



IJM CORPORATION BERHAD

(104131-A)

ANNUAL REPORT 2003

20 Years of Accomplishment



CONTENTS

• Corporate Vision, Mission & Culture Statement	2
• Corporate Profile	3
• 20 years of Accomplishment	4
• Our Business Policy and Commitments	6
• Group Organisation Chart	7
• Group Structure	8
• Group Financial Highlights	10
• Group Quarterly Performance	11
• Information for Investors	12
• Board of Directors and Secretary	14
• Profile of Directors, Secretary and Senior Management Team	15
• Statement of Value Added & Distribution	21
• Analysis of Shareholdings	22
• Analysis of Warranholdings	23
• Corporate Diary	24
• Chairman's Statement	26
• CEO's Review of Operations	30
• Corporate Governance Statement	42
• Audit Committee Report	52
• Internal Control Statement	56
• Statement on Quality	58
• Statement on Safety and Health	60
• Statement on Environment	62
• Research & Development, and Innovation	64
• Our People	66
• Employees & Productivity	68
• Community Service	69
• Financial Statements	70
• List of Properties	153
• Notice of Annual General Meeting	162
• Form of Proxy	163
• Corporate Information	165

This Annual Report is also printed in Bahasa Malaysia and is available upon request from the Company Secretary (refer page 13).



Commemorating IJM's 20 years
of consistent performance
has been made more meaningful this year
with the following awards:

**The Malaysian Construction Industry
Excellence Award 2003
(Major Building)**

**The National Annual Corporate
Report Award 2003**

**The Export Excellence
Award 2003.**

These awards clearly demonstrate
the commitment and passion of
IJM and its people to its corporate mission.





Our Corporate... Vision

To be an internationally competitive Malaysian builder of world class infrastructure and buildings.

Mission

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

Culture

We strive to:

- uphold the highest standards of professionalism and exemplary corporate governance to maximise the benefits for all stakeholders;
- respect the different cultures, gender, religion, human rights and dignity of our stakeholders;
- ensure the quality of our products and services exceeds our customers' expectations;
- create a conducive environment for team spirit among our employees to work towards a unified workforce;
- be a responsible and respected corporate citizen with concerns for social, safety, health and environmental issues.



CORPORATE PROFILE

IJM can trace its beginnings to three well-run construction companies – IGB Construction Sdn Bhd, Jurutama Sdn Bhd and Mudajaya Sdn Bhd. These three enterprising construction companies merged in 1984 in a bid to compete more effectively against bigger foreign rivals who were making their presence strongly felt in the Malaysian market in the late 1970's and early 1980's.

Jurutama and Mudajaya, founded by the country's first generation of engineers to become contractors, brought with them professionalism and management systems into the newly formed RM31 million construction group. Well capitalised and possessing an impressive track record, IJM then gained immediate market acceptance and considerable financial capacity to compete effectively.

Today, IJM is recognised as one of the few independent professionally-run companies in Malaysia with an excellent track record for performance in both local and international markets. This fact is duly acknowledged by the many awards conferred on the Company. The Construction Industry Development Board conferred on the Company the Malaysian International Contractor of the Year Award in 2000, the Malaysian Builder of the Year Award in 2001 and the Project Award (Major Building Category) in 2003. To add feather to its cap, the Company was awarded the inaugural Malaysian Business Corporate Governance Award in 2002, and the KLSE Corporate Merit Award (Construction Sector) in 2002 and 2003. The Group's increasing success in exporting its construction services abroad has not gone unnoticed. The Malaysian International Trade and Industry Ministry recently honoured the Company with its Excellence Award 2003 for the Export of Services.

IJM was able to grow by leaps and bounds over the past two decades by building on its core competencies, diversification being predominantly confined to related businesses and expanding into new markets.

The Company took its first step into property development out of necessity during the recession in the mid-1980's. There were fewer construction opportunities then but the Government provided land for companies to build mass low and medium cost

houses under privatisation programmes. Leveraging on its construction skills, several such projects were successfully undertaken by the group, setting the foundation for the properties division. Today, property development is a major part of the group's activities and increasingly an international one.

Similarly, IJM took the opportunity to transform its internal building material operations, such as quarrying and ready-mixed concrete into core activities as demand grew significantly outside the Group, setting the foundation for the Group's present Industries Division.

In its first truly diversification move, the Group ventured into plantations in 1985 in a bid to reduce the impact to the Group of the cyclical nature of earnings from the Construction Division. The investment in plantations has paid off handsomely. The Plantations Division has contributed significantly to Group earnings over the years and also helped cushion the Group's earnings during the difficult times, such as the 1997/98 Asian financial crisis. This Division is now listed on the Malaysia Securities Exchange Berhad (MSEB) Mainboard.

IJM has been very successful in the overseas infrastructure privatisation (Build-Operate-Transfer) schemes, investing in major infrastructure projects such as Guangdong Provincial Expressway in China, Western Access Tollway project in Argentina, Swarna and Rewa tolled highway projects in India, BAWC water treatment plant in Vietnam and others. The Infrastructure Division has over the years contributed substantially to the Group's earnings and will remain a major part of the Group's forward strategy.

IJM went public in 1986 with a market capitalisation of RM66 million, total assets of RM172 million and a local business. Today, the Company has the distinction of being one of a few companies listed on the MSEB that has shown steady growth, uninterrupted profitability and a very international business. By 31 December 2003, the Group's market capitalisation and total assets stood at RM1.78 billion and RM2.56 billion respectively. Over time it has evolved a very institutional ownership profile, and an independent management team with an excellent reputation for professionalism, performance and good governance.





20 Years of Accomplishment

“In the last 20 years,
we have witnessed IJM’s growth
from strength to strength
with new milestones and awards
achieved year after year.

This is testimony to the unwavering
commitment to excellence
of the IJM people.”

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



**EXPORT EXCELLENCE
AWARD 2003 (SERVICES)**
Ministry of International Trade
and Industry

**NATIONAL ANNUAL CORPORATE
REPORT AWARD 2003**

Industry Excellence Awards,
Main Board Companies:
Construction & Infrastructure
Project Companies



**THE MALAYSIAN
CONSTRUCTION INDUSTRY
EXCELLENCE AWARD 2003**
Project Award-Major Building Category:
The Putrajaya Convention Centre



**MALAYSIAN BUSINESS
CORPORATE GOVERNANCE
AWARD 2002**
Joint Winner

**THE MALAYSIAN
CONSTRUCTION
INDUSTRY
AWARD 2001**
Builder Of The Year



**THE MALAYSIAN
CONSTRUCTION
INDUSTRY AWARD 2000**
Malaysian International Contractor
Of The Year



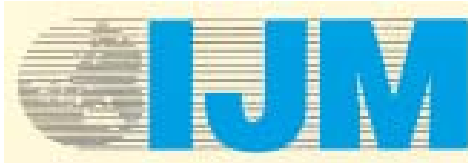
**MS ISO 9001: 2000
QUALITY MANAGEMENT
SYSTEMS**
Certified since 1996



**THE OHSAS 18001
CERTIFICATION**
The first Malaysian
construction company
to be certified



1984



IJM was formed on 16 July 1983 under the name Solidstate Sdn Bhd. In 1984, Solidstate issued shares to acquire IGB Construction Sdn Bhd, Jurutama Sdn Bhd and Mudajaya Construction Sdn Bhd. Changed name to IJM Engineering



& Construction Sdn Bhd with paid-up capital of RM30.90 million. Appointment of Tan Sri Dato' (Dr) Haji Ahmad Azizuddin as Chairman and Koh Boon Chor and Lim Choong Kong as MD and Deputy MD. Expanded into quarrying by buying Damansara Rock Products Sdn Bhd (DRP). Bought Chen Yu Land Sdn Bhd to venture into property development in Perak. First investment into Singapore construction market through Hexacon Construction Pte Ltd. Secured the first major property privatisation project in Ulu Kelang, Kuala Lumpur. Paid a maiden dividend of 10% gross.

1985

Secured first project management contract in Sydney, Australia. Formed JMD Development Inc, USA to build residential units in Orlando, Florida. Completed 32 schools in Kedah using prefab system for Ministry



of Education. Ventured into plantation through investment in Desa Talisai Sdn Bhd (DTSB) for cultivation of oil palm in Sandakan, Sabah. Bought Sharidal Complex (now Wisma IJM), Petaling Jaya for use as Head Office.



1986

Listed on the Main Board of KLSE (now MSEP) on September 29 with an issued share capital of RM50 million. Completed several major civil and building projects like Kelab Darul Ehsan, Pan Pacific Pangkor



Resort, KL-Seremban Toll Expressway and interchanges and the Singapore Vocational & Industrial Training Institute. Twelve management staff were awarded MBA degrees by Golden Gate University, San Francisco.

1987

Established IJM International Limited in Hong Kong as vehicle for overseas investments. Assigned the task of completing the Santubong Bridge, Kuching. Completed the 548 bed turnkey hospital in Teluk Intan. In response to lack of



employment opportunities for new graduates following the recession and the call by the Government, IJM launched the Graduates Training Programme with recruitment of 21 graduates.



1988



Appointment of Dato' Goh Chye Keat as new MD and Chay Kwok Thong as Deputy. Secured first road construction project in Bangladesh. Completed Hong Villa Apartments, Hong Kong. Awarded the project for redevelopment of Gleneagles Hospital, Singapore and the first package for the construction of the North South Expressway project. Bought a significant stake in Spirolite (M) Sdn Bhd for RM2 cash. Pre-tax profit dipped to a lowest level ever of RM3.5 million, the effect of a severe downturn in the construction industry for three consecutive years amidst the recession in the country.



1989



Company renamed IJM Corporation Berhad with new logo to reflect the Group's diverse activities. Bought Torsco Sdn Bhd by an exchange of shares. Awarded the construction of several PGU II metering stations and the Sarawak Shell Head Office Complex, Lutong. Completed the 1,100 units privatised housing scheme at Batu Lanchang, Penang.



1990

Completed a 1:3 rights issue, thereby raising the share capital to RM70.476 million. New contracts secured reached a new high of RM503 million. Awarded turnkey construction of National Heart Institute and construction of a resort hotel in Mauritius. Completed North Klang Valley Expressway (Subang to Bukit Raja) and St George Building Society Headquarters building, Sydney. Won 5 prizes out of 29 in the First National Skills Competition by the Ministry of Works.



1991



Further expansion into quarrying by purchase of Malaysian Rock Products Sdn Bhd. Divested 30% equity in Mudajaya Construction Sdn Bhd. Order book reached a new high of RM1.374 billion as new projects secured reached another high of RM540 million. Received two Safety Awards from Sarawak Shell Berhad for completing 1 million man-hours and 2 years without time lost through injury.



1992

Share capital raised to RM86.476 million through special issue to Bumiputeras and issued RM63.064 million nominal amount of loan stocks to finance acquisitions. Turnover reached a historic high of RM809 million and pre-tax profits increased 63% to a high of RM51 million. Ground-breaking ceremony for Kolej Antarabangsa by the Prime Minister. Bought Sijas Plantations Sdn Bhd and invested in Desa Talisai Palm Oil Mill Sdn Bhd (DTPOM). Acquired interest in Suria Bistari Development Sdn Bhd which was awarded a mixed development privatisation project in Johor. Implemented the first Employee Share Option Scheme (ESOS).



Share price hit a high of RM11.80 and market capitalisation exceeded RM1 billion. Dividends reached 15 sen per share as pre-tax profits increased further to RM65 million. Ventured into Vietnam to develop a new water treatment plant in Ho Chi Minh City. Completed construction of Kolej Antarabangsa, ready for first student intake. Successfully completed 3 major highway packages of the North South Expressway valued at over RM405 million. Appointed two deputy MDs, Dato' Krishnan Tan and Tan Sin Leong, following retirement of Chay Kwok Thong. Participated in the search for survivors in the Highland Towers tragedy.

1993

Share price hit a high of RM11.80 and market capitalisation exceeded RM1 billion. Dividends reached 15 sen per share as pre-tax profits increased further to RM65 million. Ventured into Vietnam to develop a new water treatment plant in Ho Chi Minh City.



Completed construction of Kolej Antarabangsa, ready for first student intake. Successfully completed 3 major highway packages of the North South Expressway valued at over RM405 million. Appointed two deputy MDs, Dato' Krishnan Tan and Tan Sin Leong, following retirement of Chay Kwok Thong. Participated in the search for survivors in the Highland Towers tragedy.



