property, plant and equipment		1,798	7,520
Disposal of long term investments		730	159
Disposal of short term investments		120	-
Dividends received from associated companies		19,710	13,720
Dividends received from other investments		987	453
Advances and repayments to associated companies		(101,883)	(33,768)
Repayments from associated companies		17,433	51,490
Net cash flow from investing activities		90,400	(91,787)
FINANCING ACTIVITIES			
Issue of shares by the Company: -			
- Employees Share Option Scheme		2,616	10,671
- Conversion of warrants		236	311
Issue of bonds		-	150,000
Bank borrowings		11,487	26,137
Repayments of bank borrowings		(123,889)	(88,115)
Repayments of hire purchase and lease instalments		(14,443)	(13,808)
Dividends paid by subsidiary companies to minority shareholders		(4,665)	(4,954)
Dividends paid by the Company		(50,667)	(28,598)
Placement of short term deposits		(8,362)	(3,753)
Net cash flow from financing activities		(187,687)	47,891
Net increase in cash and cash equivalents during the financial year		46,348	54,913
Cash and cash equivalents at beginning of financial year		97,067	42,585
Foreign exchange differences on opening balances		(370)	(431)
Cash and cash equivalents at end of financial year	42	143,045	97,067

CASH FLOW STATEMENT

For the year ended 31 December 2001

		THE COMPANY	
	Note	2001 RM'000	2000 RM'000
OPERATING ACTIVITIES			
Receipts from customers		235,780	231,696
Payments to contractors, suppliers and employees		(92,408)	(178,505)
Trade advances, deposits and prepayments		(16,915)	(17,251)
Interest received		15,983	21,499
Interest paid		(16,307)	(14,951)
Income tax paid		(11,167)	(5,720)
Net cash flow from operating activities		114,966	36,768
INVESTING ACTIVITIES			
Acquisitions of subsidiary companies		-	(87,700)
Acquisitions of shares in associated companies		(2,012)	(19,826)
Acquisitions of short term investments		(8)	-
Disposal of shares in subsidiary companies	40	39,912	-
Disposal of shares in associated companies		3,903	15,345
Disposal of property, plant and equipment		450	569
Dividends received from subsidiary companies		76,972	12,829
Dividends received from associated companies		18,135	2,933
Dividends received from other investments		832	400
Purchases of property, plant and equipment		(481)	(5,699)
Advances to subsidiary companies		(320,718)	(112,665)
Advances to associated companies		(51,639)	(29,117)
Advances to jointly controlled entities		(1,940)	-
Repayments from subsidiary companies		178,339	123,205
Repayments from associated companies		5,248	34,828
Net cash flow from investing activities		(53,007)	(64,898)
FINANCING ACTIVITIES			
Issue of shares by the Company: -			
- Employees Share Option Scheme		2,616	10,671
- Conversion of warrants		236	311
Issue of bonds		-	150,000
Repayments of bank borrowings		(29,466)	(46,609)
Repayments of hire purchase and lease instalments		-	(123)
Dividends paid by the Company		(50,667)	(28,598)
Net cash flow from financing activities		(77,281)	85,652
Net (decrease)/increase in cash and cash equivalents during the financial year		(15,322)	57,522
Cash and cash equivalents at beginning of financial year		90,727	33,208
Foreign exchange difference on opening balances		-	(3)
Cash and cash equivalents at end of financial year	42	75,405	90,727

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

1. GENERAL INFORMATION

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, oil palm cultivation and investment holding. The principal activities of the subsidiary and associated companies are described in Note 47 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 2001 amounted to 1,270 (2000: 1,216) and 77 (2000: 75) respectively.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and Company have been prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The new applicable approved accounting standards adopted in these financial statements are as follows :

(a) Retrospective application

Comparative figures have been adjusted or extended to conform with changes in presentation due to the requirements of the following new MASB Standards that have been applied retrospectively:

- MASB Standard 19 "Events After Balance Sheet Date"
- MASB Standard 20 "Provisions, Contingent Liabilities and Contingent Assets"
- MASB Standard 22 "Segment Reporting"

There are no changes in accounting policy that affect net profit for the year as a result of the adoption of the above standards in these financial statements as the Group was already following the recognition and measurement principles in those standards. Comparatives have been adjusted or extended to take into account the requirements of MASB Standard 19 which the Group has implemented in advance of its effective date (See Note 43).

(b) Prospective application from 1 Jan 2001- MASB Standard 21 "Business Combinations"

The Group has taken advantage of the exemption provided to apply this Standard retrospectively. Accordingly, business combinations entered into prior to 1 Jan 2001 have not been restated to comply with this Standard.

The preparation of financial statements in conformity with the applicable approved accounting standards in Malaysia and the provision of the Companies Act 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements, except as stated otherwise below.

(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 for 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 consolidated 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 an allowance 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 an allowance 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 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 an allowance 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 Development Expenditure below is adopted by an associated company engaged in operation and maintenance of tolled highways.

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 highways to their completion to enable commencement of tolling operations.

The cumulative Highway Development Expenditure incurred 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. These projections are based 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 an allowance 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. These differences are recognised as income or expenses upon disposal of those 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:

Foreign currency	31.12.2001 RM	31.12.2000 RM
1 US Dollar	3.800	3.800
1 Australian Dollar	1.942	2.106
1 Singapore Dollar	2.054	2.193
1 Hongkong Dollar	0.487	0.487
1 Chinese Renminbi	0.459	0.459
1 Indian Rupee	0.079	0.081
1 Argentine Peso	3.800	3.800

(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, plantation development expenditure incurred for new planting and capital work-in-progress which are not depreciated. Freehold land is not depreciated as it has an infinite life.

With effect from the current financial year, the Group amortises all leasehold lands irrespective of the tenures of the leases. In the previous years, long term leasehold land of 50 years and above were not amortised. This has no material impact on the financial statements.

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	0.1 - 2.5%
Buildings	2 - 20%
Plant, machinery and equipment	10 - 20%
Office equipment, furniture and fittings	5 - 33.3%
Office renovations	10 - 20%
Motor vehicles	20 - 25%

The Directors have applied the transitional provision of the MASB 15 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 asset 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, and performance of after-sales services, if any, net of sales taxes and discounts and after eliminating sales within the Group.

(iv) Other Revenue

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 Cost

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 cost 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 expenditure.

(ii) **Finished Goods, Raw Materials, Construction Materials, Stores and Spares**

Inventories are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow-moving inventories. 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 inventories 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 an allowance 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 certain 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) 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.

(ii) Premium paid on the conversion of leasehold mining land to industrial land is written off on a straight line basis over the leasehold period.

(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.

(t) **Proposed dividends**

Proposed dividends are accrued as liabilities only after approval by shareholders. In the previous years, dividends were accrued as liability when proposed by the Directors. This change in accounting policy has been accounted for retrospectively as shown in Note 43.

4. OPERATING REVENUE

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Construction contract revenue	509,653	409,089	99,552	74,347
Sale of development properties and property management services	135,223	85,463	2,122	5,592
Sale of quarry and manufactured products	160,969	71,527	-	-
Sale of crude palm oil and by-products	47,604	46,855	-	-
Dividend income	961	342	87,896	45,786
Rental of properties	2,981	2,572	2,736	2,024
	857,391	615,848	192,306	127,749
Share of operating revenue of:-				
Associated companies	245,366	337,614	-	-
Jointly controlled entities	83,379	141,162	-	91,958
	1,186,136	1,094,624	192,306	219,707

5. OPERATING PROFIT BEFORE FINANCE COST

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Operating profit before finance cost is stated after charging:-				
Depreciation	24,446	20,802	1,364	1,544
Hire of plant and equipment	934	1,449	-	-
Auditors' remuneration:				
- current year	541	514	113	105
- under provision in respect of prior year	46	10	33	-
Other non-audit fees paid/payable to:				
- auditors of the Company and their associates	209	201	95	98
- other auditors of the subsidiaries	6	21	-	-
Amortisation of deferred expenditure	1,235	2,058	-	-
Rental of land and buildings	659	1,292	-	-
Amortisation of goodwill	335	366	-	-
Property, plant and equipment written off	1,521	94	-	-
Bad debts written off	396	200	-	-
Construction contract costs	409,081	320,345	86,376	71,205
Cost of quarry and manufactured products sold	135,830	61,325	-	-
Staff cost (note (a))	55,774	49,106	12,510	10,458
Net exchange loss:				
- unrealised	6,531	3,608	2,666	3,464
- realised	738	27	-	-
Amortisation on discounts on bond issue	493	493	-	-
Loss on disposal of property, plant and equipment	38	-	-	-
Allowance for diminution in value of investment in subsidiary companies	-	-	-	173
Allowance for diminution in value of investment in associated companies	7,924	4,690	2,530	5,140
Allowance for diminution in value of long term unquoted investments	886	270	886	270
Allowance for diminution in value of long term quoted investments	3,833	940	-	-
Allowance for diminution in value / write-off of short term quoted investments	-	2,519	-	2,264

and crediting:-

Gross dividends received from:				
- subsidiary companies (unquoted)	-	-	73,022	44,689
- associated companies (quoted)	-	-	14,002	642
(unquoted)	-	-	39	39
- other investments (quoted)	858	440	832	416
(unquoted)	129	49	-	-
Interest income	12,741	12,964	15,983	21,500
Gain on disposal of property, plant and equipment	181	153	47	88
Rental income from properties	3,255	2,458	2,736	2,024
Bad debts recovered	1,021	140	-	-
Gain on liquidation of an associated company	262	-	-	-
Gain on foreign exchange (realised)	3,077	-	149	-
Write back of allowance for doubtful debts	13,960	-	12,000	-
Write back of allowance for diminution for long term quoted investments	939	-	-	-
Write back of allowance for diminution for short term quoted investments	1,751	-	1,612	-
Gain on disposal of shares in subsidiary companies	-	1,473	16,430	-
Gain on disposal of shares in associated companies	-	92	-	8,642

(a) Included in staff cost above for the financial year is Directors' remuneration as follows:

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Directors of the Company:				
Fees				
- Current year	173	165	173	165
- Over provision in respect of prior year	(15)	(15)	(15)	(15)
Other emoluments	2,375	2,345	1,773	1,787
Directors of subsidiary companies:-				
Fees	-	71	-	-
Other emoluments	2,190	1,717	-	-

The estimated monetary value of benefits-in-kind provided to the Directors of the Group and Company by way of usage of the Group's and Company's assets and the provision of other benefits amounted to RM146,000 (2000: RM139,000) and RM77,000 (2000: RM89,000) respectively.