1994

The Group undertook selective expansion in its core business sectors and made the following strategic acquisitions: (1) 50% equity interest in OSW Properties Pty Limited, Australia which had the development rights for a hotel and apartment project in downtown Sydney; (2) 37.5% equity interest in Wuxi Nenda Co-Generation Company Limited in China which would build, operate and maintain a co-generation plant in Wuxi, Jiangsu Province, P.R. China; (3) all the issued shares of Strong Mixed Concrete Sdn Bhd (SMC) – a ready-mixed concrete manufacturer; (4) 21.8% equity interest in Sin Kean Boon



Group Berhad – a MSEB-listed company which produces metal fabricated products; (5) 60% equity interest in Xylocorp (M) Sdn Bhd which owned a 187 acres development land in Penang; and (6) additional 10% stake in DTSB, making it a 60% subsidiary. A 70% subsidiary, Nilai Cipta Sdn Bhd, was awarded a 16-year concession to undertake the first privatisation of a government building complex in Malaysia. Major projects secured include the Renaissance and New World Hotel. In Penang, the Kolej Antarabangsa commenced its maiden intake of students for the matriculation as well as undergraduate programs.



1995

Rewarded shareholders with a one for one bonus issue. Coupled with the conversion of ICULS and issuance of new shares pursuant to ESOS, the paid up capital exceeded RM300 million for the first time. Total assets of the IJM Group breached the RM1 billion mark for the first time. IJM Plantations Berhad bought a piece of agricultural land near Sandakan, increasing its land bank to more than 24,000 acres. IJM adopted "Excellence Through Quality" as its corporate motto. DTPOM was conferred the PORLA Merit Award for Optimum Oil Extraction Rate.



1996

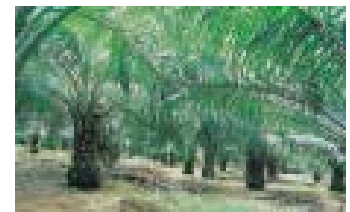
The Group coasted to record-breaking performances with both its revenue and pre-tax profits breaking the RM1 billion and RM100 million marks respectively. Through its wholly-owned subsidiary IJM Overseas Ventures Sdn Bhd, it acquired a 20% equity stake in Guangdong Provincial Expressway Development Co. Ltd (GPED) in China, which was subsequently listed on the Shenzhen Stock Exchange. Its presence in China was further expanded with a 25.5% equity interest in Yangzhong Changjiang Great Bridge, a toll concessionaire in Jiangsu. In Argentina, the Group acquired a 24.83% equity investment in Grupo Concesionario del Oeste S.A. (GCO), which has been granted a 22.67 years build-operate-transfer concession over the Western Access Tollway in Buenos Aires. The Group also secured several new projects including the Mid Valley Megamall, KLIA Runway 2 and the MAS Advanced Cargo Centre. Its flagship property development project in Petaling Jaya, Riana Green Phase II was launched following a successful Phase I take-up. A 20% associate, Industrial Concrete Products Berhad (ICP), was listed on the Main Board of the MSEB. IJM Corporation Berhad was awarded the internationally-accepted ISO 9002 certification. Present Chairman Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman joined the Board of Directors.



1997



Dato' Krishnan Tan succeeded Dato' Goh Chye Keat as GMD. Goh Chye Koon and Choo Choon Yeow were appointed as Deputy GMDs. The Group posted its highest level of revenue yet with a turnover of RM1.47 billion. However, pre-tax profits declined 29%, in tandem with the regional financial crisis. It secured the RM282 million turnkey Putrajaya Hospital and Health Clinic projects, amongst others. It also acquired a 50% equity in Prebore Piling & Engineering Sdn Bhd (PPE) – a company that specialises in bored piling, micropiling and pre-auger cast-in-situ piling – to supplement the existing activities of its piling unit.

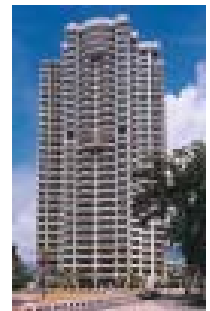


Jelutong Development Sdn Bhd awarded the contract to build the 4.76 km Jelutong Expressway and in return was granted the rights to reclaim and develop 324.9 acres of land. The Plantations Division momentarily became the main profit generator as CPO prices soared to new heights. The Group set its foot in India by acquiring an equity interest in Gautami Power Private Limited, which held a concession to operate a naphtha-based power plant of 330 MW capacity in the state of Andhra Pradesh. In the Education Division, the pioneer batch of 15 students received their bachelor's degree from the University of Sydney.

1998



Despite difficult trading conditions due to the Asian financial crisis, the Group managed to complete several construction projects on time – notably the National Theatre and Talam Medical Centre in KL, and the MAS Advanced Cargo in KLIA. Its Property Division also continued to deliver on its promises when it handed over 635 residential units to purchasers of Sri Pangkor Condominiums, Lakeside Towers and Jambul Apartments. The Group's success stories in its international ventures continued to make waves: its 24.5% equity interest concessionaire of the Western Toll Access Tollway in Argentina, GCO, commenced full tolling; it successfully completed the 455-room Avilion Hotel in Sydney, Australia and the 155-unit service apartment building of Micasa Hotel in Yangon, Myanmar; and it secured two projects in India - the 13-km Mumbai-Pune concrete pavement Expressway in the state of Maharashtra and the RM40 million Chennai By-pass.



1999



For the first time in IJM's history, the shareholders' funds and total assets topped the RM1 billion and RM2 billion marks respectively. Major projects completed during the year include the Mid Valley Megamall and the PJ-Bangsar Linkages in KL, the Binh An Water Treatment plant in Vietnam



and the 278-unit Horden Towers apartments in Australia. IJM Construction Sdn Bhd became the latest to join the IJM stable of ISO-certified companies. A second palm oil mill commenced its operations and the construction of a third was commissioned to further increase the fresh fruit bunches processing capacity of the Plantations Division.



2000

IJM became the first construction company in Malaysia to be awarded the internationally recognised OHSAS 18001 certification for Occupational Health and Safety Standards. IJM's impressive track record in overseas market was recognised when Construction Industry Development Board (CIDB) conferred upon it the first Malaysian International Contractor of the Year award. Offshore earnings contributed 46% of the Group's pre-tax profits. PPE attained the ISO 9002 certification. IJM Quality and Safety Assessment System (IQSAS) was officially launched by the Minister of Housing and Local Government Datuk Seri Ong Ka Ting – further proof of IJM's steadfast commitment to quality. The Group



divested a significant interest in its education division to INTI Universal Group, allowing it to refocus on its core operations. The Group took further steps to convert short-term borrowings into long-term debts at fixed rate with the issuance of RM150 million nominal value of 5% Redeemable Unsecured Bonds with 80.18 million of warrants. The detached warrants were offered to shareholders on a 1:5 basis.

2001

The Group chalked up its highest ever pre-tax profit of RM210.41 million, aided by a partial disposal of its investment in GPED which gave rise to exceptional gain of RM122.26 million. Unfortunately, the devaluation of the Argentinian peso necessitated a RM47 million write down of its investment in GCO. IJM's share price rose by a whopping 60.15% during the year – the second best performer on the



MSEB. The Construction Division secured RM1.77 billion worth of contracts – its highest ever in a single year – including the prestigious Putrajaya Convention Centre (PCC) and the RM470 million Putrajaya Primary Distributor Road. The PCC, at RM603 million, is the largest single contract ever secured by the Group. Hot on the heels of the CIDB's International Contractor of the Year 2000, more recognition came IJM's way with the Malaysian Builder of the Year award.

2002

IJM won the inaugural Malaysian Business Corporate Governance Award (joint winner) and the KLSE Corporate Merit Award (Construction Sector). Operating revenue and profit before tax of the Construction Division topped the RM1 billion and RM100 million marks respectively for the first time. IJM again made its presence felt in India – becoming the first Malaysian group to venture into the housing market there by signing a Memorandum of Understanding with the Andhra Pradesh Housing Board to jointly develop an Integrated Township project in Hyderabad, while another subsidiary, IJM (India) Infrastructure Ltd was awarded the ISO 9000 certification. IJM Building Systems Sdn Bhd was accredited by the Malaysian Book of Records for the production of the first lightweight oil palm fibre reinforced cement composite panels.



2003

Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman took over as Chairman following the resignation of Tan Sri Dato' (Dr) Haji Ahmad Azizuddin. Further accolades came IJM's way with the CIDB Project Award (Major Building Category), the Ministry of International Trade and Industry (MITI) Excellence Award (Export Services), the KLSE Corporate Merit Award (Construction Sector) and the National Annual Corporate Report Award (Construction and Infrastructure sector). IJM's non-executive Director and former MD, Dato' Goh Chye Keat was awarded The Prominent Player Award by CIDB. IJM Plantations Berhad was listed on the MSEB Mainboard. A capital distribution of IJMP shares valued at RM137.49 million was made on a 2:5 basis to IJM shareholders. The state-of-the-art Putrajaya Convention Centre was successfully completed and handed over to the client well in time to host the Organisation of Islamic Countries (OIC) Conference. The 3.16 km Stage 1 of the Jelutong Expressway



was completed and handed over to the Penang State Government. In India, IJM completed its section of the Tada-Nellore Toll Expressway three months ahead of schedule. Rock reserve for the Group's quarry operations is further increased by the acquisition of a 100% equity in Warga Sepakat Sdn Bhd.



OUR BUSINESS POLICY & COMMITMENTS



IJM CORPORATION BERHAD
(104131-A)

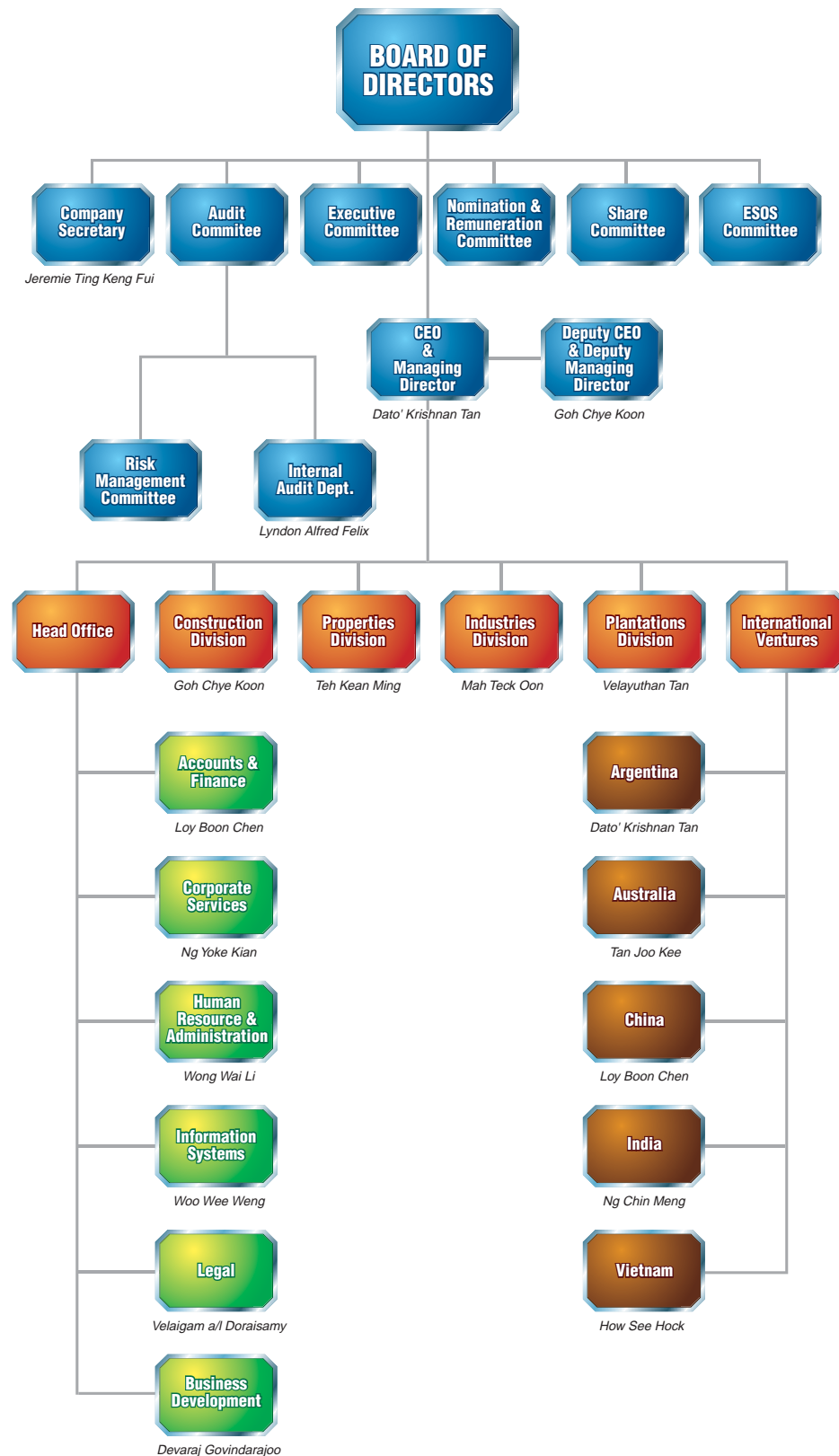
Our Business Policy & Commitments

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 hazards 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 ORGANISATION CHART



GROUP STRUCTURE

as at 31 March 2004



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

► Nilai Cipta Sdn Bhd

Associates

► Deltabumi Sdn Bhd

PROPERTIES



► IJM Properties Sdn Bhd

Subsidiaries

- Chen Yu Land Sdn Bhd
- IJM Management Services Sdn Bhd
- Jalinan Masyhur Sdn Bhd
- Liberty Heritage Sdn Bhd
- NS Central Market Sdn Bhd
- Suria Bistari Development Sdn Bhd
- Wedec Sdn Bhd
- Xylocorp Sdn Bhd

Associates

- Masscorp-Vietnam Sdn Bhd
- Worldwide Venture Sdn Bhd

Subsidiaries

- Sheffield Enterprise Sdn Bhd
- PIETC Sdn Bhd

Associates

- Island Golf View Sdn Bhd

► IJM Australia Pty Ltd

- Billmex Pty Ltd

► Jelutong Development Sdn Bhd

- **Swarnandhra-IJMII Integrated Township Development Company Private Limited**
(subsidiary of IJM (India) Infrastructure Ltd)

- **LCL-IJMII International Interiors Private Limited**
(Jointly Controlled entity of IJM (India) Infrastructure Ltd)

Note: Non-operating or dormant companies are not included

► Direct subsidiary / associate of IJM Corporation Berhad

* Associate of IJMII (Mauritius) Limited

Associate of IEMCEE Infra (Mauritius) Limited

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
- Kuang Rock Products Sdn Bhd
- Oriental Empire Sdn Bhd
- Scaffold Master Sdn Bhd
- Strong Mixed Concrete Sdn Bhd
- Warga Sepakat Sdn Bhd

Associates

- Pulai Maju Sdn Bhd

► Torsco Bhd

Subsidiaries

- Torsco Overseas Sdn Bhd
- Sang Kee Feedmills Sdn Bhd
- Sang Kee Enterprise Sdn Bhd

Associates

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

PLANTATIONS



► IJM Plantations Berhad

Subsidiaries

- Berakan Maju Sdn Bhd
- Desa Talisai Sdn Bhd
 - Desa Talisai Palm Oil Mill Sdn Bhd
- Sihat Maju Sdn Bhd
- Cahaya Adil Sdn Bhd
- Gerbang Selasih Sdn Bhd
- Firdana Corporation Sdn Bhd
- Dynasive Enterprise Sdn Bhd
- Excellent Challenger (M) Sdn Bhd Group
- Gunaria Sdn Bhd
- IJM Edible Oils Sdn Bhd
- IJM Agri Services Sdn Bhd
- Minat Teguh Sdn Bhd
 - Akrab Perkasa Sdn Bhd
- Mowtas Bulkurs Sdn Bhd
- Rakanan Jaya Sdn Bhd
 - Isu Mutiara Sdn Bhd
- Ratus Sempurna Sdn Bhd
- Sijas Plantations Sdn Bhd
- Sabang Mills Sdn Bhd

Associates

- Loongsyn Sdn Bhd
- Cekap Tropikal Sdn Bhd
- Mowtas Multi-User Jetty Sdn Bhd

INFRASTRUCTURE & OTHERS



► IJM International Limited

Associates

- OSW Properties Pty Ltd

► IJM International (BVI) Pty Ltd

Associates

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

► IJM Overseas Ventures Sdn Bhd

Associates

- Earning Edge Sdn Bhd

► IJM Investments (M) Limited

Subsidiaries

- IJMII (Mauritius) Limited
 - IJM (India) Infrastructure Ltd
- IEMCEE Infra (Mauritius) Limited
- IJM Rewa (Mauritius) Limited
 - Rewa Tollway Private Limited

Associates

- Swarna Tollway Pte Ltd*
- Gautami Power Private Limited#

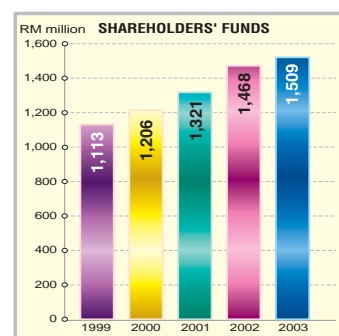
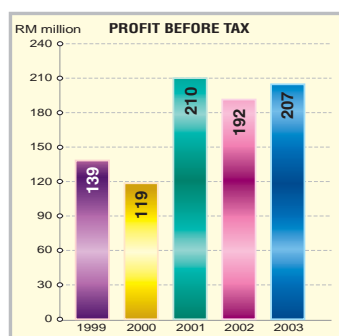
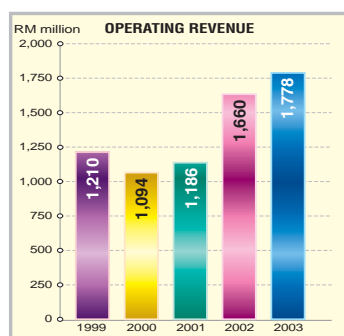
Associates

- CIDB Inventures Sdn Bhd
- Emas Utilities Corporation Sdn Bhd
- Grupo Concesionario del Oeste S A
- JWS Projects Sdn Bhd
- Masscorp-Chile Sdn Bhd

GROUP FINANCIAL HIGHLIGHTS

		2003	2002	2001	2000	1999
OPERATING REVENUE ^(N1)		RM'000				
Construction		1,132,274	1,120,670	628,314	621,377	612,122
Property Development		204,378	160,652	148,575	97,247	252,594
Manufacturing and Quarrying		222,847	192,818	237,711	188,708	155,607
Plantation		152,383	130,569	72,554	65,123	114,964
Infrastructure		34,675	35,118	80,068	98,020	56,336
Investment & Others		31,012	20,685	18,914	24,149	18,345
		1,777,569	1,660,512	1,186,136	1,094,624	1,209,968
PROFIT BEFORE TAX		RM'000				
Construction		101,596	104,605	86,599	64,040	42,083
Property Development		35,774	19,728	16,873	13,411	25,864
Manufacturing and Quarrying		20,889	8,253	17,378	11,718	8,693
Plantation		34,853	29,761	6,796	4,792	24,314
Infrastructure		4,526	30,700	99,293	27,911	36,230
Investment & Others		9,162	(1,277)	(16,530)	(2,916)	2,247
		206,800	191,770	210,409	118,956	139,431
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	RM'000	145,724	122,543	168,998	76,773	117,676
ISSUED SHARE CAPITAL	RM'000	382,276	363,937	352,723	351,517	345,966
SHAREHOLDERS' FUNDS	RM'000	1,509,489	1,468,389	1,320,641	1,205,851	1,113,479
TOTAL ASSETS	RM'000	2,563,620	2,615,188	2,289,922	2,262,011	2,050,274
EARNINGS PER SHARE (Basic)	Sen	39.2	34.0	48.0	21.9	34.2
GROSS DIVIDEND PER SHARE	Sen	15.0	12.0	20.0	8.0	6.0
CAPITAL DISTRIBUTION	Sen	37.0	-	-	-	-
NET TANGIBLE ASSETS PER SHARE	RM	3.88	3.99	3.69	3.26	3.05
RETURN ON TOTAL ASSETS	%	5.68	4.60	7.38	3.39	5.74
RETURN ON EQUITY	%	9.65	8.19	12.80	6.37	10.57
GEARING (Net Debt/Equity)	%	12.41	13.72	14.14	30.57	29.54
SHARE PRICE						
High	RM	5.35	6.00	4.60	4.42	3.46
Low	RM	3.98	3.94	2.27	2.56	1.86
Closing	RM	4.66	5.10	4.26	2.66	3.08
WARRANT PRICE						
High	RM	2.50	2.96	1.51	1.69	-
Low	RM	1.26	1.24	0.60	0.70	-
Closing	RM	1.76	1.91	1.29	0.73	-

N1 Including share of associate and joint venture's revenue



GROUP QUARTERLY PERFORMANCE

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
OPERATING REVENUE ^(N1)		RM'000			
Construction		329,829	352,548	250,782	199,115
Property Development		48,264	45,643	69,694	40,777
Manufacturing and Quarrying		51,012	55,552	58,717	57,566
Plantation		37,430	52,432	29,991	32,530
Infrastructure		8,553	7,613	7,908	10,601
Investment & Others		5,680	5,628	10,220	9,484
		480,768	519,416	427,312	350,073
PROFIT BEFORE TAX		RM'000			
Construction		26,837	31,460	21,436	21,863
Property Development		7,841	9,601	11,957	6,375
Industries		5,272	6,489	4,788	4,340
Plantation		4,541	11,305	7,965	11,042
Infrastructure		1,167	273	867	2,219
Investment & Others		(1,019)	3,846	3,103	3,232
		44,639	62,974	50,116	49,071
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	RM'000	27,327	42,406	36,219	39,772
ISSUED SHARE CAPITAL	RM'000	364,317	371,200	377,615	382,276
SHAREHOLDERS' FUNDS	RM'000	1,445,773	1,520,214	1,438,472	1,509,489
TOTAL ASSETS	RM'000	2,666,388	2,893,826	2,459,264	2,563,620
EARNINGS PER SHARE (Basic)	Sen	7.50	11.52	9.66	10.44
GROSS DIVIDEND PER SHARE	Sen	-	5.00	-	10.00
CAPITAL DISTRIBUTION	Sen	-	-	37.0	-
NET TANGIBLE ASSETS PER SHARE	RM	3.92	4.04	3.76	3.88
RETURN ON TOTAL ASSETS (Annualised)	%	4.10	5.86	5.89	6.21
RETURN ON EQUITY (Annualised)	%	7.56	11.16	10.07	10.54

FINANCIAL CALENDAR

Financial Year End
Announcement of Results

1st quarter
2nd quarter
3rd quarter
4th quarter

31 December 2003

21 May 2003
20 August 2003
19 November 2003
26 February 2004

Notice of Annual General Meeting

27 April 2004

Annual General Meeting

19 May 2004

Payment of Dividends

First Interim

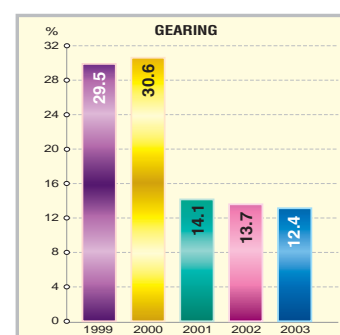
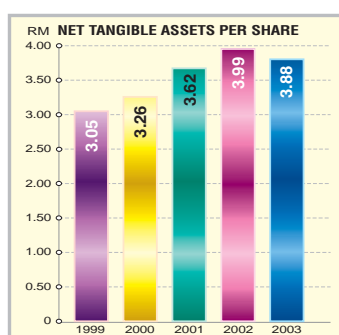
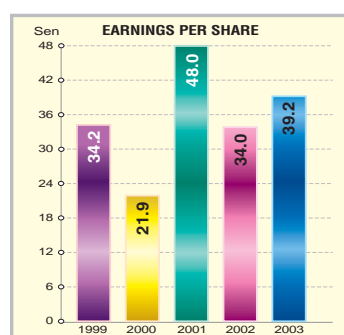
Declaration
Book closure
Payment

20 August 2003
31 October 2003
14 November 2003

Second Interim

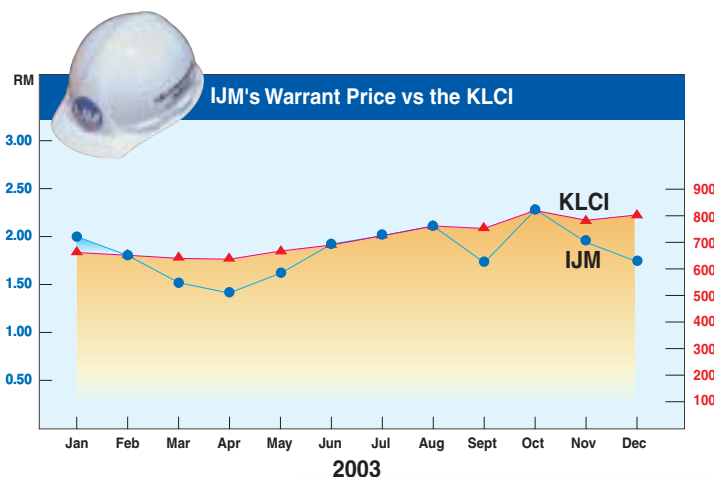
Declaration
Book closure
Payment

26 February 2004
30 April 2004
21 May 2004



B. IJM's Warrant Price

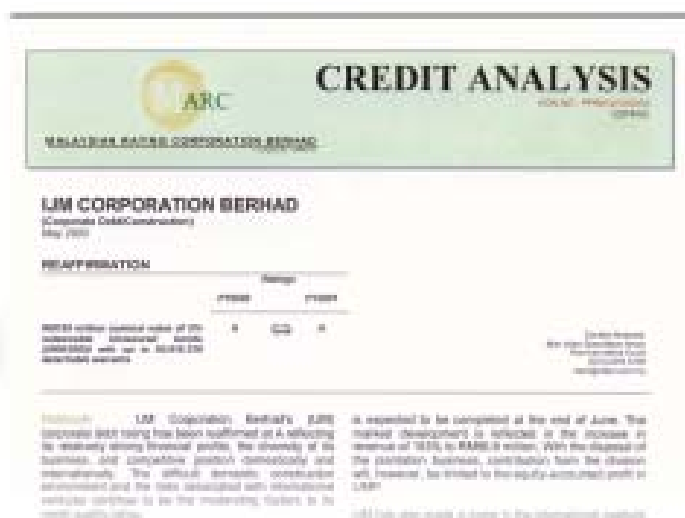
In tandem with the performance of the mother shares, IJM's Warrant price has also underperformed the overall market in 2003. From a close of RM1.91 at the end of 2002, it moved down to RM1.76 at the end of 2003.