(b) Professional fees were paid to a company in which a Director of the Company has an interest and a company in which a Director of a subsidiary company has interest. The transactions are based on commercial terms and conditions mutually agreed by the parties.

(i) RM3,949,561 (2000 : nil) paid to Minconsult Sdn Bhd, a company in which a Director of the Company, Tan Sri Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob has an interest.

(ii) RM48,000 (2000: RM48,000) paid to Emir Enterprise Sdn Bhd, a company in which a Director of a subsidiary, Dato' Haji Moehamad Izat, has an interest.

6. FINANCE COST

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Interest expense on borrowings	12,248	21,176	8,807	11,201
Interest expense on bonds	15,521	14,250	7,500	6,250
	27,769	35,426	16,307	17,451

7. ALLOWANCE FOR DIMINUTION IN VALUE OF AN ASSOCIATED COMPANY ARISING FROM DEVALUATION OF FOREIGN CURRENCY

Following its economic crisis, Argentina repegged, devalued and subsequently floated the Peso resulting in a severe depreciation of the currency which necessitated an allowance of RM47,000,000 for diminution in value of the Group's investment in Grupo Concesionario del Oeste S.A., a 20.1% associate.

8. GAIN/(LOSS) ON DISPOSAL OF ASSOCIATED COMPANIES

- (a) During the financial year, the Group partially disposed of its equity interest in Guangdong Provincial Expressway Development Co. Ltd which had ceased to be an associated company of the Group following the intention to dispose of the investment. Total gain arising from the disposal during the year amounted to RM122,257,000. The carrying value of the remaining investment is now included in short term investments of the Group.
- (b) Also, during the financial year, the Company disposed of an associated company to one of its subsidiaries as part of its internal restructuring. The loss on disposal for the Company amounted to RM11,697,000. However, the disposal has no financial effect on the Group.

9. TAXATION

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Tax charge for the year:				
Malaysian income tax	(31,534)	(19,236)	(13,007)	(8,670)
Overseas taxation	(7,363)	(10,231)	(16)	(547)
Transfer from deferred taxation (Note 19)	112	2,190	200	-
	(38,785)	(27,277)	(12,823)	(9,217)
Over/(under) provision in prior year	4,367	(3,144)	-	-
	(34,418)	(30,421)	(12,823)	(9,217)

The effective rates of taxation of the Group and Company for the current year are lower than the statutory rate of tax applicable to the Group's and the Company's operating profit respectively mainly because of tax exempt income arising from the gain on disposal of quoted investments and tax exempt overseas income.

10. EARNINGS PER SHARE**(a) Basic**

The basic earnings per share for the financial year has been calculated based on the Group's net profit for the financial year of RM168,998,000 (2000: RM76,773,000) and on the weighted average number of ordinary shares in issue during the financial year of 351,908,000 (2000: 349,871,000) ordinary shares. The weighted average number of ordinary shares in issue was derived at after taking into account the issuance of shares pursuant to the 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 net profit for the year of RM168,998,000 (2000: RM76,773,000) 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 "bonus" element to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to the net profit for the share options and warrants calculation.

	THE COMPANY	
	2001 RM'000	2000 RM'000
Net profit for the year	168,998	76,773
	'000	'000
Weighted average number of ordinary shares in issue	351,908	349,871
Adjustments for:-		
- share options	180	614
- warrants	18,030	15,366
Weighted average number of ordinary shares for diluted earnings per share	370,118	365,851
Diluted earnings per share	45.7 Sen	20.9 Sen

11. DIVIDENDS

	THE COMPANY			
	2001 Gross dividend per share Sen	Amount of dividend, net of tax RM'000	2000 Gross dividend per share Sen	Amount of dividend, net of tax RM'000
Special interim dividend	10	25,332	-	-
Interim dividend	5	12,693	3	7,591
	15	38,025	3	7,591
Proposed final dividend	5	12,698	5	12,665
	20	50,723	8	20,256

A final dividend of 5 sen (2000: 5 sen) less tax for the financial year ended 31 December 2001 has been proposed by the Board of Directors for approval by the shareholders at the forthcoming Annual General Meeting. The financial statements do not reflect this final dividend amounting to RM12,698,000 (2000: RM12,665,000), which will only be accrued as a liability in the financial year ending 31 December 2002 after approval by the shareholders. This represents a change in accounting treatment from that of prior years as explained in Note 43.

12. SEGMENTAL REPORTING

(a) Primary reporting – Business segments

	Construction RM '000	Property Development RM '000	Manufacturing & Quarrying RM '000	Plantation RM '000	Infrastructure RM '000	Investment & Others RM '000	Group RM '000
2001							
REVENUE:							
Total sales	698,989	148,575	271,765	72,554	80,068	107,200	1,379,151
Less: Inter-segment sales*	(70,675)	-	(34,054)	-	-	(88,286)	(193,015)
External sales	628,314	148,575	237,711	72,554	80,068	18,914	1,186,136
Less: Group's share of revenue of associated companies and jointly controlled entities	(118,661)	(13,352)	(76,742)	(24,950)	(78,472)	(16,568)	(328,745)
Total segment revenue	509,653	135,223	160,969	47,604	1,596	2,346	857,391
RESULT:							
Segment result	69,623	17,042	14,515	6,722	4,182	(12,249)	99,835
Share of results of associated companies and jointly controlled entities	16,976	(169)	2,863	74	19,854	(4,281)	35,317
Allowance for diminution in value of an associated company arising from devaluation of foreign currency	-	-	-	-	(47,000)	-	(47,000)
Gain on disposal of an associated company	-	-	-	-	122,257	-	122,257
Total segment profit before taxation	86,599	16,873	17,378	6,796	99,293	(16,530)	210,409
Taxation							(34,418)
Profit after taxation							175,991
Minority interest							(6,993)
Net profit for the year							168,998
OTHER INFORMATION:							
Segment assets	591,611	493,138	164,004	494,941	168,042	117,010	2,028,746
Investment in associates	20,354	31,851	64,771	24,508	107,752	11,940	261,176
Total segment assets	611,965	524,989	228,775	519,449	275,794	128,950	2,289,922
Total segment liabilities	533,849	84,445	96,550	229,603	21,020	3,815	969,282
Capital expenditure	23,798	1,500	7,711	81,787	-	-	114,796
Depreciation	5,872	497	11,950	6,127	-	-	24,446
Amortisation of goodwill	73	27	-	123	-	112	335
Amortisation of deferred expenditure	-	-	1,235	-	-	-	1,235
Other significant non-cash expenses:							
- Allowance for diminution in value of associated companies	-	-	-	-	47,000	7,924	54,924
- Allowance for diminution in value of long term investments	-	-	-	-	-	4,719	4,719

* Inter-segment sales are transacted on an arms length basis.

12. SEGMENTAL REPORTING (Continued)

(a) Primary reporting – Business segments (Continued)

	Construction RM '000	Property Development RM '000	Manufacturing & Quarrying RM '000	Plantation RM '000	Infrastructure RM '000	Investment & Others RM '000	Group RM '000
2000							
REVENUE:							
Total sales	651,896	97,247	213,847	65,123	98,020	69,971	1,196,104
Less: Inter-segment sales*	(30,519)	-	(25,139)	-	-	(45,822)	(101,480)
External sales	621,377	97,247	188,708	65,123	98,020	24,149	1,094,624
Less: Group's share of revenue of associated companies and jointly controlled entities	(241,165)	(28,000)	(74,788)	(18,268)	(94,395)	(22,160)	(478,776)
Total segment revenue	380,212	69,247	113,920	46,855	3,625	1,989	615,848
RESULT:							
Segment result	44,099	5,860	9,042	5,173	(6,368)	(4,477)	53,329
Share of results of associated companies and jointly controlled entities	19,941	7,551	2,676	(381)	34,279	1,561	65,627
Total segment profit before taxation	64,040	13,411	11,718	4,792	27,911	(2,916)	118,956
Income taxes							(30,421)
Profit after taxation							88,535
Minority interest							(11,762)
Net profit for the year							76,773
OTHER INFORMATION:							
Segment assets	656,063	361,799	144,768	418,099	39,226	99,089	1,719,044
Investment in associates	21,430	55,883	63,866	24,487	362,316	14,985	542,967
Total segment assets	677,493	417,682	208,634	442,586	401,542	114,074	2,262,011
Total segment liabilities	476,551	88,451	93,876	233,771	107,183	56,327	1,056,159
Capital expenditure	14,098	726	12,912	81,811	-	-	109,547
Depreciation	5,984	255	11,959	2,604	-	-	20,802
Amortisation of goodwill	51	12	-	120	-	183	366
Amortisation of deferred expenditure	-	-	2,058	-	-	-	2,058
Other significant non-cash expenses:							
- Allowance for diminution in value of an associated company	-	-	-	-	-	4,690	4,690
- Allowance for diminution in value of long term investments	-	940	-	-	-	270	1,210
- Allowance for diminution in value of short term investments	-	-	-	-	-	2,519	2,519

* Inter-segment sales are transacted on an arms length basis.