C. IJM Bonds 2000/2005

As a further endorsement to IJM's strong financial position, MARC has again reaffirmed IJM's corporate debt rating of "A" in its latest annual review in July 2003.

Details of the bonds are disclosed in Note 14 to the financial statements.



D. Euromoney Corporate Governance Survey 2003

As detailed in the Corporate Governance Statement, IJM has always strived to maintain high standards of corporate governance to safeguard the interests of all stakeholders. As proof of the high standards observed at IJM, Euromoney, a leading global financial magazine, has ranked IJM as the No.1 Malaysian company in a rating study on corporate governance in the world's emerging markets. IJM was also ranked 13th overall in the poll which covered top index firms in Asia, Eastern Europe and Latin America based on standards of financial disclosure and treatment of investors.

INVESTORS SERVICE

The Group maintains a dynamic website at <http://www.ijm.com> which provides detailed information on the Group's operations and latest developments. For further information or assistance, you may contact:-

Jeremie Ting Keng Fui
Company Secretary
Tel: +603-79858130 Fax: +603-79529388
E-mail: jt@ijm.com

BOARD OF DIRECTORS & SECRETARY



*Seated left to right: Tan Sri Dato' (Dr) Haji Murad Bin Mohd Noor, Dato' Tan Boon Seng @ Krishnan, Tan Sri Dato' Ir (Dr) Wan Abdul Rahman Bin Wan Yaacob, Goh Chye Koon
Standing left to right: Soo Heng Chin, Datuk Yahya Bin Ya'acob, Dato' Ismail Bin Shahudin, Abd Hamid Bin Othman, Datuk Oh Chong Peng, Dato' Goh Chye Keat, Jeremie Ting Keng Fui*

CHAIRMAN

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

CEO & MANAGING DIRECTOR

Dato' Tan Boon Seng @ Krishnan

DEPUTY CEO & DEPUTY MANAGING DIRECTOR

Goh Chye Koon

SENIOR GENERAL MANAGER & EXECUTIVE DIRECTOR

Soo Heng Chin

NON-EXECUTIVE DIRECTORS

Dato' Goh Chye Keat
Dato' Ismail Bin Shahudin
Abd Hamid Bin Othman

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Datuk Yahya Bin Ya'acob
Datuk Oh Chong Peng

COMPANY SECRETARY

Jeremie Ting Keng Fui

PROFILE OF DIRECTORS, SECRETARY AND SENIOR MANAGEMENT TEAM

DIRECTORS

>* Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman Bin Wan Yaacob, Independent Non-Executive Chairman

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



Y. Bhg. Tan Sri Wan Abdul Rahman, born in June 1941, joined the Board on 1 July 1996.

He obtained a Diploma in Civil Engineering from the Technical College, Kuala Lumpur in 1963, Diploma in Civil & Structural from Brighton College of Technology, United Kingdom in 1965, and attended the Advanced Management Programme from Harvard Business School Boston, Massachusetts, USA in 1993. He was conferred a Honorary Doctor of Engineering by University of Birmingham, United Kingdom in 1994. 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.

He is presently the Chairman of the Malaysian Standard & Accreditation Council and The Road Engineering Association of Malaysia (REAM). He is 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).

His directorships in other public companies include Lingkaran Trans Kota Holdings Berhad (Chairman), Lysaght Galvanized Steel Berhad (Chairman), Malaysian Industrial Development Finance Berhad, Malaysia Mining Corporation Berhad, NCB Holdings Berhad, Saujana Consolidated Berhad and SIME-UEP Properties Berhad.

#^ Dato' Tan Boon Seng @ Krishnan, Chief Executive Officer & Managing Director

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



Y. Bhg. Dato' Tan, born in December 1952, joined IJM as Financial Controller in 1983 and joined the Board as an Alternate Director on 12 June 1984. He rose in rank to assume the post of Group Managing Director on 1 January 1997. He was redesignated to and assumed the position of Chief Executive Officer cum Group Managing Director on 22 September 2003.

He qualified as a Certified Public Accountant in 1978 after graduating with a Bachelor of Economics (Honours) degree from University of Malaya in 1975, and holds a Master's degree in Business Administration from Golden Gate University, San Francisco, USA. Prior to joining IJM, he was with Kumpulan Perangsang Selangor Berhad for seven years, his last position was Group Financial Controller of the Group.

His directorships in other public companies include IJM Plantations Berhad, Industrial Concrete Products Berhad, ABN AMRO Bank Berhad, MASSCORP 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) since 2000 and a Trustee of Perdana Leadership Foundation since 2003.

#^+ Goh Chye Koon, Deputy Chief Executive Officer & Deputy Managing Director

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



Mr Goh, born in June 1949, has been the Deputy Group Managing Director of IJM since 1 January 1997. He was redesignated to and assumed the position of Deputy Chief Executive Officer cum Deputy Group Managing Director on 22 September 2003.

He graduated with a Bachelor of Engineering (Honours) degree from University of Malaya in 1973, and served as an engineer in the Ministry of Works for 11 years and was its Superintending Engineer prior to joining IJM as Senior Engineer in 1984. He was promoted as General Manager (Central Region) in 1986 and was made Alternate Director on 25 July 1995 before assuming his present position. He is also a Director of IJM Plantations Berhad.

He is the Deputy President (session 2002/2004) of the Master Builders Association Malaysia (MBAM) and was its Vice President since 1990. From 1988 to 1990, he was its Deputy Secretary General. He is also a member of the Presidential Consultative Council of the Board of Engineers, Malaysia (2002-2004) and a member of the Construction Consultative Panel of the National Productivity Corporation (2003-2004).

PROFILE OF DIRECTORS, SECRETARY AND SENIOR MANAGEMENT TEAM *(Continued)*

DIRECTORS

#^+ **Soo Heng Chin**, Senior General Manager & Executive Director

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



Mr Soo, born in January 1955, was appointed an Alternate Director on 12 June 1998 and subsequently a Group Executive Director on 17 May 2001. He was redesignated to and assumed the position of Senior General Manager & Executive Director with effect from 26 February 2004. He heads the Construction Services at Head Office overseeing the various support services under the Construction Division.

He graduated with a Bachelor of Engineering (Honours) degree from University of Malaya in 1978, and holds a Master's degree in Business Administration from Golden Gate University, San Francisco, USA. Prior to joining IJM in 1979 as an engineer in Mudajaya Construction Sdn Bhd, he was an engineer with the Drainage and Irrigation Department, Pahang.

>+ **Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor**, Senior Independent Non-Executive Director

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, born in April 1930, was appointed to the Board on 25 July 1985.

He graduated with a Bachelor of Arts (Honours) degree and Diploma in Education from University of Malaya in 1955 and 1956 respectively, and Diploma in Education & Administration from University of Reading, United Kingdom in 1961. He was conferred the Honorary Doctor of Letters in 1990 by University of Reading, and Honorary Doctor of Education by Universiti Sains Malaysia in 1992.

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

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

PJN, JSM, FCA



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

He undertook his accountancy training in London and qualified as a Chartered Accountant in 1969 and is currently a Fellow of the Institute of Chartered Accountants in England and Wales.

He was a senior partner of Coopers and 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 (1994 to 1996) and Council Member (1981 to 2002) of the Malaysian Institute of Certified Public Accountants.

His directorships in other public companies include British American Tobacco (Malaysia) Berhad, IJM Plantations Berhad, Land & General Berhad (Chairman), Nanyang Press Holdings Berhad (Chairman), and Star Publications (Malaysia) Berhad. He is also a Trustee of Huaren Education Foundation and UTAR Education Foundation; and a Government appointed Member of the Labuan Offshore Financial Services Authority.

>+ **Datuk Yahya Bin Ya'acob**, Independent Non-Executive Director

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



Y. Bhg. Datuk Yahya, born in January 1944, was appointed to the Board on 31 March 1999.

He graduated with a Bachelor of Arts (Honours) degree and Diploma in Public Administration from University of Malaya in 1967 and 1970 respectively, and holds a Master's degree in Business Management from the Asian Institute of Management in 1976.

Datuk Yahya was in the Malaysia Administrative and Diplomatic 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).

His directorships in other public companies include Rumpun Hijau Capital Berhad, UDA Holdings Berhad, Pelaburan Johor Berhad and Torsco Berhad.

> Dato' Goh Chye Keat, Non-Executive Director

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



Y. Bhg. Dato' Goh, born in December 1941, 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 qualified as a Graduate member of the Institution of Civil Engineers, United Kingdom in 1967 after obtaining a Diploma in Engineering from the Technical College, Kuala Lumpur in 1964, and was conferred an Honorary Fellowship by University of Sydney, Australia in 1996. He was awarded the Prominent Player Award by the CIDB in 2003 for his contribution to the construction industry.

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.

His directorships in other public companies include Industrial Concrete Products Berhad and MASSCORP Berhad.

Dato' Ismail Bin Shahudin, Non-Executive Director

DPCM, PMP, B. Econs(Hons)



Y. Bhg. Dato' Ismail, born in January 1951, was appointed Director on 30 October 2003 and is a representative of Tronoh Mines Malaysia Berhad.

Dato' Ismail graduated with a Bachelor of Economics (Honours) degree from University of Malaya in 1974. He was with Malayan Banking Berhad for 10 years as its Executive Director (1992-2002), a Deputy General Manager of United Asian Bank Berhad/Bank of Commerce Berhad (1988-1992), Accounts Manager of Citibank Berhad (1979-1988) and Finance Officer of ESSO Malaysia Berhad (1974-1979). He has been the Group Chief Executive of Malaysia Mining Corporation Berhad since August 2002.

His directorships in other public companies include Berjantai Tin Dredging Berhad, Kramat Tin Dredging Berhad, Malakoff Berhad, Malaysia Mining Corporation Berhad, Malaysia Smelting Corporation Berhad, Tronoh Mines Malaysia Berhad and MMC Engineering Group Berhad.

Abd Hamid Bin Othman, Non-Executive Director

B.Sc(Hons) Quantity Surveying



Born in October 1950, Encik Abd Hamid is a non-executive Director of IJM Corporation Berhad. He was appointed as Director on 25 March 2004, and is a representative of the Employees Provident Fund Board ("EPF").

Encik Abd Hamid graduated with a Degree in Quantity Surveying from Thames Polytechnic London in 1976. He is the General Manager, Property Department of EPF since 2000.

Past positions he has held include Director, Quantity Survey and Contract Division of the Drainage & Irrigation Department for the Ministry of Works (1987-1990) and Senior Manager, Project Management Division of the Property Department of EPF (1991-1999).

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

No.	Name	Relationship
1.	Dato' Goh Chye Keat and Goh Chye Koon	Brothers

All Directors are Malaysians.

Save for Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman Bin Wan Yaacob and Dato' Goh Chye Keat who has certain related party transactions as disclosed in Note 44 to the financial statements, none of the Directors has any financial interest in any business arrangement involving the Group.

All Directors maintain a clean record with regard to convictions for offences.

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

PROFILE OF DIRECTORS, SECRETARY AND SENIOR MANAGEMENT TEAM *(Continued)*

SECRETARY

Jeremie Ting Keng Fui, Company Secretary

MBA, FCIS, FCSM



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

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

He completed the examinations of The Institute of Chartered Secretaries and Administrators (ICSA) in 1981, after obtaining a Diploma in Foundations of Administration from Chelmer Institute of Higher Education, Chelmsford, Essex, England in 1979, and holds a Master's degree in Business Administration from Golden Gate University, San Francisco, USA.

He is the President of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) for 2004, and has been an alternate member on the Executive Committee of the Federation of Public Listed Companies Berhad since 2001. He is the recipient of the ROC-MAICSA Company Secretary Award 2000 (Listed Company Category), and is the Immediate Past President of the Institute of Company Secretaries Malaysia.

SENIOR MANAGEMENT

Loy Boon Chen, Finance Director

MBA, CPA(M)



Mr Loy, born in October 1951, was appointed Finance Director on 1 July 1998. He is also a non-executive Director of Guangdong Provincial Expressway Development Co. Limited, China. He heads the Finance & Accounts Department, and is a member of the Accounting Standards Sub-Committee of the Federation of Public Listed Companies Berhad since 1998.