12. SEGMENTAL REPORTING (Continued)

(b) Secondary reporting – Geographical segments

Geographical markets	Revenue from external customers RM'000	Carrying amount of segment assets RM'000	Capital expenditure RM'000
2001:-			
Malaysia	961,602	1,794,867	108,372
Singapore	34,386	20,235	-
Vietnam	13,378	33,168	-
China	3,511	147,419	-
India	83,938	103,509	6,424
Australia	24,406	110,554	-
Argentina	63,757	45,683	-
Other countries	1,158	34,487	-
	<u>1,186,136</u>	<u>2,289,922</u>	<u>114,796</u>
Less: Group's share of revenue of associated companies and jointly controlled entities	(328,745)	-	-
	<u>857,391</u>	<u>2,289,922</u>	<u>114,796</u>
2000:-			
Malaysia	790,422	1,669,735	109,504
Singapore	84,233	17,227	-
Vietnam	16,064	25,765	-
China	20,352	225,501	-
India	57,864	62,352	43
Australia	58,156	141,440	-
Argentina	66,638	102,258	-
Other countries	895	17,733	-
	<u>1,094,624</u>	<u>2,262,011</u>	<u>109,547</u>
Less: Group's share of revenue of associated companies and jointly controlled entities	(478,776)	-	-
	<u>615,848</u>	<u>2,262,011</u>	<u>109,547</u>

13. SHARE CAPITAL

	THE GROUP AND THE COMPANY	
	2001 RM'000	2000 RM'000
Ordinary shares of RM1 each:-		
Authorised	1,000,000	1,000,000
Issued and fully paid:-		
At 1 January	351,517	345,966
Issued under the Employees Share Option Scheme (ESOS)	1,127	5,447
Conversion of Warrants	79	104
At 31 December	<u>352,723</u>	<u>351,517</u>

(a) During the financial year, the issued and paid up ordinary share capital of the Company was increased from RM351,516,654 to RM352,722,654 by way of:

- The issuance of 1,127,000 new ordinary shares of RM1 each pursuant to the ESOS at the following option prices:
 - 224,000 new ordinary shares of RM1 each at the exercise price of RM4.01 per share;
 - 36,000 new ordinary shares of RM1 each at the exercise price of RM3.89 per share; and
 - 867,000 new ordinary shares of RM1 each at the exercise price of RM1.82 per share.
- The issuance of 79,000 new ordinary shares of RM1 each arising from the conversion of warrants 2000/2004 at the price of RM2.99 in accordance with the Deed Poll dated 24 January 2000.

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

(b) As at 31 December 2001, the unexercised options under the ESOS are as follows: -

Exercise Price	No. of ordinary shares of RM1 each ('000)	
	2001	2000
RM 4.01 *	10,937*	11,527*
RM 3.89	448	490
RM 1.82	341	1,208
	<u>11,726</u>	<u>13,225</u>

* Adjusted for bonus issue in 1995.

(c) During the preceding financial year, the Company issued 80,178,930 Warrants 2000/2004 as described in Note 16 (b). As at the balance sheet date, the total number of Warrants 2000/2004 which remained unexercised amounted to 79,995,930 (2000: 80,074,930).

14. CAPITAL RESERVES

	THE GROUP	
	2001 RM'000	2000 RM'000
Capitalisation of post acquisition reserves in subsidiary and associated companies:-		
As at 1 January	12,563	12,902
Realisation on disposal of associated companies	-	(339)
As at 31 December	12,563	12,563
Share of share premium of associated companies:-		
As at 1 January	43,384	8,412
Arising from issue of additional shares by an associated company	-	34,972
Realisation on disposal of an associated company	(21,829)	-
As at 31 December	21,555	43,384
Reserve on consolidation:-		
As at 1 January	43	-
Arising from acquisition of a subsidiary company	-	43
As at 31 December	43	43
Total capital reserves	34,161	55,990

15. RETAINED PROFITS

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 RM138,367,000 (2000: RM79,338,000) and RM110,597,000 (2000: RM119,636,000) respectively out of its retained profits as at 31 December 2001 without incurring any additional tax liabilities.

16. BONDS

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
(a) 8% Secured Fixed Rate Bond 1999/2009	100,000	100,000	-	-
Less:				
Discount on issuance	4,932	4,932	-	-
Amortisation	(1,110)	(616)	-	-
	3,822	4,316	-	-
	96,178	95,684	-	-
(b) 5% Redeemable Unsecured Bond 2000/2005	150,000	150,000	150,000	150,000
	246,178	245,684	150,000	150,000

The principal features of the bonds are as follows:

- (a) 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 26 to the financial statements. The bond ranks pari 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.

- (b) 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.

17. TERM LOANS

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Secured				
Payable within 1 year	58	42,008	-	-
Payable between 1 and 2 years	-	878	-	-
Payable between 2 and 5 years	60	54	-	-
Payable after 5 years	483	-	-	-
Payable after 1 year	543	932	-	-
	601	42,940	-	-
Unsecured				
Payable within 1 year	2,159	12,201	-	12,201
Payable between 1 and 2 years	-	-	-	-
Payable between 2 to 5 years	439	-	-	-
	2,598	12,201	-	12,201
Total	3,199	55,141	-	12,201
Payable within 1 year (Note 37)	2,217	54,209	-	12,201
Payable between 1 and 2 years	-	878	-	-
Payable between 2 and 5 years	499	54	-	-
Payable after 5 years	483	-	-	-
Payable after 1 year (included in deferred and long term liabilities)	982	932	-	-
	3,199	55,141	-	12,201

(a) The term loans bear interest rates ranging from 6.49% to 8.60% (2000: 6.49% and 9.19%) per annum during the financial year and repayable by fixed instalments which vary from monthly, quarterly to half yearly basis.

(b) The secured term loans are secured by:-

- a debenture incorporating fixed and floating charges over a subsidiary company's present assets
- fixed and floating charges over a subsidiary company's assets and guaranteed by the Company
- fixed and floating charges over certain subsidiary companies' development properties

THE GROUP	
2001 RM'000	2000 RM'000
118	233
-	38,760
483	3,947
601	42,940

18. HIRE PURCHASE AND LEASE CREDITORS

Minimum payments:

- payable within 1 year
- payable between 1 and 5 years

Less: Future finance charges

Present value of liabilities:

Representing liabilities:

- Payable within 1 year (Note 36)
- Payable between 1 and 5 years (included in deferred and long term liabilities)

THE GROUP	
2001 RM'000	2000 RM'000
22,477	20,606
23,044	42,895
45,521	63,501
(3,946)	(7,482)
41,575	56,019
19,640	16,742
21,935	39,277
41,575	56,019

19. DEFERRED TAXATION

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
At 1 January	8,710	10,900	3,103	3,103
Transfer to income statement (Note 9)	(112)	(2,190)	(200)	-
At 31 December	8,598	8,710	2,903	3,103

(a) 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.

(b) Except for (a) above, deferred taxation has been provided for all timing differences.

20. AMOUNT DUE TO AN ASSOCIATED COMPANY

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 RM121,120,000 (2000: 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% (2000: 9.95%) per annum. The proceeds were utilised for the plantation division's capital expenditure.

21. DEFERRED INCOME

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.

22. PROPERTY, PLANT AND EQUIPMENT

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

(a) THE GROUP 2001

	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	Buildings	Buildings	Plant, machinery, equipment & vehicles	Office equipment, furniture & fittings & renovations	Capital work in progress	
	At Cost RM'000	At Cost RM'000	At Valuation RM'000	At Cost RM'000	At Cost RM'000		At Valuation RM'000	At Cost RM'000	At Valuation RM'000	At Cost RM'000	At Cost RM'000	At Cost RM'000	Total RM'000
Net book value													
At 1 January 2001	3,726	35,824	955	4,272	118,229		146,948	42,758	6,888	91,951	5,387	47,231	504,169
Currency translation differences	-	-	-	-	-		-	-	-	(187)	(7)	-	(194)
Additions	-	3,816	-	147	40,264		-	4,079	-	29,178	4,248	33,064	114,796
Disposals	-	-	-	-	-		-	(614)	-	(909)	(94)	-	(1,617)
Written off	-	-	-	-	-		-	(292)	-	(947)	(282)	-	(1,521)
Depreciation charges for the year	-	(317)	(14)	(259)	(632)		(268)	(2,263)	(396)	(23,250)	(2,227)	-	(29,626)
Transfers / reclassification	(1,268)	(387)	-	563	18,303		-	5,410	-	2,720	384	(25,725)	-
At 31 December 2001	2,458	38,936	941	4,723	176,164		146,680	49,078	6,492	98,556	7,409	54,570	586,007
At 31 December 2001													
Cost	2,458	42,151	-	5,509	176,796		-	62,416	-	180,217	16,261	54,570	540,378
Valuation	-	-	955	-	-		146,948	-	9,130	-	-	-	157,033
Accumulated depreciation	-	(3,215)	(14)	(786)	(632)		(268)	(13,338)	(2,638)	(81,661)	(8,852)	-	(111,404)
Net book value	2,458	38,936	941	4,723	176,164		146,680	49,078	6,492	98,556	7,409	54,570	586,007
At 31 December 2000													
Cost	3,726	35,824	-	4,799	118,229		-	56,914	-	152,944	15,270	47,231	434,937
Valuation	-	-	955	-	-		146,948	-	9,130	-	-	-	157,033
Accumulated depreciation	-	-	-	(527)	-		-	(14,156)	(2,242)	(60,993)	(9,883)	-	(87,801)
Net book value	3,726	35,824	955	4,272	118,229		146,948	42,758	6,888	91,951	5,387	47,231	504,169

22. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) THE COMPANY

2001	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	RM'000
Net book value:-					
At 1 January 2001	9,446	8,291	2,808	547	21,092
Additions	-	-	88	393	481
Disposals	-	(320)	(83)	-	(403)
Written off	-	-	-	(169)	(169)
Depreciation charge	(136)	(164)	(864)	(200)	(1,364)
At 31 December 2001	9,310	7,807	1,949	571	19,637
At 31 December 2001					
Cost	11,500	8,321	6,418	1,827	28,066
Accumulated depreciation	(2,190)	(514)	(4,469)	(1,256)	(8,429)
Net book value	9,310	7,807	1,949	571	19,637
At 31 December 2000					
Cost	11,500	8,711	6,891	4,242	31,344
Accumulated depreciation	(2,054)	(420)	(4,083)	(3,695)	(10,252)
Net book value	9,446	8,291	2,808	547	21,092

(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 net book values of the revalued land, buildings and plantation development expenditure had these assets been carried at cost less accumulated depreciation:

	THE GROUP	
	2001 RM'000	2000 RM'000
- long term leasehold land	12,438	12,588
- long term leasehold plantation land and development expenditure	47,787	47,787
- buildings	4,133	4,565
	64,358	64,940

(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 RM3,367,000 (2000: RM1,534,000) and interest expense amounting to RM4,692,000 (2000: RM2,718,000).

(e) Assets acquired under finance lease agreements

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

	THE GROUP	
	2001 RM'000	2000 RM'000
Plant, machinery, equipment and vehicles	44,993	55,509
(f) Certain long term leasehold plantation land and development expenditure of the Group, at a net book value of RM121,120,000 (2000: RM61,838,000) have been charged as security for the amount due to an associated company referred to in Note 20 to the financial statements.		
(g) The net book values of assets pledged as securities for term loan facilities (Note 17) and bank overdrafts (Note 38):-		
	THE GROUP	
	2001 RM'000	2000 RM'000
Leasehold land	366	1,353
Buildings	747	267
Plant and machinery and vehicles	144	227
Furniture and fittings	4	5
	1,261	1,852

23. SUBSIDIARY COMPANIES

	THE COMPANY	
	2001 RM'000	2000 RM'000
Unquoted shares, at cost		
- in Malaysia	261,396	224,879
- outside Malaysia	5,363	5,362
	266,759	230,241
Less: Allowance for diminution in value	(173)	(173)
	266,586	230,068

The Group's effective equity interest in the subsidiary companies and their respective principal activities and countries of incorporation are set out in Note 47 to the financial statements.

24. ASSOCIATED COMPANIES

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
At cost:-				
Quoted shares:				
- in Malaysia	46,476	46,476	46,476	46,476
- outside Malaysia	38,080	160,882	38,080	38,080
	84,556	207,358	84,556	84,556
Unquoted shares:				
- in Malaysia	70,986	85,957	38,062	51,650
- outside Malaysia	112,584	135,118	52,979	52,979
	268,126	428,433	175,597	189,185
Share of post-acquisition retained profits	46,057	126,478	-	-
Share of post-acquisition revaluation reserve	11,591	-	-	-
	325,774	554,911	175,597	189,185
	(64,598)	(11,944)	(55,170)	(7,640)
Less: Allowance for diminution in value	261,176	542,967	120,427	181,545
Represented by:-				
Group's share of net assets	248,642	502,556		
Group's share of goodwill	1,339	2,971		
Goodwill on acquisition	11,195	37,440		
	261,176	542,967		
Market value of:-				
Quoted shares:				
- in Malaysia	42,456	43,077	42,456	43,077
- outside Malaysia	27,124	192,251	27,124	51,987
	69,580	235,328	69,580	95,064

The Group's effective equity interest in the associated companies and their respective principal activities and countries of incorporation are set out in Note 47 to the financial statements.

Certain losses of associated companies of the Group are not recognised when they exceed the Group's costs of investments and advances, as the Group has no further obligation beyond these amounts. The Group's share of such losses is as follows:-

	THE GROUP	
	2001 RM'000	2000 RM'000
Current year share of losses	11,061	107
Cumulative share of losses	21,493	10,432

25. INVESTMENTS

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
At cost:-				
Quoted shares:				
- in Malaysia	48,911	48,911	48,911	48,911
- outside Malaysia	11,679	14,400	54	54
	60,590	63,311	48,965	48,965
Unquoted shares:				
- in Malaysia	7,953	7,802	6,500	6,500
- outside Malaysia	387	260	260	260
	8,340	8,062	6,760	6,760
Quoted non-convertible loan stock				
- outside Malaysia	-	359	-	359
Unquoted unit trusts				
- outside Malaysia	1,742	1,742	-	-
	70,672	73,474	55,725	56,084
	(9,685)	(5,904)	(4,710)	(3,823)
Less: Allowance for diminution in value	60,987	67,570	51,015	52,261
Market value of:-				
Quoted shares:				
- in Malaysia	27,703	23,498	27,703	23,498
- outside Malaysia	9,354	14,851	141	144
	37,057	38,349	27,844	23,642
Quoted non-convertible loan stock				
- outside Malaysia	-	450	-	450
	37,057	38,799	27,844	24,092

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 an allowance for diminution of investments is not necessary.

26. LONG TERM RECEIVABLES

	THE GROUP	
	2001 RM'000	2000 RM'000
(a) Receivable for construction of the Kementerian Kerja Raya Office Blocks	65,860	73,024
(b) Receivable for disposal of a development property	26,922	-
	92,782	73,024
Less:		
Amount receivable within 12 months (included in trade receivables - Note 30)	(7,164)	(7,164)
Amount receivable after 12 months	85,618	65,860

(a) The cost of construction on the Kementerian Kerja Raya Office Blocks by a subsidiary company 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 16(a) to the financial statements.

(b) The proceeds from the disposal of a development property by a subsidiary company is receivable progressively over a period of 5 years.

27. INTANGIBLE ASSETS

	THE GROUP	
	2001 RM'000	2000 RM'000
Goodwill on consolidation	3,383	3,097
Deferred expenditure	2,431	3,040
	5,814	6,137
a) Goodwill on consolidation		
Cost		
At 1 January	9,439	9,085
Arising from the acquisition of subsidiary companies / additional equity interest in subsidiary companies	621	354
At 31 December	10,060	9,439
Less: Accumulated amortisation		
At 1 January	6,342	5,976
Current amortisation	335	366
At 31 December	6,677	6,342
	3,383	3,097

b) Deferred expenditure

Expenses incurred on the development of quarry face
Less: Accumulated amortisation

	THE GROUP	
	2001 RM'000	2000 RM'000
Expenses incurred on the development of quarry face	10,944	11,737
Less: Accumulated amortisation	(8,513)	(8,697)
	2,431	3,040

28. DEVELOPMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
At valuation:				
Freehold land				
& development expenditure	6,715	7,222	-	-
At cost:				
Freehold land				
& development expenditure	244,137	224,655	281	281
Leasehold land				
& development expenditure	285,128	209,015	-	-
	535,980	440,892	281	281
Add: Attributable profits	44,637	34,664	-	-
	580,617	475,556	281	281
Less: Progress billings	(362,721)	(281,665)	-	-
	217,896	193,891	281	281

29. INVENTORIES

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
At cost:				
Raw materials :-				
- Construction materials	1,729	7,175	183	1,030
- Other raw materials	801	1,207	-	-
Finished goods :-				
- Crude palm oil	414	-	-	-
- Palm kernel	102	-	-	-
- Completed buildings	26,365	33,491	6,486	5,982
- Quarry and manufactured products	7,560	2,306	-	-
Stores, spares & consumables	6,051	5,234	-	-
Oil palm nurseries	2,837	1,980	-	-
Fertilisers and chemicals	1,404	728	-	-
Work-in-progress	117	23	-	-
	47,380	52,144	6,669	7,012
At net realisable value:				
Finished goods :-				
- Crude palm oil	-	2,764	-	-
- Palm kernel	-	332	-	-
	-	3,096	-	-
	47,380	55,240	6,669	7,012

30. TRADE AND OTHER RECEIVABLES

	Note	THE GROUP		THE COMPANY	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade receivables		382,634	411,604	79,217	141,254
Less: Allowance for doubtful debts		(25,272)	(38,162)	(11,693)	(23,317)
		357,362	373,442	67,524	117,937
Amount due from customers on construction contracts	39	40,999	23,781	-	9,835
Amount owing by subsidiary companies		-	-	404,940	421,608
Amount owing by associated companies		191,763	149,439	110,485	74,075
Less: Allowance for doubtful debts		(5,007)	(3,197)	(2,010)	(2,010)
		186,756	146,242	108,475	72,065
Amount owing by jointly controlled entities	35	92,673	62,291	38,455	42,500
Other receivables	31	98,527	80,639	23,863	29,099
		776,317	686,395	643,257	693,044

The amounts owing by subsidiary companies and associated companies are unsecured, bear interest ranging from 5% to 8.7% (2000: 7.50% to 8.80%) per annum and have no fixed terms of repayment.

31. OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade and tender deposits	17,124	24,834	7,685	11,761
Trade advances	51,607	34,959	13,117	10,746
Other deposits and prepayments	29,796	20,846	3,061	6,592
	98,527	80,639	23,863	29,099

32. SHORT TERM INVESTMENTS

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
At cost:-				
Quoted shares - In Malaysia	21,453	21,669	20,173	20,387
- Outside Malaysia	24,604	-	-	-
Unquoted shares outside Malaysia	47,745	-	-	-
Quoted debentures in Malaysia	221	221	-	-
	94,023	21,890	20,173	20,387
Less: Allowance for diminution in value of investments	(10,014)	(11,767)	(9,485)	(11,098)
	84,009	10,123	10,688	9,289
Market value:				
Quoted shares				
- In Malaysia	11,633	10,096	10,688	9,289
- Outside Malaysia	37,995	-	-	-
	49,628	10,096	10,688	9,289
Quoted debentures - in Malaysia	27	27	-	-
	49,655	10,123	10,688	9,289

33. DEPOSITS WITH LICENSED BANKS

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Short term deposits with licensed banks	19,987	11,625	-	-
Fixed deposits with licensed banks	121,908	94,434	73,297	85,887
	141,895	106,059	73,297	85,887

The short term deposits with licensed banks 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 referred to in Note 16(a) 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 funds could only be released to the subsidiary company with the consent of the trustee.

34. CASH AND BANK BALANCES

Cash and bank balances include balances amounting to RM2,273,150 (2000: RM1,879,000) which are maintained in designated Housing Development Accounts pursuant to the Housing Developers (Control and Licensing) Act, 1966 and Housing Regulations, 1991 in connection with the Group's property development projects. The utilisation of these balances are restricted, before completion of the housing development and fulfilling all relevant obligations to the purchasers, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects concerned.

35. AMOUNTS OWING BY JOINTLY CONTROLLED ENTITIES

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
(a) Amounts owing by jointly controlled entities	84,005	41,252	38,455	30,125
Share of results	8,668	21,039	-	12,375
	92,673	62,291	38,455	42,500

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

	Group's effective interest in jointly controlled entities		Principal activity
	2001	2000	
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%	60%	Construction
IJM Properties – JA Manan Development Joint Venture	50%	50%	Property development
IJMP – Mewah Kota Joint Venture	70%	70%	Property development
IJM Properties – Danau Lumayan Joint Venture	60%	60%	Property development
IJM Management Services-Giat Bernas Joint Venture	70%	70%	Project management services

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

	THE GROUP	
	2001 RM'000	2000 RM'000
Property, plant and equipment	11,413	6,975
Current assets	69,136	98,959
Current liabilities	64,151	66,467
Revenue	83,379	141,162
Profit less losses before taxation	12,966	10,244

There is no capital commitment and contingent liability relating to the Group's and the Company's interests in the jointly controlled entities.

36. TRADE AND OTHER PAYABLES

Note	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade payables	218,147	171,515	27,136	18,715
Amounts due to customers on construction contracts	39 108,989	55,026	73,769	18,638
Amounts owing to subsidiary companies	-	-	60,928	162,795
Amounts owing to associated companies	33,796	79,783	4,067	20,057
Amounts owing to jointly controlled entities	7,728	19,634	6,388	12,279
Hire purchase and lease creditors	18 19,640	16,742	-	-
Trade accruals	27,392	26,892	16,257	15,391
Other payables and accruals	36,435	36,107	12,228	12,814
Dividend payable	121	97	121	97
	452,248	405,796	200,894	260,786

The amounts due to subsidiary companies, associated companies and jointly controlled entities are unsecured, bear interest at rates ranging from 5% to 7.7% (2000: 2.55% to 6.80%) per annum and have no fixed terms of repayment.

Included in the trade payables is the current portion of outstanding purchase consideration arising from acquisition of land for property development by a subsidiary company, repayable over the duration of the development, which is unsecured with no interest charge.

THE GROUP	
2001 RM'000	2000 RM'000
Total outstanding	13,138,000
Amount payable after 12 months (included in deferred and long term liabilities)	(12,000,000)
Amount payable within 12 months	1,138,000

37. BANK BORROWINGS

Note	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Term loans	17 2,217	54,209	-	12,201
Revolving credits	20,200	74,005	19,000	29,000
Bankers acceptances	38,624	46,515	35,703	42,815
	61,041	174,729	54,703	84,016

The bankers acceptances and revolving credits are unsecured, and bear interest at rates ranging between 3.10% and 4.70% (2000: 2.95% and 8.40%) per annum.

38. BANK OVERDRAFTS

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Secured by:-				
Leasehold land of subsidiary companies	-	2,030	-	-
Development properties of subsidiary companies	-	6,144	-	-
Unsecured	1,686	8,174	164	-
	1,686	12,793	164	485
	1,686	20,967	164	485

The bank overdrafts bear interest at rates for the year ranging between 6.90 % and 8.05% (2000: 7.0% and 7.80%) per annum.

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

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Aggregate costs incurred to date	1,402,646	943,963	330,487	246,590
Attributable profits less recognised losses	120,986	54,720	13,888	(3,302)
	1,523,632	998,683	344,375	243,288
Less: Progress billings on contracts	(1,591,622)	(1,029,928)	(418,144)	(252,091)
	(67,990)	(31,245)	(73,769)	(8,803)
Amounts due from customers on contracts (included in trade and other receivables - Note 30)	40,999	23,781	-	9,835
Amounts due to customers on contracts (included in trade and other payables - Note 36)	(108,989)	(55,026)	(73,769)	(18,638)
	(67,990)	(31,245)	(73,769)	(8,803)
Advances received on contracts (included in trade payables)	33,392	14,869	20,380	-
Retention sums on contracts (included in trade receivables)	11,786	38,725	11,786	11,786

40. DISPOSAL OF SHARES IN SUBSIDIARY COMPANIES

During the financial year, the Company has disposed of certain subsidiaries to other subsidiaries within the Group as part of its internal restructuring. The restructuring exercise was to rationalise the corporate structure to further improve operational efficiencies within the Group. These disposals have no financial effect on the Group's financial statements.

41. NON CASH TRANSACTIONS

The principal non cash transaction during the financial year is the subscription of additional shares in certain subsidiary companies by way of capitalisation of amount owing by those subsidiary companies amounting to RM60,000,000.

42. CASH AND CASH EQUIVALENTS

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

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Fixed deposits with licensed banks (Note 33)	121,908	94,434	73,297	85,887
Cash and bank balances	22,823	23,600	2,272	5,325
Bank overdrafts				
- Secured (Note 38)	-	(8,174)	-	-
- Unsecured (Note 38)	(1,686)	(12,793)	(164)	(485)
	143,045	97,067	75,405	90,727

Restriction on the use of certain cash and bank balances are mentioned in Note 34.

43. PRIOR YEAR ADJUSTMENT

For the financial year, the Group changed its accounting policy with respect to the recognition of proposed dividend as liabilities due to the early adoption of the new MASB Standard 19 "Events After the Balance Sheet Date". In the previous years, dividends were accrued as a liability when proposed by Directors. The Group has now changed this accounting policy to recognise dividends in shareholders' equity in the period in which the obligation to pay is established in accordance with MASB 19. Therefore, the proposed final dividends for 2001 will only be accrued as a liability after approval by shareholders at the next Annual General Meeting.

This change in accounting policy has been accounted for retrospectively. The effects of the change in accounting policy are as follows:

	As previously reported RM'000	Effect of change in policy RM'000	As restated RM'000
Group			
At 1 January 2000			
- retained profits	429,202	20,758	449,960
- proposed dividend	20,758	(20,758)	-
At 31 December 2000			
- retained profits	490,607	12,655	503,262
- proposed dividend	12,655	(12,655)	-
Company			
At 1 January 2000			
- retained profits	192,177	20,758	212,935
- proposed dividend	20,758	(20,758)	-
At 31 December 2000			
- retained profits	213,121	12,655	225,776
- proposed dividend	12,655	(12,655)	-

44. SIGNIFICANT RELATED PARTY DISCLOSURES

The Group

In addition to related party disclosure mentioned in Note 5 to the financial statements, set out below are other significant related party transactions and balances.

(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. There was no progress billings made by the joint venture during the financial year (2000: RM34,750,000) and the balance outstanding at balance sheet date was RM5,503,542 (2000: RM22,062,535).

	2001 RM'000	2000 RM'000
(b) Associated companies:		
(i) Sales / progress billings in respect of :-		
<u>Construction contract</u>		
- THB-IJM Joint Venture Sdn Bhd	11,645	20,027
- Worldwide Ventures Sdn Bhd	1,615	609
- Jelutong Development Sdn Bhd	40,606	-
<u>Management fee</u>		
- Grupo Concesionario del Oeste S.A.	1,596	3,625
<u>Quarry products</u>		
- Industrial Concrete Products Bhd (g)	2,166	1,260
(ii) Purchases in respect of :-		
<u>Building materials</u>		
- Industrial Concrete Products Bhd (g)	12,843	22,750
<u>Agricultural fertilisers and chemicals</u>		
- Loongsyn Sdn Bhd	8,027	2,731
(iii) Interest charged to:-		
- Worldwide Ventures Sdn Bhd	3,831	3,619
- Jelutong Development Sdn Bhd	2,610	723
(iv) Advances / repayments to:-		
- Jelutong Development Sdn Bhd	33,315	3,859
- Reliance – OSW (Nominees) Pty Ltd	9,110	-
- Avillion Hotels International (Sydney) Pty. Ltd.	2,521	-
- Gautami Power Limited	1,138	-
- CIDB Inventures Sdn. Bhd.	3,229	-
- Ever Mark (M) Sdn. Bhd.	1,362	-
- THB-IJM Joint Venture Sdn Bhd	5,050	-
- OSW Properties Pty Ltd	42,413	-
(v) Advances / repayments from:-		
- Emas Utilities Corporation Sdn Bhd	-	15,391
- THB-IJM Joint Venture Sdn Bhd	-	9,250
- JWS Projects Sdn Bhd	3,039	-
- Hexacon Construction Pte Ltd	1,060	-
- Highway Master Sdn Bhd	6,501	-
- Nekadsatu Jaya Sdn Bhd	5,227	-