He qualified as a Certified Public Accountant in 1978 and holds a Master's degree in Business Administration from Golden Gate University, San Francisco, USA. He served Ernst & Young for seven years prior to joining Chong Kok Lin & Sons Berhad in 1980 as Accountant cum Secretary for a year. In 1981, he joined Mudajaya Construction Sdn Bhd as Chief Accountant before being appointed Group Financial Controller of IJM in 1994.

Mah Teck Oon, Director (Industries Division)

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



Mr Mah, born in November 1952, has been the Head of IJM Industries Division since 1 July 1998.

He graduated with a Bachelor of Engineering (Honours) degree from University of Malaya in 1976. He was with the Hong Leong Group Malaysia for 15 years. In the first 10 years he was the General Manager of two of its' ceramic tile companies. Subsequently, he became 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, Group General Manager (Properties)

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



Mr Teh, born in April 1955, was appointed Group General Manager and head of IJM Properties Division on 1 April 2001. He is also a non-executive Director of Sin Kean Boon Group Berhad.

He graduated with a Bachelor of Engineering degree from University of New South Wales, Australia in 1981. He was a Resident Civil & Structural Engineer of Dayabumi Phase 3 Project (1981-1983) and Malayan Banking Berhad (1983-1987) and Engineer/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).

Velaigam a/l Doraisamy, Senior Manager (Legal)

LLB (Hons), PgDip (Constn Law), RICS (Finals), MCIArb.



Mr Velaigam a/l Doraisamy, born in January 1951 rejoined the Company as Senior Manager (Legal) on 2 January 1996 and heads the Legal Department.

He was an assistant quantity surveyor with IJM when he left for the United Kingdom in 1984 to read law. Whilst there he completed the Royal Institute of Chartered Surveyors' Finals in the QS category and Post-graduate studies in Construction Law at Kings College, University of London. He later sat for the Chartered Institute of Arbitrators exam and was admitted as a member in 1994. He was a Consultant with Solicitors Sri Kanth & Co., United Kingdom (1992-1995) before assuming his present position in IJM.

Tan Gim Foo, Project Director

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



Mr Tan, born in June 1958, has been the head of the Project Unit 1 of IJM Construction Division since 8 March 2003, overseeing the construction projects in the Central Region.

He graduated with a Bachelor of Engineering (Honours) degree from University of Malaya in 1983. He started out as a Site Engineer of Mudajaya Construction Sdn Bhd (1983-1986) prior to joining IJM as Planning & Design Engineer (1986-1988), Project Manager (1988-1994), Senior Manager (1994-1997) and Project Director since 1998.

Mr Tan is the Project Director of the recently completed fast-track Putrajaya Convention Centre project.

How See Hock, Project Director

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



Mr How, born in July 1955, has been the head of Project Unit 2 of IJM Construction Division since 1998 overseeing the construction projects in Southern Region, Railways, Power and Water Supply.

He graduated with a Bachelor Degree in Civil Engineering from University of Singapore in 1980. He joined JKR, State of Kelantan, as Design & Development Engineer for two years. In 1982, he joined Mudajaya Construction Sdn Bhd as site engineer prior to joining IJM.

He is a Director of Binh An Water Corporation Ltd. Vietnam, Emas Utilities Corporation Sdn Bhd and Yangzhong Changjiang Bridge Co. Ltd, Jiangsu Province, China.

Debojit Chowdhury, Project Director

B. Eng (Civil)



Mr Chowdhury, born in March 1956, was appointed as head of the Project Unit 4 of IJM Construction Division since 1998, overseeing the In-house construction projects and Special projects.

He graduated with a Bachelor of Engineering degree from University of Singapore in 1981. He started out as a Project Engineer of IJM Corporation Berhad (1982 – 1989), Project Manager (1990 – 1992), Senior Manager (1993 – 1996) and Project Director since 1997.

He was previously involved in overseas projects in Bangladesh and is currently co-ordinating a BOT project in India.

PROFILE OF DIRECTORS, SECRETARY AND SENIOR MANAGEMENT TEAM *(Continued)*

Ng Chin Meng, Country Director (India)

B.Eng, MIEM, P.Eng, MIE Australia, CP Eng



Born in October 1956, graduated in Bachelor of Engineering (Civil) in 1982 from Australia. Upon graduation, he worked for Australian Road Board for 1½ years before coming back to Malaysia to work in various Malaysian consulting firms. He was involved in the construction of the North-South Expressway and many other heavy civil engineering projects.

He joined IJM (Industries) in 1994 as Senior Manager on Road Projects. From March 1997, he was sent to spearhead the Group's Indian Operations.

He is currently the Executive Director of IJM (India) Infrastructure Ltd. Under him, many prestigious projects were executed in India including a part of the first concrete expressway, i.e. Mumbai-Pune Expressway, the NH5 and NH9 BOT projects, in addition to many other state road projects, and the development of Integrated Township in Hyderabad, India.

Tan Kiam Choon, Project Director



Mr Tan, born in October 1954, was appointed as head of Project Unit 9 since 2003. He rejoined the Company as Senior Manager on September 1995 overseeing the construction projects in the Northern Region.

He graduated with a Bachelor of Science (Honours) degree from Queen's University Belfast in 1979. He served as Civil Engineer with Jabatan Kerja Raya in JKR HQ and Kota Bharu (1979-1982) and then as Laboratory Engineer with Shawinigan Engineering Co. Ltd. for the Bersia Hydro Electric Project (1982-1983). Prior to joining IJM as Project Manager (1991-1994), he spent 7 years in different capacities involved in prestressing, concrete materials and concrete repair. He later rejoined the Company as Senior Manager (1995-1997), General Manager of IJM Management Services Sdn Bhd (1997-1999), and Project Director for Northern Region (1997-2004).

Yeo Poh Meng, Managing Director (Torsco Berhad)

P.Eng., M.I.E.M., C.Eng., M.I. Mech.E.



Mr Yeo, born in October 1952, was appointed Managing Director of Torsco Berhad on 2001.

He graduated with a Diploma in Mechanical Engineering from Technical College, Kuala Lumpur in 1972 and later qualified as a Mechanical Engineer. He started his career in 1972 with the Public Works Department.

In 1976, he joined the private sector and accumulated 15 years experience in project management & marketing of engineering products & services for the power generation industry as well as the petrochemical, oil & gas industry.

In 1991, he joined IJM Corporation Berhad as a Senior Manager in the Industries Division and was transferred to Torsco Sdn Bhd as the General Manager in 1995 and appointed as Executive Director of Torsco Berhad in 1998 before assuming his present position. He is Honorary Secretary of Heavy Equipment and Machinery Manufacturers Association of Malaysia (HEMMAM) for the 2003/2004 session.

STATEMENT OF VALUE ADDED & DISTRIBUTION

	2003 RM'000	2002 RM'000
Value added :		
Revenue	1,363,895	1,295,195
Purchases of goods & services	(1,074,986)	(1,024,844)
Value added by the Group	288,909	270,351
Share of profits of associated companies	35,225	44,090
Share of profits of jointly controlled entities	561	3,838
Impairment of investments in associates	-	(10,800)
Other Investment income	68	4,867
Total value added	324,763	312,346
Distribution :		
To employees		
- Salaries & other staff costs	68,963	66,905
To Governments		
- Taxation	56,139	53,148
To providers of capital		
- Dividends	32,205	26,147
- Finance costs	23,161	24,124
- Minority Interest	4,937	16,079
Retained for future reinvestment & growth		
- Depreciation	25,839	29,547
- Retained profits	113,519	96,396
	324,763	312,346

Value added is a measure of wealth created. The above statement shows the Group's value added for 2003 and 2002 and its distribution by way of payments to employees, governments and capital providers, with the balance retained in the Group for future reinvestment and growth.

	2003 RM'000	2002 RM'000
Reconciliation		
Profit for the year	145,724	122,543
Add : Depreciation	25,839	29,547
Finance costs	23,161	24,124
Staff costs	68,963	66,905
Taxation	56,139	53,148
Minority Interest	4,937	16,079
Total value added	324,763	312,346

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2004

Authorised Share Capital	:	RM1,000,000,000
Issued & paid-up Capital	:	RM389,897,359
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 100	167	5,278	0.00%
100 – 1,000	1,494	1,384,243	0.36%
1,001 – 10,000	2,057	8,407,937	2.16%
10,001 – 100,000	523	18,020,271	4.62%
100,001 to less than 5% of issued shares	256	222,921,302	57.17%
5% and above of issued shares	3	139,158,328	35.69%
	4,500	389,897,359	100.00%

REGISTER OF SUBSTANTIAL SHAREHOLDERS			
	Number of Shares		Percentage of Issued Capital
	Direct	Deemed	
1. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	24,604,494	-	6.311%
2. Employees Provident Fund Board	58,172,100	-	14.920%
3. The Capital Group Companies, Inc.	-	24,443,297	6.269%
4. Tronoh Mines Malaysia Berhad	72,142,534	-	18.503%

THIRTY LARGEST SHAREHOLDERS

	Number of Shares	Percentage of Issued Capital
1. Tronoh Mines Malaysia Berhad	72,142,534	18.50%
2. Employees Provident Fund Board	42,411,300	10.88%
3. Amanah Raya Nominees (Tempatan) Sdn Bhd- Skim Amanah Saham Bumiputera	24,604,494	6.31%
4. HSBC Nominees (Asing) Sdn Bhd- Emerging Markets Growth Fund	16,512,714	4.24%
5. Valuecap Sdn Bhd	10,729,300	2.75%
6. Amanah Raya Nominees (Tempatan) Sdn Bhd- Amanah Saham Wawasan 2020	10,189,200	2.61%
7. Amanah Raya Nominees (Tempatan) Sdn Bhd- Amanah Saham Malaysia	6,981,300	1.79%
8. HSBC Nominees (Asing) Sdn Bhd- BBH and Co Boston for GMO Emerging Markets Fund	6,584,600	1.69%
9. HSBC Nominees (Asing) Sdn Bhd- Invesco Series (AsianEquityCore)	5,655,500	1.45%
10. Malaysia National Insurance Berhad	5,229,100	1.34%
11. RHB Nominees (Tempatan) Sdn Bhd - RHB Asset Management Sdn Bhd for Kumpulan Wang Simpanan Pekerja	4,818,700	1.24%
12. Takaful Nasional Sdn Bhd	4,360,200	1.12%
13. Universal Trustee (Malaysia) Berhad- Mayban Unit Trust Fund	3,731,000	0.96%
14. HSBC Nominees (Asing) Sdn Bhd- Capital International Emerging Markets Investment Fund	3,717,000	0.95%
15. HSBC Nominees (Asing) Sdn Bhd- T. Rowe Price International Funds for New Asia Fund	3,603,600	0.92%
16. HSBC Nominees (Asing) Sdn Bhd- Abu Dhabi Investment Authority	3,280,000	0.84%
17. HSBC Nominees (Asing) Sdn Bhd- T. Rowe Price Trust Company, International Common Trust Fund	3,006,700	0.77%
18. Mayban Nominees (Tempatan) Sdn Bhd - Mayban Investment Management Sdn Bhd for Kumpulan Wang Simpanan Pekerja (N14011980810)	2,972,000	0.76%
19. Citicorp Nominees (Tempatan) Sdn Bhd- Prudential Assurance Malaysia Berhad (Prulink Eqty Fund)	2,813,000	0.72%
20. Cartaban Nominees (Asing) Sdn Bhd - Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	2,599,000	0.67%
21. Citicorp Nominees (Asing) Sdn Bhd - Mellon Bank, N.A. for Mellon Newton Universal Growth Funds Limited (Asian Gwth Fund)	2,587,900	0.66%
22. Amanah Raya Nominees (Tempatan) Sdn Bhd- Amanah Saham Didik	2,584,000	0.66%
23. AMMB Nominees (Tempatan) Sdn Bhd- AmTrustee Berhad for HLG Penny Stock Fund (5/4-3)	2,544,500	0.65%
24. Citicorp Nominees (Tempatan) Sdn Bhd- Prudential Assurance Malaysia Berhad (Par Fund)	2,179,132	0.56%
25. Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for RHB Dynamic Fund (N14011200188)	2,050,000	0.53%
26. AMMB Nominees (Tempatan) Sdn Bhd- AmTrustee Berhad for Pacific Dividend Fund (5/27-2)	1,895,700	0.49%
27. Cartaban Nominees (Asing) Sdn Bhd- Investors Bank and Trust Company for Ishares, Inc.	1,876,000	0.48%
28. Citicorp Nominees (Asing) Sdn Bhd- CB LDN for Stichting Shell Pensioenfond	1,850,000	0.47%
29. Cartaban Nominees (Asing) Sdn Bhd- State Street London Fund 28W2 for Credit Lyonnais	1,813,253	0.47%
30. Lembaga Tabung Angkatan Tentera	1,805,000	0.46%
	257,126,727	65.94%