44. SIGNIFICANT RELATED PARTY DISCLOSURES (Continued)

	2001 RM'000	2000 RM'000
(c) Jointly controlled entities:-		
<u>Progress billings in respect of construction contract to:</u>		
- IJM Properties – JA Manan Joint Venture	13,415	-
<u>Progress billings in respect of construction contract by:</u>		
- IJM Construction – Perkasa Sutera Joint Venture	16,968	6,212
<u>Management fees charged by:</u>		
- IJM Management Services – Giat Bernas Joint Venture	1,171	-
(d) IJM Retirement Scheme:		
- Contribution to the Scheme	2,332	2,201

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

Related party	Type of transaction	2001 RM'000	2000 RM'000
Receivables:			
- Jelutong Development Sdn Bhd	Advances	33,315	3,859
- Gautami Power Limited	Advances	1,138	-
- Reliance – OSW (Nominees) Pty Ltd	Advances	9,110	-
- Avillion Hotels International (Sydney) Pty Ltd	Advances	2,521	-
- CIDB Inventures Sdn. Bhd.	Advances	3,229	-
- Ever Mark (M) Sdn. Bhd.	Advances	1,362	-
Payables:			
- THB-IJM Joint Venture Sdn Bhd	Advances	-	9,250

(f) Purchase of building materials from companies related to a major shareholder:

- Syn Tai Hung Sdn. Bhd. *	2,094	-
- Paling Construction Sdn. Bhd.**	925	-

* Related to Dato' Tan Chin Nam and Robert Tan Chung Meng who are deemed major shareholders of Syn Tai Hung Sdn Bhd via corporations in which they have more than 15% shareholding.

** Related to Sia Hiong Ngee, a deemed major shareholder of Kipal Industries Sdn Bhd, which is a 51% subsidiary.

(g) A General Mandate has been obtained from shareholders for Related Party Transactions with Industrial Concrete Products Bhd Group vide a circular dated 5 June 2001.

(h) 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.

45. CAPITAL COMMITMENTS

Approved and contracted for
Approved but not contracted for

Analysed as follows:-

Property, plant and equipment
Development land

THE GROUP	
2001 RM'000	2000 RM'000
72,700	43,100
7,542	24,076
80,242	67,176
8,354	47,176
71,888	20,000
80,242	67,176

46. CONTINGENT LIABILITIES (UNSECURED)

	THE GROUP		THE COMPANY	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Bank borrowings of subsidiary companies guaranteed by the Company	-	-	21,121	103,453
Bank borrowings of associated companies guaranteed by the Company	70,702	79,577	70,702	79,577
	70,702	79,577	91,823	183,030

47. LIST OF SUBSIDIARY AND ASSOCIATED COMPANIES

as at 31 December 2001

Name of Company	Country of incorporation	Effective equity interest		Principal activities
		2001 %	2000 %	
SUBSIDIARY COMPANIES				
GR Commerce Sdn Bhd (formerly known as GR Concrete Sdn Bhd)	Malaysia	72	72	Production and supply of ready- mixed concrete
IJM Construction Sdn Bhd	Malaysia	100	100	Civil and building construction and investment holding
IJM Properties Sdn Bhd	Malaysia	100	100	Property development and investment holding
IJM Plantations Sdn Bhd	Malaysia	100	100	Cultivation of oil palm and investment holding
IJM Argentina Sociedad Anomina *	Argentina	100	100	Investment holding
IJM Australia Pty Limited +	Australia	80	80	Engineering and construction consultancy and property development
IJM Investments (M) Limited ##	Mauritius	100	-	Investment holding
IJM International (BVI) Pty Ltd *	British Virgin Islands	100	100	Investment holding
IJM International Limited #	Hong Kong	100	100	Investment holding
IJM Investments (L) Ltd *	Federal Territory of Labuan	100	100	Investment holding
IJM Overseas Ventures Sdn Bhd	Malaysia	100	100	Investment holding
Kamad Quarry Sdn Bhd	Malaysia	100	100	Quarrying, manufacture and sale of premix products and road pavement construction
Malaysian Rock Products Sdn Bhd	Malaysia	100	100	Quarrying, sale of rock products and investment holding
Nilai Cipta Sdn Bhd *	Malaysia	70	70	Office complex concession holder
Regal Glamour Sdn Bhd	Malaysia	100	100	Dormant
Styrobilt Sdn Bhd	Malaysia	100	100	Dormant
Torsco Berhad *	Malaysia	90	90	Engineering, fabrication and construction
Held by IJM Construction Sdn Bhd				
IJM Building Systems Sdn Bhd (formerly known as Crendon Building Systems Sdn Bhd)	Malaysia	100	100	Prefabricated building construction
Jurutama Sdn Bhd @	Malaysia	100	100	Civil and building construction and property development
Prebore Piling & Engineering Sdn Bhd *	Malaysia	70	70	Piling, engineering and other construction works

Name of Company	Country of incorporation	Effective equity interest		Principal activities
		2001 %	2000 %	
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
Maxharta Sdn Bhd @	Malaysia	100	100	Property development, civil and building construction
NS Central Market Sdn Bhd @ @ @ (Formerly known as IJM Construction (Vietnam) Sdn Bhd)	Malaysia	100	100	Property development
Suria Bistari Development Sdn Bhd @	Malaysia	51	51	Property development
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 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
Damansara Rock Products Sdn Bhd @	Malaysia	100	70	Quarrying, road pavement construction, manufacture and sale of premix products
Global Rock Marketing Sdn Bhd	Malaysia	100	100	Sale of rock products
Kemena Industries Sdn Bhd @ *	Malaysia	55	55	Manufacture of ready-mixed concrete and reinforced concrete products
Masello (M) Sdn Bhd	Malaysia	100	100	Sale of rock products
Oriental Empire Sdn Bhd	Malaysia	100	100	Quarry owner
Scaffold Master Sdn Bhd @	Malaysia	100	100	Sale and rental of steel scaffolding
Strong Mixed Concrete Sdn Bhd @ @ @ @	Malaysia	100	100	Production and supply of ready-mixed concrete

Name of Company	Country of incorporation	Effective equity interest		Principal activities
		2001 %	2000 %	
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	100	70	Cultivation of oil palm
Gunaria Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
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 IJM International Limited				
Park-Lee Construction Limited #	Hong Kong	62.5	62.5	Dormant
Held by IJM Investments (M) Limited				
IEMCEE Infra (Mauritius) Limited ##	Mauritius	100	-	Investment holding
IJMII (Mauritius) Limited ##	Mauritius	100	-	Investment holding
IJM (India) Infrastructure Limited @@ *	India	70	70	Construction
Held by IJM Australia Pty Limited				
Billmex Pty Limited +	Australia	100	70	Property development
Held by Desa Talisai Sdn Bhd				
Cahaya Adil Sdn Bhd	Malaysia	100	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	100	Cultivation of oil palm
Gerbang Selasih Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
Sihat Maju Sdn Bhd	Malaysia	100	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
Macmillian 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

Name of Company	Country of incorporation	Effective equity interest		Principal activities
		2001 %	2000 %	
Held by Rakanan Jaya Sdn Bhd				
Isu Mutiara Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
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 Torsco Berhad				
Torsco Overseas 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
<u>ASSOCIATED COMPANIES</u>				
CIDB Inventures Sdn Bhd	Malaysia	23	23	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	20.1	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	21.5	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
Deltabumi Sdn Bhd	Malaysia	40	-	Special purpose vehicle

Name of Company	Country of incorporation	Effective equity interest		Principal activities
		2001 %	2000 %	
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
Held by IJM Australia Pty Limited				
Quay Link Enterprises Pty Limited +	Australia	50	50	Property development
Held by IJM Construction Sdn Bhd				
Hexacon Construction Pte Limited ^	Singapore	49	49	Civil and building construction
Highway Master Sdn Bhd	Malaysia	50	50	Road pavement construction
Intergrated Water Services (M) Sdn Bhd *	Malaysia	35	35	Operation and maintenance of a water treatment plant
IT&T Builders Sdn Bhd	Malaysia	45	45	Building construction
Kami Builders Sdn Bhd *	Malaysia	50	50	Civil construction and property development
Malaysian Construction Ventures (Overseas) Sdn Bhd	Malaysia	20	20	Project consultancy services
Nekadsatu Jaya Sdn Bhd	Malaysia	50	50	Construction and property development
THB-IJM Joint Venture Sdn Bhd	Malaysia	49	49	Construction
Held by IJM 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
Held by IJM Investments (M) Limited				
Gautami Power Limited @ @ @ *	India	36	60 ⁽¹⁾	Power generation

Name of Company	Country of incorporation	Effective equity interest		Principal activities
		2001 %	2000 %	
Held by IJM Overseas Ventures Sdn Bhd				
Crendon Holdings Limited *	England	-	25	Liquidated
Earning Edge Sdn Bhd	Malaysia	20	20	Property development
Guangdong Provincial Expressway Development Co. Ltd ^{*(3)}	China	5.18	13.77	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	20	Investment holding
Wilmington Sdn Bhd	Malaysia	50	50	Property development
Worldwide Ventures Sdn Bhd	Malaysia	50	50	Property development and investment holding
Held by Malaysian Rock Products Sdn Bhd				
Batu Kenangan Sdn Bhd *	Malaysia	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			
##	Audited by PricewaterhouseCoopers, Mauritius			
*	Not audited by PricewaterhouseCoopers			
@	Held by IJM Corporation Berhad in 2000			
@ @	Held by IJM Construction Sdn Bhd in 2000			
@ @ @	Held by IJM Overseas Ventures Sdn Bhd in 2000			
@ @ @ @	Held by GR Commerce Sdn Bhd in 2000			
(1)	Holding is temporary pending partial divestment			
(2)	Voting power held			
(3)	Ceased to be an associated company in 2001 and is now included in other short term investments			



STATUTORY DECLARATION


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 72 to 123 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at Petaling Jaya on 27 February, 2002.