ANALYSIS OF WARRANTHOLDINGS

as at 31 March 2004

Warrants 2000/2004 : RM54,059,125 outstanding

Warrant expiry date: 28 August 2004

DISTRIBUTION OF WARRANTHOLDINGS			
Range of Warrantholdings	Number of Warrantholders	Number of Warrants	Percentage of Outstanding Warrants
Less than 100	13	531	0.00%
100 - 1,000	1,046	954,699	1.77%
1,001 - 10,000	694	2,780,943	5.14%
10,001 - 100,000	207	7,084,524	13.10%
100,001 - to less than 5% of issued warrants	67	27,346,600	50.59%
5% and above of issued warrants	1	15,891,828	29.40%
	2,028	54,059,125	100.00%

THIRTY LARGEST WARRANTHOLDERS

	Number of Warrants	Percentage of Outstanding Warrants
1. Tronoh Mines Malaysia Berhad	15,891,828	29.40%
2. Permodalan Nasional Berhad	2,388,800	4.42%
3. AMMB Nominees (Tempatan) Sdn Bhd		
- AmTrustee Berhad for HLG Penny Stock Fund (5/4-3)	2,086,000	3.86%
4. Employees Provident Fund Board	1,896,100	3.51%
5. Glenfield Enterprise Sdn Bhd	1,488,000	2.75%
6. Dato' Tan Boon Seng @ Krishnan	1,343,000	2.48%
7. Universal Trustee (Malaysia) Berhad- CMS Premier Fund	880,000	1.63%
8. BHLB Trustee Berhad- Prugrowth Fund	845,000	1.56%
9. Goh Chye Koon	715,300	1.32%
10. Universal Trustee (Malaysia) Berhad- SBB Emerging Companies Growth Fund	709,000	1.31%
11. BHLB Trustee Berhad- TA Comet Fund	697,300	1.29%
12. RHB Nominees (Asing) Sdn Bhd- Artradis Barracuda Fund	583,100	1.08%
13. Citicorp Nominees (Tempatan) Sdn Bhd		
- CMS Dresdner Asset Management Sdn Bhd for Malaysian Assurance Alliance Bhd	572,300	1.06%
14. HSBC Nominees (Tempatan) Sdn Bhd		
- HSBC (Malaysia) Trustee Berhad for Amanah Saham Sarawak	550,000	1.02%
15. Cartaban Nominees (Asing) Sdn Bhd- DBS Vickers (Hong Kong) Limited for Yip Tai Yuen	545,000	1.01%
16. Lim Yong Keat	507,000	0.94%
17. HSBC Nominees (Tempatan) Sdn Bhd		
- HSBC (M) Trustee Berhad for Prudential Dana Al-Ilham (4173)	445,000	0.82%
18. Norwest Corporation Sdn Bhd	423,100	0.78%
19. Soo Heng Chin	422,000	0.78%
20. John Hancock Life Insurance (Malaysia) Berhad	415,000	0.77%
21. General Technology Sdn Bhd	414,000	0.77%
22. Universal Trustee (Malaysia) Berhad- CMC Islamic Fund	400,000	0.74%
23. Mayban Nominees (Tempatan) Sdn Bhd		
- Mayban Trustees Berhad for Public Ittikal Fund (N14011970240)	394,500	0.73%
24. Seah Hong Ghee (Gee) @ Chair Kow	376,000	0.70%
25. Citicorp Nominees (Tempatan) Sdn Bhd- Prudential Assurance Malaysia Berhad (Par Fund)	309,000	0.57%
26. Ee Ching Wah	300,000	0.55%
27. Neoh Choo Ee & Company Sdn Bhd	295,000	0.55%
28. Affin Nominees (Tempatan) Sdn Bhd- Pledged Securities Account for Low Chu Mooi (SXM378)	279,000	0.52%
29. Takaful Nasional Sdn Bhd	276,000	0.51%
30. Ling Hee Leong	259,900	0.48%
	36,706,228	67.91%

DIRECTORS' SHAREHOLDINGS & WARRANTHOLDINGS

as at 31 March 2004

Name of Directors	Number of Shares		Percentage of Issued Capital	Number of Warrants		Percentage of Outstanding Warrants
	Direct	Deemed		Direct	Deemed	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	-	-	-	33,400	-	0.062%
Dato' Tan Boon Seng @ Krishnan	920,698	344,698 ¹	0.325%	1,447,000	234,000 ¹	3.110%
Goh Chye Koon	377,412	-	0.097%	715,300	-	1.323%
Soo Heng Chin	110,000	-	0.028%	447,000	-	0.827%
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	10,333	-	0.003%	-	-	-
Datuk Oh Chong Peng	-	-	-	-	-	-
Datuk Yahya Bin Ya'acob	-	-	-	-	-	-
Dato' Goh Chye Keat	406,362	170,132 ²	0.148%	-	-	-
Dato' Ismail Bin Shahudin	-	-	-	-	-	-
Abd Hamid Bin Othman	-	-	-	-	-	-

Note:-

¹ Through a family member

² Through CK Goh Holdings Sdn Bhd

CORPORATE DIARY 2003

14 January

MALAYSIAN BUSINESS CORPORATE GOVERNANCE AWARD



IJM Corporation Berhad and Public Bank Berhad were declared joint winners for the 1st Malaysian Business Corporate Governance Award 2002. Over 850 companies, listed on the MSEL, were screened. Other finalists were Malayan Banking Berhad, Nestle Malaysia Berhad and Esso Malaysia Berhad.

25 February

VISIT BY THE MINISTER OF HUMAN RESOURCES TO PCC

The Honourable Minister of Human Resources, Datuk Dr. Fong Chan Onn, visited Putrajaya Convention Centre (PCC). While visiting the site, he was briefed by our CEO on the progress of the project.

11 March

KLSE CORPORATE MERIT AWARD 2002

This award ceremony was held at the Palace of the Golden Horses, Mines Resort. IJM received a Merit Award under the Construction Sector in recognition of its exemplary corporate governance.

14 March

SIGNING OF SECURITY DOCUMENTS

The Security Documents for our Built-Operate-Transfer projects in India, Rewa and Satna tolled highways were signed on this day. The estimated construction cost for these projects were RM92 million and RM45 million respectively.

26 April

ANNUAL DINNER 2003



We celebrated our 20th Anniversary Dinner at Sunway Lagoon Resort Hotel. Our CEO, Dato' Krishnan Tan, was amongst the 14 staff who received the 20 Years Service Award.

9 June

HANDING OVER CEREMONY OF PUTRAJAYA CONVENTION CENTRE BY PUTRAJAYA HOLDINGS SDN BHD TO THE GOVERNMENT OF MALAYSIA



Our former Prime Minister, Tun Dr Mahathir Mohamad witnessed the handing-over ceremony of the completed Putrajaya Convention Centre to the Government of Malaysia. This was indeed a proud moment as PCC is yet another widely acknowledged icon for the country, completed by IJM.

2 July

INITIAL LISTING CEREMONY OF IJM PLANTATIONS BERHAD ON THE MAIN BOARD OF MSEL



IJM Plantations Berhad shares opened at 99 cents, 49 cents above the reference price. It was the second most active counter of the day. The shares were traded to a high of RM1.15 and a low of 77.5 cents. It closed at 79.5 cents on a total volume of 20.309 million shares.

17 July

OUR CEO CONFERRED THE D.S.P.N.



Our CEO Dato' Krishnan Tan was conferred the Darjah Setia Pangkuan Negeri (D.S.P.N.) which carries the title Dato' on the occasion of Tuan Yang Terutama Yang Di-Pertua Negeri Pulau Pinang, Tun Dato' Seri Haji Abdul Rahman bin Haji Abbas' 65th birthday.

28 July

VISIT BY EPF INVESTMENT TEAM

A six-member team from EPF visited our company to obtain a clearer understanding of our operations and issues and challenges faced by IJM. The visit was part of EPF Investment's general practice to visit companies in which they have a substantial holding.

1 August

MASTER BUILDERS ASSOCIATION MALAYSIA SERVICE AWARD 2003



IJM's deputy CEO, Goh Chye Koon, was given the above award under the Gold (15 years) category for holding the positions of Deputy Secretary-General from July 1988 to June 1990, Vice President from July 1990 to June 2002 and Deputy President since July 2002.

12 August

THE EDGE KUALA LUMPUR ANNUAL RAT RACE 2003

IJM took part in this annual event for the 4th year running.



The team again gave a creditable performance and emerged as the first runners-up. Our colourful cheerleading team was also present to provide support to our runners.

12 September

THE MALAYSIAN CONSTRUCTION INDUSTRY EXCELLENCE AWARDS 2003



The Construction Industry Development Board awarded IJM the Project Award (Major Building Category) for the grand, state-of-the-art Putrajaya Convention Centre. Our CEO was present to receive this award at Sunway Lagoon Resort Hotel, Subang Jaya. Meanwhile, Dato' Goh Chye Keat, IJM's Non-Executive Director and former Group Managing Director was awarded the Prominent Player Award. This award was presented in recognition of his contribution towards the upliftment of the Malaysian Construction industry.

4 October

TUN DR MAHATHIR'S VISIT TO PERDANA LEADERSHIP FOUNDATION LIBRARY



The Perdana Leadership Foundation Library – a newly completed project by IJM in a record 8 months – had a visitor in Tun Dr Mahathir Mohamad. The Library, a double-storey office block, consists of a main library, auditorium, banquet hall, multi purpose hall, etc. It will house the office of Tun Dr Mahathir and the Perdana Leadership Foundation.

14 - 19 October

ORGANISATION OF ISLAMIC COUNTRIES (OIC) EXPOSITION

This was an inaugural OIC Exposition, which was set as the biggest in the region. IJM was one of the corporations which took part in the exhibition. It was an opportunity for small, medium and large corporations to market their goods and services to the OIC countries.

4 December

IJM WINS NACRA AWARD



IJM's commitment and desire to produce a creditable annual report that fits our objective of enhancing investor relations and shareholders communications paid handsome dividends when it was awarded the National Annual Corporate Report Award (NACRA) under the Industry Excellence category (Construction and Infrastructure Project Companies) for 2002. Our CEO, Dato' Krishnan Tan received the award from Domestic Trade and Consumer Affairs Minister, Tan Sri Muhyiddin Yassin, at a ceremony held at the Palace of the Golden Horses, Kuala Lumpur.

10 December

IJM'S PCC APPRECIATION NITE

More than 200 of IJM's business associates who were involved in the successful completion of the Putrajaya Convention Centre were invited to a simple 'thank you' reception at the Kompleks Sukan IJM-COBRA where they were presented with a plaque and other souvenirs.

CHAIRMAN'S STATEMENT



“We remain optimistic that we can weather the difficult construction environment and produce creditable earnings performance in 2004.”

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

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 2003.

OPERATING ENVIRONMENT

In the year 2003, the Malaysian economy expanded at a better-than-expected rate of 5.2% compared with 4.2% in 2002.

At the beginning of the year, consumer and business sentiments were severely affected by the war in Iraq and the outbreak of the Severe Acute Respiratory Syndrome (SARS). To address the sluggish economy, the Government proactively put into place a package of broad-based pro-growth measures in May 2003. These confidence boosting measures coupled with the abatement of global geopolitical adversity in the second half of 2003 provided the impetus for a recovery in the Malaysian economy. Towards the end of the year, consumer confidence, hence spending, continued its upward momentum aided by favourable export earnings from the manufacturing sector, high commodity prices and the positive wealth effect from an improved stock market.

The environment for our core business was indeed challenging. Since the Asian financial crisis, Malaysia had adopted an expansionary fiscal policy and an accommodative monetary policy to stimulate the domestic economy in order to sustain the growth momentum. Recognising that high budget deficits would debilitate the economy in the long run, the Government has started to implement fiscal consolidation measures aimed at a balanced budget in the near term. The Government is becoming increasingly cautious in awarding public infrastructure projects with the implementation of several big-ticket projects reviewed.



The Parcel E buildings in Putrajaya



Jelutong Expressway, Penang

Nevertheless, the Government put in additional measures to increase the role of the private sector as the provider of opportunities. Through its Package of New Strategies in May 2003, the Government introduced several new measures and incentives including those for first home owners under the Home Ownership for the People (HOPE) project to stimulate the property and construction sectors as well as to provide affordable housing to the lower income group.

Though the construction sector grew by 2.5% (2002: 2.3%), the overall level of new construction opportunities were scarce and this is reflected in the low level of order book enhancement among most construction companies. The good performance of most construction companies, including IJM, can be attributed to works secured in prior years.

OPERATING RESULTS

Our Group closed 2003 with better all-round pre-tax performance, achieving record revenue and operating profits, before exceptional items. For the current financial year, the Group achieved a revenue of RM1,363.89 million and a pre-tax profit of RM206.80 million. The 5.3% increase in revenue over the preceding year was mainly attributable to higher revenues achieved by the Construction, Properties and Industries divisions and the Plantations associate. The 7.8% increase in pre-tax profit over the preceding year was mainly attributable to better

contributions from the Properties and Industries divisions, and the Plantations associate. Stripping out the exceptional elements in the 2002 profits, the 2003 pre-tax performance actually rose 17.05%. The Group's net profit increased by 18.9% due to a lower effective tax rate and lesser share of profits attributable to minority interests.

Despite new levels of investments in infrastructure projects, at the end of 2003, the Group achieved an all-time low net debt to equity level of 12.41% (2002: 13.72%). Vigilant credit control, efficient debt collection and better utilisation of capacity all contributed to this result.

BUSINESS OUTLOOK FOR 2004 AND OPERATIONAL STRATEGIES

All indications to date point towards a better world economy in 2004. Growth at a higher rate of 4% is expected. Major economies such as US, Europe, China, India and Japan are expected to register respectable gains, despite some downside risks coming from threats of terrorist attacks and uncertainties in the currency markets.

For Malaysia, Bank Negara has forecast a growth rate of 6 – 6.5% which appears achievable given the robust economic and trade statistics of the last few months. The emphatic victory of the ruling coalition party in the recent national election will prolong the 'feel good' effect spurring consumption

CHAIRMAN'S STATEMENT *(Continued)*

spending, while the renewed confidence will bring in more foreign direct investments and foreign funds to the stock market, providing additional boost to the Malaysian economy.

Nevertheless, the government's future economic thrust appears premised on fiscal consolidation aimed at a balanced budget in the near term while providing an accommodative monetary environment conducive for a more dynamic and vibrant private sector role in the economy. This is clearly evident in the 2004 Budget which, among others, has seen a 21% reduction in allocation for public development expenditure. The call by the government to local contractors to enhance the export of such services is a further indication of the emerging fortunes for the sector.

Expecting this emerging reality, the Group had several years ago taken measures to expand its operations abroad while repositioning itself to take on the more competitive local private sector contracts. Our strategies in this regard are bearing fruits.

Meanwhile, we see further challenges on the cost front. Rising prices of materials and supply shortages brought on by fuel price increase, the weakening Dollar and the rapid growth of China will continue to impact on costs.

While prospects for the Construction Division appear very challenging, the Property Division is expected to see better prospects. In expectation of positive responses to the government stimulus package, stronger economic growth as well as low interest rates in an environment of ample liquidity, the Properties Division would be launching more innovative products in the Klang Valley and Penang, besides continuing with new phases of its other existing projects. Overseas, the overwhelming response to our maiden Kukatpally housing project in Hyderabad, India, the first privatised housing project there by a Malaysian company, gives added confidence for greater involvement in the Indian market.



Tada-Nellore Toll, India

Other divisions such as Industries and Plantations are expected to perform well. Higher sales of aggregates and ready-mixed concrete are expected from the Industries Division while rising fresh fruit bunches (FFB) production and better crude palm oil (CPO) prices can bring higher contributions to the Group despite a reduction in the Group's equity interest from 100% to 49%.

The Infrastructure Division which saw lower contributions in 2003 will see new beginnings in India. Following the recent completion of the Group's Build-Operate-Transfer (BOT) Tada-Nellore Toll Expressway (35%-owned) and the expected completion of two wholly-owned BOT highways at Rewa and Satna, new recurrent earnings streams have been established. Though initial contributions are small, they will contribute positively in future years.

Overall, business conditions are expected to be challenging and competitive, especially with the upswing in building material prices and a dearth of new government contracts. However, we have a good existing order book and a good track record in international contracting. We anticipate better property sales. Palm products prices are expected to remain firm in 2004. Thus, we remain optimistic that we can weather the difficult construction environment and produce creditable earnings performance in 2004. The outlook for the Group's business divisions is further discussed in our Chief Executive Officer and Managing Director's Review of Operations.

DIVIDENDS

In the light of better operational performance and cashflows, total dividend payout for 2003 has been increased to 15%. A first interim dividend of 5% or 5 sen per share less tax at 28% was declared and paid on 14 November 2003. A second interim dividend of 10% or 10 sen per share less tax at 28% has been declared. Entitled members on the register on 30 April 2004 would be paid on 21 May 2004. No final dividend is proposed for financial year 2003.

In addition to the cash dividends, during the year, the Company made a capital distribution of RM137.49 million worth of IJM Plantations Berhad (IJMP) shares of 50 sen each in a ratio of 2 IJMP shares for every 5 IJM shares held. This is equivalent to a further 37 sen per share distribution. This distribution is further testimony to our efforts to enhance returns to shareholders.

CORPORATE PROPOSAL

On 29 April 2002, the Company announced the signing of a Transfer of Listing Agreement between the Special Administrators of Rahman Hydraulic Tin Berhad (RHTB), IJM Corporation Berhad (IJM) and IJM Plantations Sdn Bhd (IJMP), a wholly owned subsidiary of IJM, for the proposed acquisition of the listing status of RHTB to enable the listing of IJMP. Details of the scheme was announced on 28 June 2002. The listing of IJMP on the Main Board of the MSEA was completed on 2 July 2003 and IJMP became a 49% associate of the Group.

CORPORATE GOVERNANCE

Our statement on corporate governance can be found on pages 42 to 51.

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies in 2003.

RELATED PARTY TRANSACTIONS

Significant related party transactions of the Group for 2003 are disclosed in Note 44 to the financial statements. This note also sets out the recurrent transactions conducted during the period in accordance with the general mandate obtained from shareholders' at the Extraordinary General Meeting held on 21 May 2003.

Except for those disclosed in Note 44 to the financial statements, there were no material contracts of the Group involving directors' and major shareholders' interest during the period.

ACKNOWLEDGEMENT

In the last 20 years, we have witnessed IJM's growth from strength to strength with new milestones and awards achieved year after year. This is testimony to the unwavering commitment to excellence of the IJM people.

On behalf of the Board of Directors, I would like to thank the directors, management and all employees of the Group for their strong commitment and contribution towards the continued success of our Group. The year 2004 will be a very challenging one but I am confident the Group would take on these challenges as in the past and continue to strive for new heights. I would also like to take this opportunity to thank shareholders, associates, clients, bankers, sub-contractors and suppliers for their continuing support to the Group.

The Board and I also wish to record our sincere appreciation to Mr Lai Meng who resigned from the Board on 30 September 2003. I also welcome Dato' Ismail Bin Shahudin and En Abd Hamid bin Othman, who were appointed as non-executive Directors on 30 October 2003 and 25 March 2004 respectively. I am confident they will add wealth of experience to deliberations at the Board. I also take this opportunity to congratulate our CEO, Dato' Krishnan Tan on being awarded Dato'ship by the Yang DiPertua Negeri Pulau Pinang on 17 July 2003.



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



CEO'S REVIEW OF OPERATIONS



Construction



Properties



Industries



Plantations



Infrastructure

The year 2003 has been a very eventful one. Many milestones were achieved amidst a very challenging business environment.

Simultaneously, the repositioning of the Group's businesses to meet the rapidly changing conditions for the Group's core activities had to be put in place to sustain future growth.

Dato' Tan Boon Seng @ Krishnan
CEO & Managing Director



REVIEW OF OPERATIONS • CONSTRUCTION



Left to right: Tan Gim Foo (Project Director), Tuan Haji Mohd Razin Ghazali (Senior Manager - Business Development), Debojit Chowdhury (Project Director), Goh Chye Koon (Deputy CEO & Deputy MD), Tan Kiam Choon (Project Director), Phoon Wai Weng (General Manager), Kok Fook Yu (Senior Manager - East Malaysia), How See Hock (Project Director), Soo Heng Chin (Senior General Manager & Executive Director) & Ng Chin Meng (Country Director - India)

“The Construction Division continued to be the largest contributor to the Group’s performance in 2003.”

“Procurement of new projects in the country is expected to become increasingly competitive...”

...The Group will intensify its efforts to carve niches in new overseas markets while repositioning its market strategies towards private sector business.”

Positive growth in the Malaysian construction sector was maintained at 2.5% (2002: 2.3%) despite the adversities of the war in Iraq and the SARS outbreak. Government spending on public projects was still the main driving force in maintaining construction activities in the country.

The Construction Division continued to be the largest contributor to the Group’s performance in 2003. The Construction Division’s revenue and pre-tax profits breached the RM1 billion and RM100 million marks respectively for the second consecutive year. The Division’s revenue reached its highest level yet in 2003, improving marginally by 1.04% to RM1,132.27 million (2002: RM1,120.67 million). Despite changes in the product-mix with the division undertaking a greater proportion of lower margin building projects and rising prices of construction materials such as steel bars, diesel and bitumen, the Division achieved a pre-tax profit of RM101.60 million (2002: RM104.61 million), achieving a margin of 8.98%.

The Group handed over all projects scheduled for completion in 2003 in a timely manner to our clients. Among them was the RM603 million Putrajaya Convention Centre which was the Group’s largest ever construction contract. Named an “icon for the country”, it was completed in time to host the 10th Organisation of Islamic Countries Conference.



The Perdana Leadership Foundation Building, Putrajaya



Head of States Hall



The column free Plenary Hall with a seating capacity of 3,000



The restaurant at the concourse perimeter



One of the largest column free banquet halls in Malaysia

This project, which was awarded the CIDB Excellence Award under the Major Buildings category, bears testimony to the Group's continued ability to execute sophisticated turnkey projects within very tight deadlines and to excellent quality standard.

Other notable projects completed by the Group during the year include the Jelutong Expressway (Stage 1) in Penang, the Perdana Leadership Foundation Building in Putrajaya, and the Mentari Condominium, the Taman Wahyu and Bukit Baru apartments, all in Kuala Lumpur.

In India, the completion of our section of the Tada-Nellore Toll Expressway valued at RM184.45 million three months ahead of schedule marked another milestone for the Group as it is the Group's first tolled road privatisation project in India.

Despite the difficult business conditions in the local construction industry, the Group managed to secure new projects totaling RM935 million in 2003 to shore up our order book which is expected to keep the Group busy for the next 1 to 2 years. Among the major projects secured locally include the Cahaya Alam mixed development project in Shah Alam (RM272.00 million), the Butterworth Outer Ring Road Package 1B (Section 1, 2 & 3) and Package 3 in Penang (RM224.27 million) and the Phase 2 & 3 of the Alam Warisan projects in Putrajaya (RM172.94 million). In India, contract for the construction of the Delhi Metro viaduct line was secured at a contract value of RM128 million.

Procurement of new projects in the country is expected to become increasingly competitive as the Government attempts to address the budget



Mentari Condominium, Kuala Lumpur

deficit over the next few years by curtailing development expenditure and deferring several major projects. The construction sector will be further challenged by the impact of rising material prices. The anticipated world economic growth of 4% and the surging growth levels seen in China, and now India, will further strain capacities and fuel price increases of inputs. Currency fluctuation will add a further dimension of uncertainty.

The Group will intensify its efforts to carve niches in new overseas markets while repositioning its market strategies towards private sector business. In this regard, the Group is increasingly repositioning itself to offer "total solutions" including land acquisition, design approvals and construction to win jobs. Some measure of success has been seen in this connection with the Commerce Asset Holding Berhad building and Tesco hypermarket projects. On the cost front, management will be very vigilant to hedge some of the risks as well as proactively manage these risks.



CONSTRUCTION SUPPORT SERVICES

Seated left to right: Soo Heng Chin (Senior General Manager & Executive Director),

Choo Lai Fong (Senior Manager - Purchasing & Store) & Pang Sek Loh (Senior Manager - Technical)

Standing left to right: Ng Yock Yin (General Manager - Contracts), Mohammad Albakri Bin Tajuddin (Manager - Safety & Health), Toh Teck Soon (Senior Manager - M&E), Tuan Haji Mohd Razin Ghazali (Senior Manager - Business Development), Chang Khoo @ Chang Pheng Kee (Senior Manager - Workshop), Siva Kumar s/o Rajappan (Manager - Quality System) & Wee Kee Hong (Senior Manager - Accounts & Finance)



REVIEW OF OPERATIONS • PROPERTIES

“The Division achieved creditable results with an improved pre-tax profit of RM35.77 million.”

“The Division will also be seeking to carve a niche in providing “purpose-built developments” to potential clients.”

“Overseas, the Division will continue its focus on India to enhance its participation in the expanding mass housing market.”



*Seated left to right: Lee Phaik See (Sales & Marketing Manager), Low Eng Bee (Senior Marketing Manager), Teh Kean Ming (Group General Manager - Property), Karam Singh a/l Sadhu Singh (Senior Manager) & Ng Hay Lian (Manager)
Standing left to right: Toh Chin Leong (Senior Engineer), Tan Aik Hong (Senior Manager), Colin Ivan Samson (Manager - Liaison), Khoo Kah Hock (Manager - Finance), Ch'ng Ewe Ghee (Asst. Manager - Contracts), Tham Hueng Cheong (Branch Manager) & Oye Kheng Hoon (Branch Manager)*

The Division experienced a challenging year in 2003. During the 1st quarter of 2003, market sentiments were dampened by the uncertainties of war in Iraq and then SARS closer to home. The government's economic stimulus package announced on 21 May 2003 was the turning point for the property market. The package includes stamp duty exemption for properties below RM180,000, tax deductibility of interest cost for first-time house buyers and the one-year waiver on Real Property Gains Tax with effect from 1 June 2003. Market sentiments continued to improve from the 3rd Quarter following containment of SARS, improving global and local economies and positive run-up in the stock market.