LOY BOON CHEN

Before me: -



G. VIJAYAN BASKARAN PPN
Commissioner for Oaths
Petaling Jaya

REPORT OF THE AUDITORS TO THE MEMBERS



PricewaterhouseCoopers
(AF 1146)
Chartered Accountants
11th Floor Wisma Sime Darby
Jalan Raja Laut
P O Box 10192
50706 Kuala Lumpur, Malaysia
Telephone +60 (3) 2693 1077
Facsimile +60 (3) 2693 0997

We have audited the financial statements set out on pages 72 to 123. 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and 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 2001 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 its subsidiary companies of which we have acted as auditors 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 47 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.

The auditors' 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)
Chartered Accountants

Kuala Lumpur
27 February 2002



Shirley Goh
(1778/08/02(J))
Partner



LIST OF PROPERTIES

as at 31 December 2001

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revalua- -tion (R)/ Acquisition (A)	Net Book Value as at 31 December 2001 RM'000
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FIXED ASSETS

SELANGOR

Lot 170, Section 7, Jalan Yong Shook Lin, 46050 Petaling Jaya	Commercial land & building	0.759	Leasehold	2 office buildings (7,088 sq.m.)	2069	21	A: 1985	17,117
55 Jalan TS6/10A, Subang Industrial Park, Subang Jaya, H.S.(D) 97263, P.T. 27731 Mukim of Petaling	Industrial land & building	0.018	Leasehold	3 storey industrial building (178 sq.m.)	2090	7	A: 1996	668
Workshop 3.5KM, Jalan Kampung Jawa Klang	Building	-	Rented	Workshop	-	1	A:2000	24
EMR 5364, Lot 2775 District of Klang	Building	-	Rented	For repair & maintenance of steel scaffolding	-	2	A:1999	103
Lot No 197, Mukim Rawang, Daerah Gombak, Kundang Industrial Park	Industrial land	0.185	Freehold	Vacant; for future development	-	-	A:2000	459
P.T 29651, H.S. (D) 97465, Mukim Sungai Buluh, Daerah Petaling	Commercial land & building	0.134	Leasehold	22 units of shoplex of which 19 are tenanted	2090	5	A:1997	2,846
Lot 6497 Sungai Puloh Estate Off 6th Mile Jalan Kapar 42100 Kapar, Klang	Land & building	5.75	Freehold	Office, Store, Workshop & Workers' Quarters	-	1	A:2001	3,000
Lot No 52177, Mukim Batu Daerah Gombak, KM 15 Jalan Rawang	Land & Building	0.013	Leasehold	Store	2089	10	A:1992	109
Lot No M45 Unit M45-2A & 2B Block 6 Seremban	Land & Building	0.013	Freehold	Vacant	-	3	A:1999	133

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revalua- -tion (R)/ Acquisition (A)	Net Book Value as at 31 December 2001 RM'000
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WILAYAH PERSEKUTUAN

B7-6 Puncak Prima Condo Sri Hartamas	Condominium	0.009	Freehold	Residential	-	4	A:2001	347
Golden City Condominium No: 19-05, 19 Floor Jalan Ipoh, 51200	Condominium	0.010	Freehold	Residential	-	6	A:1995	200

PENANG

Parcel No. M/0/05/20 & M/0/05/21, Pusat Perdagangan Tanjung	Office lot	0.050	Leasehold	Office space (548 sq.m.)	2089	6	A1994	699
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PERAK

Lot 11004, 4-3/4 Miles, Jalan Lahat, Mukim Ulu Kinta	Industrial land & building	2.718	Leasehold	Plant 1, Office building & workshop (809 sq.m.)	2053	23	R:1981	1,629
PT No. 538 & 595, H.S. (D) Dgs 1276/88 and PT No. 538, H.S. (D) Dgs 1272/88, Mukim Lumut, Daerah Manjung	Industrial land & building	2.016	Leasehold	Plant 2A & C Office building & workshop (680 sq.m.)	2087	8	R:1993	4,107
Lot I1, Mukim Lumut, Daerah Manjung	Industrial land & building	2.497	Leasehold	Plant 2B, Workshop (230 sq.m.)	2094	2	A: 1995	3,697
Lot D-2, Mukim Lumut, Daerah Manjung	Industrial land & building	5.075	Leasehold	Plant 3, Office building, workshop & jetty (420 sq.m.)	2093	1	A:1996	11,589

NEGERI SEMBILAN

H.S. (D) 77335, P.T. 6322 Mukim Labu, Daerah Seremban	Industrial land	14.164	Leasehold	Quarrying	2053	-	A:1993	1,127
H.S. (D) 75235, P.T. 6054 Mukim Labu, Daerah Seremban	Industrial land	16.997	Leasehold	Quarrying	2053	-	A:1993	3,265



Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revalua- -tion (R)/ Acquisition (A)	Net Book Value as at 31 December 2001 RM'000
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JOHOR

Lot PTB 19233 H.S.(D) 210937 Unit 1701-1703 Jalan Tebrau, Johor Bahru	Commercial land & building	0.064	Freehold	Office space (3 years; 2,361 sq.m.)	-	5	A:1996	2,324
Lot Nos. 810, 811 and MLO 23, GM 66, 68 & H.S. (M) 937 Mukim Sedenak, Air Bembau, Kulai	Agriculture land	8.147	Freehold	Vacant; for future development	-	-	A:1998	2,000
E-2-1, Block Mawar, Anjung Seri Condominium Jalan Persiaran Seri Alam 81750 Masai	Condominium	0.009	Freehold	Residential	-	3	A:1999	238
E-2-6, 3-2, 3-5 Block Mawar, Anjung Seri Condominium Jalan Persiaran Seri Alam 81750 Masai	Condominium	0.027	Freehold	Residential (Vacant)	-	3	A:1999	500

SARAWAK

Lot 1176 Block 32, Kemena Crossing, Bintulu	Industrial Land & Building	3.710	Leasehold	Office & factory (1,734 sq. m.)	2050	15	A:1987	1,715
Lot 2945, Block 32 Kemena Land District Bintulu	Industrial land & Building	2.676	Title yet to be issued	Factory building & workshop	-	8	A:1996	1,307
Lot 1402, Block 31, Kemena Land District Jalan Tanjung Batu 97000 Bintulu	Commercial Land & Building	0.016	Leasehold	Shop-office (154 sq.m.)	-	12	A:1996	267
Lot 3822, Block 31, Kemena Land District Jalan Tanjung Batu 97000 Bintulu	Building	0.034	Leasehold	Residential (333 sq.m.)	-	6	A:1995	179

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revalua- -tion (R)/ Acquisition (A)	Net Book Value as at 31 December 2001 RM'000
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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	-	-	A:1992	10,682
Lots 397 and 343, Section 2, Town of Batu Ferringhi, North East District	Residential land	2.587	Freehold	Vacant; for future development	-	-	A:1992	3,137
Lots 721 to 739 & 745, 1721 and 1727, Seksyen 4, Bandar Butterworth, Daerah Seberang Prai Utara	Commercial & residential land, Agricultural	5.378	Freehold	Vacant; for future development	-	-	A:1992	9,400
Lots 37, 38 and 139, Seksyen 1, Bandar Butterworth, Daerah Seberang Prai Utara	Commercial and residential land	3.256	Freehold	Vacant; for future development	-	-	A:1992	5,702
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	-	-	A:1992	3,365
Lots 395 & 396, Mukim 1, Pulau Betong, Daerah Barat Daya	Agriculture land	2.104	Freehold	Vacant; for future development	-	-	A:1992	1,306
Lots 34, 35, 38, 40, 41, 1245 & 101, Mukim 12, Daerah Seberang Prai Tengah	Agriculture land	5.508	Freehold	Vacant; for future development	-	-	A:1994	1,214
Holding No. 299, 300 & 304, Mukim 14, Seberang Prai Selatan	Commercial and residential land	25.710	Freehold	Under development	-	-	A:1994	18,837
Lot No. 501, Mukim 14, Seberang Prai Selatan (comprised in Geran No. 38943)	Commercial and residential land	7.899	Freehold	Under development	-	-	A:1994	5,912