Riana Green Phase 4, Petaling Jaya

In line with the improving market condition, the Division achieved creditable results with an improved pre-tax profit of RM35.77 million (2002: RM19.73 million) on a turnover of RM204.38 million (2002: RM160.65 million), representing increases of 81.34% and 27.22% respectively. Overall profit margin was higher due to better product mix with higher contribution coming from higher margin projects as well as sale of several pieces of non-strategic land in the northern region.

In Penang, development projects such as Bandar Sri Pinang mixed development project and Fortune Park industrial factories along the newly completed Stage 1 of Jelutong Expressway in Bandar Georgetown, E-Gate retail-cum-office building along Jalan Udini and the Taman Idaman housing scheme in Simpang Ampat contributed to the Division's improved performance. Contributions from the Klang Valley development projects came from Desa Latania housing scheme in Klang and Riana Green Phase 4 in Petaling Jaya. Other contributors to the Division during the year include the NS Central Market in Seremban, the Bistari Impian shops in Johor and the Taman Utama housing scheme in Sandakan, Sabah.



Alpine Tower, the 1st e-Condo in Penang

New projects launched during the year include the Casa Impiana super-link houses in Johor, Shop 15 in Bandar Sri Pinang, the new phases of Taman Idaman, Taman Utama and Desa Latania housing schemes, and Fortune Park industrial project. The take up rates in all these launches were good.

Progress on the overseas front also gives grounds for optimism for the future. In Australia, subsidiary IJM Australia has commenced development of a 10,000 square meter industrial property in Sydney. Construction is expected to be completed in 2004. Meanwhile, 50% associate, OSW Properties has completed a 6,573 square meter office and retail complex in Sydney. Sales and letting is expected to be booked in 2004.

The Group's maiden property venture in India, the Kukatpally mixed development project in Hyderabad – a joint venture with the government of Andhra Pradesh – was launched towards the end of 2003. The take-up rate surpassed our expectations and is expected to contribute positively to future earnings.

The Malaysian property market is expected to show further signs of improvement in 2004 with the improving global and local economic outlook and a conducive low interest environment. The Division, nonetheless, expects the operating environment to remain challenging with ample new supply coming into the market, and costs rising.

Progress billings on committed sales of current on-going projects are expected to contribute substantially

to the Division's performance in 2004. In addition to the Division's intensified efforts to sell existing units from the current on-going projects, the Division will also embark upon several new projects at strategic locations. New projects to be launched in 2004 will include a mixed development project to be built on a recently-acquired 66 acres land situated in a mature suburb in Cheras, Kuala Lumpur and Bayswater condominium project in MetroEast which forms part of the Jelutong Development Scheme in Penang. The Division will also continue to launch new phases of some of the existing on-going projects.

The Division has also embarked on "build & lease" developments on long leases for reputed clients. A maiden project is a hypermarket building in Penang to be leased to Tesco Stores, a leading hypermarket operator, over a period of 30 years. This project is expected to contribute recurring rental income to the Division commencing late 2004.

The Division will also be seeking to carve a niche in providing "purpose-built developments" to potential clients. This involves offering "total solutions" of searching for land as well as obtaining development approval and the construction of the properties, specific to the needs and preferences of clients.

As with the Construction Division, 2003 has seen the Division repositioning its strategies. In Malaysia, the Division will continue to expand its land bank especially in high growth and strategic areas whilst divesting or disposing non-core land stocks which do not fit into the Division's strategic plans. The Division will also continue to explore joint ventures with landowners for high value developments. The purpose-built segments would continue to be emphasised. Overseas, the Division will continue its focus on India to enhance its participation in the expanding mass housing market.

The Division, with its in-house construction expertise and committed quality policies, will continue to emphasise on timely delivery of quality products of innovative designs at competitive prices complemented with professional property management services to give property owners and investors greater assurance of a livable home and long term capital appreciation.



REVIEW OF OPERATIONS • INDUSTRIES

“The Division improved on last year’s pre-tax profit of RM8.25 million by 153.11% to RM20.89 million.”

“The Division is optimistic of improved performance in 2004.”



*Seated left to right: Yeo Poh Meng (Managing Director - Torsco), Mah Teck Oon (Director - Industries Division), William Anthony Ho (General Manager - Quarries), & Chee Kok Phoon (Manager)
Standing left to right: Tan Khuan Beng (Manager - Credit Control), Low Hong Imm (Manager - Accounts & Finance), Chan Choy Ping (Manager - Accounts & Finance) & Leong Yew Kuen (General Manager - Ready-Mixed)*

The year 2003 was another good year for the Division. Growing in tandem with the improved construction sector, the Division improved on last year’s pre-tax profit of RM8.25 million by 153.11% to RM20.89 million. Discounting the impact of an impairment adjustment of RM10.80 million in 2002, pre-tax profit rose by a healthy 9.64% from RM19.05 million last year. The good performance was achieved as a result of a higher turnover of RM222.85 million (2002: RM192.82 million) and better all-round performance from the quarries and ready-mixed concrete operations.



Completed assembly of scrap buckets for Megasteel

The quarrying sector performed well in 2003 with all our quarries in Selangor, Negeri Sembilan, Johor and Pahang registering better results. Led by Malaysian Rock Products Sdn Bhd (MRP), the sector recorded a 2.0% increase in turnover to RM55.12 million and a 15% jump in pre-tax profit to RM4.10 million. Overall, sales volume for aggregates rose to 4.15 million tons (2002: 3.76 million tons) while premix sales fell to 219,000 tons (2002: 257,000 tons). The increased profitability came from better margins obtained from higher selling prices and lower costs at all quarries. The Kuantan quarry, in its first full year of operations, also performed to expectations.

During the year, MRP acquired 100% equity interest in Warga Sepakat Sdn Bhd (WSSB) which owns a 10-acre land adjoining our quarry in Labu, Negeri Sembilan. In addition, MRP also entered into a 15-year lease agreement to lease another 10 acres of land neighbouring the WSSB's existing land. With the acquisition and lease, the rock reserve at Labu quarry area will now increase to an estimated 13 million tons.

Strong Mixed Concrete Sdn Bhd (SMC), which manufactures and sells ready-mixed concrete also enjoyed a good year with a record turnover of RM63.74 million, 28% better than last year. As a result, pre-tax profit also increased by 27%.

The increase in turnover is attributed mainly to the additional 24 mixer trucks purchased during the year. On the other hand, the number of batching plant was maintained at seven, with changes only in the location of plants. The plant located at Danau Kota and Kedah were closed and replaced by new ones in Kajang and Wangsa Maju. SMC intends to increase the number of plant it operates and will be continuously looking for good locations, including overseas. Looking ahead, SMC expects tougher business conditions in 2004, with supply disruptions expected in the construction sector while uncertainties in the supply and price of material inputs possibly affecting performance.

Faced with stiff competition locally and overseas and a reduction in in-house jobs, the steel fabrication business under Torsco Berhad registered a turnover of RM50.63 million and a pre-tax profit of RM5.09 million, down by 25.48% and 26.55% respectively. Torsco has intensified its marketing efforts targeting palm oil mills, hydropower, bridges and container crane



Main roof steel structures fabricated by Torsco for Putrajaya Convention Centre

sectors to replenish its current order book. In addition, the Company is seeking strategic partnerships with Chinese fabricators to take advantage of the low production cost there in its effort to be more competitive. Despite the intense competition worldwide, we are hopeful that Torsco would better its results with these strategies.

Revenue at Scaffold Master Sdn Bhd dropped by 15.39% to RM6.54 million after reaching new heights in 2002 due to decreased in-house rental demand. This was, however, mitigated by a significant increase in external rental following more intense marketing efforts. During the year, average rental rates increased by 10%, and with lower depreciation charges, pre-tax profit jumped 51.95% to RM3.89 million. The performance is expected to be maintained for 2004.

Kemena Industries Sdn Bhd, located in Bintulu, Sarawak, manufactures precast concrete products. It achieved significantly improved results with a turnover of RM5.95 million and a pre-tax profit of RM1.21 million, up 66% and 128% respectively. This was attributed to the supply of culvert and spun pipes to the Coastal Highway Project and supply of U-drain and RC piles to Bintulu Development Authority.

The major associates within the Division, namely Industrial Concrete Products Berhad, Spirolite (M) Sdn Bhd, Sin Kean Boon Group Berhad and Cofreth Sdn Bhd performed reasonably contributing a lower combined turnover of RM72.33 million (2002: RM80.96 million) and a pre-tax profit of RM3.90 million (2002: RM4.57 million).

The Division is optimistic of improved performance in 2004.



Breakwater at Royal Langkawi Yacht Club using ICP Piles

REVIEW OF OPERATIONS • PLANTATIONS

“IJM Plantations Berhad (IJMP) was listed on the Main Board of the Malaysia Securities Exchange Berhad on 2 July 2003.”

“The good performance in both operating revenue and profitability was attributable to higher commodity prices and increased production.”

“Great pride is taken in the Division in incorporating the basic tenets of sound environmental management and responsibility in its business activities.”



Left to right: P.K. Venugopal (Controller - Agri Services), Ng Chun Yin (Senior Plantation Controller), Ling Ah Hong (Group General Manager - Plantations Division), Velayuthan Tan (CEO & Managing Director - IJMP), Purushothaman a/l Kumaran (Financial Controller), David Sudhir Kumar Das (Group Planting Advisor) & Sia Thiam Teck (Chief Engineer)

As detailed in note 48 to the financial statement, IJM Plantations Berhad (IJMP) was listed on the Main Board of the Malaysia Securities Exchange Berhad on 2 July 2003 by acquiring the listing status of Rahman Hydraulic Tin Berhad. As part of the listing exercise, the Company distributed 148,442,024 IJMP shares to the shareholders of the Company for free by way of capital distribution.

Though the Group's investments in IJMP was diluted from 100% to 49.4% in July 2003, the Division was still able to contribute higher revenue of RM 152.38 million and pre-tax profits of RM34.85 million to the Group, representing increases of 16.70% and 17.11% respectively.

The good performance in both operating revenue and profitability was attributable to higher commodity prices and increased production. Average CPO price for the year moved up to RM 1,522 per tonne (2002: RM 1,358 per tonne), an increase of 12.08% over 2002. Total tonnage of fresh fruit bunches (FFB) processed increased to 619,000 tonnes, a new record for the Division (2002: 472,000 tonnes). The increased tonnage of FFB milled was mainly due to a 27% increase in the Division's own FFB harvested to



Overview of Sugut oil palm estate

335,000 tonnes (2002: 264,000 tonnes) as well as an aggressive purchasing strategy to secure outside fruits. This helped to increase capacity utilisation at all the mills, bringing milling costs down.

Although the increased tonnage of FFB harvested is mainly from the new Sugut region as young palms moved into maturity, crops harvested in the more mature Sandakan region also registered higher yields to exceed an average of 28 tonnes per hectare. The mills maintained good oil and kernel extraction rates to finish the year at average rates of 21.4% and 4.4% respectively (2002: 21.7% and 4.7%).



Harvesting of ripe palm fruits

year of milling, processed 163,000 tonnes (2002: 61,800 tonnes), an increase of 164%. The volume of own crops processed is expected to increase in the coming years as more young areas move into maturity, particularly in the Sugut region.

During the year, the kernel crushing plant with a capacity of 250 tonnes per day commenced operation. It produced some 12,900 tonnes of crude palm kernel oil and 15,700 tonnes of palm kernel expellers.

Adequacy of skilled workers and sustainability of high productivity levels continue to be the main challenges for the Division. These difficulties are mitigated through continuous training of the work

force and structured supervision of workers. To sustain high FFB yield, improved water conservation measures and irrigation have been adopted. Cost efficiency measures will be intensified to realise greater benefit.

Great pride is taken in the Division in incorporating the basic tenets of sound environmental management and responsibility in its business activities. Environment friendly practices in soil and water conservation, mill waste management, integrated pest management, soil conditioning and enrichment, and zero-burning methods are norms and will continue to be so for the Division to ensure long-term sustainable plantation development.

Based on the expectation that favourable palm product prices will continue and higher crop production from the increased area of prime and young palms, the Division is optimistic of good performance for financial year 2004.

At the end of the financial year, the Division had a total land bank of 29,559 hectares (2002: 32,783 hectares) in Sabah, a decrease of 3,224 hectares compared with 2002 due to disposal of an associated company during the year. Of the total land bank, 10,158 hectares are located in the Sandakan region while the remaining areas are in the Sugut region. The Division's estate that had achieved matured status totaled 16,135 hectares while immature hectareage stands at 7,425. Plantable reserves stood at 4,420 hectares as at the end of 2003 and are expected to be planted in the near future.

The Division has a total processing capacity of 135 tonnes of FFB per hour in its three palm oil mills, namely Desa Talisai Palm Oil Mill (DTPOM), Minat Teguh Palm Oil Mill (MTPOM) and