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revalua- tion (R)/ Acquisition (A)	Net Book Value as at 31 December 2001 RM'000
Lot No. 502, Mukim 14, Seberang Prai Selatan (comprised in Geran Mukim No. 102)	Commercial and residential land	0.486	Freehold	Under development	-	-	A:1994	246
Lot No. 862, Mukim 14, Seberang Prai Selatan (comprised in No. Pendaftaran 3754)	Commercial and residential land	2.226	Freehold	Vacant; for future development	-	-	A:1994	1,547
Lot No. 583, Mukim 14, Seberang Prai Tengah (comprised in Geran Mukim No. 381)	Commercial and residential land	1.453	Freehold	Vacant; for future development	-	-	A:1994	755
Lot No. 590, Mukim 14, Seberang Prai Tengah (comprised in No. Pendaftaran 12126)	Commercial and residential land	21.032	Freehold	Vacant; for future development	-	-	A:1994	11,587
Lot No. 591, No. GM 168, Mukim 14, Seberang Prai Tengah	Commercial and residential land	2.635	Freehold	Vacant; for future development	-	-	A:1994	1,608
Lot No. 592, Mukim 14, Seberang Prai Tengah (comprised in No. Pendaftaran 12127)	Commercial and residential land	11.153	Freehold	Vacant; for future development	-	-	A:1994	6,323
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	-	-	A:1994	1,590
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	-	-	A:1994	64
Lot Nos. 1686 & 1729 Mukim 14, Seberang Prai Tengah	Agriculture land	5.233	Freehold	Vacant; for future development	-	-	A:1995	3,393
Lot No. 1627, Mukim 14, Seberang Prai Tengah	Agriculture land	7.282	Leasehold	Vacant; for future development	2876	-	A:1995	3,505
Lot No. 1628, Mukim 14, Seberang Prai Tengah	Agriculture land	1.174	Freehold	Vacant; for future development	-	-	A:1995	567

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revalua- tion (R)/ Acquisition (A)	Net Book Value as at 31 December 2001 RM'000
Lot 1725, 1727, 1728, 1768, 1781 & 1789, Mukim 14, Seberang Prai Tengah	Agriculture land	8.720	Freehold	Vacant; for future development	-	-	A:1995-96	8,317
Parcel C3, Daerah Timur Laut Bandar Georgetown	Industrial	6.07	Leasehold	Development of 1 ½ & 3 storey factories	2100	-	A:2001	52
Parcel A3 Jalan Udini	Mixed Development	12.141	Freehold	Development of a high-tech commercial center & condominiums under planning.	-	-	A:2001	125
PERAK								
Parcel No. 1 Lot No. 78 Mukim of Gunong Semanggol, Daerah Kerian	Residential land	0.093	Leasehold	Vacant; for future development	2093	-	A:1995	270
SELANGOR								
Lot 4446, Mukim Kapar, 41400 Kelang	Agriculture land	1.214	Freehold	Vacant; for future development	-	-	A:1984	300
Grant No 5051 Lot 240 Mukim of Klang	Agricultural	40.052	Freehold	Under development	-	-	A:1994	18,611
P.T. 29651, H.S.(D) 97465 Mukim Sungai Buluh, Daerah Petaling	Residential land	5.459	Leasehold	Under development	2090	-	A:1993	16,900
H.S. (D) 45120, P.T. 23728 Mukim Kapar, Daerah Klang	Industrial land	7.790	Freehold	Vacant; for future development	-	-	A:1989	18,538
Lot 6497 C.T. 26645 Mukim Kapar, Daerah Klang	Industrial land	5.969	Freehold	Vacant; for future development	-	-	A:1996	7,546



Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revalua- -tion (R)/ Acquisition (A)	Net Book Value as at 31 December 2001 RM'000
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JOHOR

Lot 13904-13980, 14007-14060 and 14067 & 19215 Kampung Muafakat Jalan Tun Abdul Razak	Commercial & Residential	16.35	Title yet to be issued	Preparation for launch of link house.	-	-	A:1992	1,471
Part of Lot 1896 Kampung Serantau Jalan Dato' Jaafar Larkin	Commercial & Residential	9.224	Leasehold	Development of 2 of blocks Medium Cost Apt & 1 block Low Cost Flats	2101	-	A:1992	38,780

SABAH

CL 075477584, District of Sandakan, 6th North Road.	Residential	134.7	Leasehold	Under development	2081	-	A:1998	22,051
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SARAWAK

Lot 7978, Section 65 KTLD, (Balance of Lot 5238, Section 65 KTLD, Kuching)	Agricultural	11.338	Leasehold	Under development	2024	-	A:1991	8,484
Lot 5536, Section 65 KTLD, Kuching	Agricultural	2.752	Leasehold	Under conversion to residential	2038	-	A:1996	2,059

PLANTATIONS

SABAH

Wisma IJM Plantations	Commercial land & building	0.575	Leasehold	1 Office Building	2081	1	A:2000	4,554
LA 78080114 (CL085321535) District of Labuk/ Sugut, Sandakan	Agriculture land & building	1,011	Leasehold	Oil palm cultivation	2087	5-9	R:1997	23,240
District of Labuk/ Sugut Country Lease No. 085330141	Agriculture land & building	4,032	Leasehold	Oil palm cultivation	2082	3-15	R:1997	104,705

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revalua- -tion (R)/ Acquisition (A)	Net Book Value as at 31 December 2001 RM'000
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District of Labuk/Sugut Part of Country Lease No. 085330150	Industrial land & building	40.00	Leasehold	Palm oil mill	2082	5-9	R:1997	7,546
District of Labuk/Sugut Country Lease No. 085322881	Agriculture land & building	1,944	Leasehold	Oil palm cultivation	2087	2-4	R:1997	43,974
District of Sandakan Country Lease No. 075165774	Residential land	3.17	Leasehold	Vacant; for future development	2892	-	A:1996	1,050
District of Sandakan Sungai Segaluid/ Pangantin	Agriculture land	118.98	Leasehold	Vacant; for future development	2077- 2096	-	A:1996& 2000	467
District of Labuk & Sugut Kampung Ensuan	Agriculture land	38.37	Leasehold	Vacant; for future development	2097	-	A:1998	121
District of Sandakan Sungai Mowtas	Industrial land	7.44	Leasehold	Vacant; for future development	2022	-	1997	2,027
District of Labuk/Sugut	Agriculture land & building	10,739	Leasehold	Oil palm cultivation	2078- 2098	1-4	A:1998- 2001	163,884
District of Beluran Country Lease No. 085331559, 085331568, 085330098, 085333875, 085334738, 085334729)	Agriculture land & building	866	Leasehold	Oil palm cultivation	2095- 2097	1	A:2001	7,637
District of Beluran Country Lease No. 085331488	Agriculture land	249.00	Leasehold	Oil palm cultivation	2097	-	A:2000	2,887
District of Lubuk/ Sugut Country Lease No. 085328310	Agriculture land	12.88	Leasehold	Vacant for future development	2094	-	A:1999	82
District of Sandakan Sungai Mowtas	Industrial land	9.33	Leasehold	Vacant for future development	2038 & 2094	-	A:1996- 97	2,513
District of Sugut Country Lease No. 085333973	Agriculture land	2,428.17	Leasehold	Oil palm cultivation	2098	-	A:1998- 2001	23,875



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 18th 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, 22 May 2002, 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 2001.

(Resolution 1)
2.

To declare a final gross dividend of 5% or 5 sen per share for the year ended 31 December 2001.

(Resolution 2)
3.

To elect retiring Directors as follows:-

(a)

Tan Sri Dato’ (Dr) Haji Ahmad Azizuddin Bin Haji Zainal Abidin

(Resolution 3)

(b)

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

(Resolution 4)

(c)

Datuk Yahya Bin Ya’acob

(Resolution 5)

(d)

Soo Heng Chin

(Resolution 6)

(e)

Oh Chong Peng

(Resolution 7)
4.

To reappoint PricewaterhouseCoopers as Auditors and to authorize the Directors to fix their remuneration.

(Resolution 8)
5.

As special business to consider and pass the following ordinary resolutions:-

a)

“That the Directors’ fees of RM244,625 for the year ended 31 December 2001 be approved to be divided amongst the Directors in such manner as they may determine.”

(Resolution 9)

b)

“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 10)

By Order of the Board

Jeremie Ting Keng Fui
MAICSA 0777605
Company Secretary

Petaling Jaya
29 April 2002

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.

DIVIDEND ENTITLEMENT
The final dividend, if approved, will be paid on 19 July 2002 to every member in the Record of Depositors who is entitled to receive the dividend as at 12.30 p.m. on 28 June 2002. The ex-date for shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis is on 26 June 2002 and the ex-date for attendance to the Annual General Meeting is on 17 May 2002.
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 including those seeking re-election are contained in the Annual Report.
4.

DIRECTORS’ FEES
The Resolution 9, if approved, will authorize the payment of Directors’ fees pursuant to Article 100 of the Articles of Association.
5.

AUTHORITY TO ISSUE SHARES UNDER SECTION 132D
The Resolution 10, 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.

FORM OF PROXY

I/We

of

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

hereby appoint

of

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the 18th Annual General Meeting (AGM) of IJM CORPORATION BERHAD (104131-A) to be held on Wednesday, 22 May 2002, at 4.00 p.m. and, at any adjournment thereof, in the manner indicated below:

No.	Resolutions	For	Against
1.	To receive the audited financial statements together with the reports of the Directors and Auditors for the year ended 31 December 2001		
2.	To declare a final gross dividend of 5% or 5 sen per share for the year ended 31 December 2001		
3.	To reappoint Tan Sri Dato’ (Dr) 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 Datuk Yahya Bin Ya’acob as Director		
6.	To reappoint Soo Heng Chin as Director		
7.	To reappoint Oh Chong Peng as Director		
8.	To reappoint PricewaterhouseCoopers as Auditors and to authorize the Directors to fix their remuneration		
9.	To approve the payment of Directors’ fees of RM244,625		
10.	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 2002

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 the website at <http://www.ijm.com>.

CORPORATE INFORMATION



IJM CORPORATION BERHAD (104131-A)

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Divisional Offices

CONSTRUCTION

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Contact: Mr Goh Chye Koon

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Contact: Mr Ng Chin Meng

VIETNAM

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E-mail: binhan.corp@hcm.vnn.vn
Contact: Mr How See Hock

Stamp

The Company Secretary
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Malaysia

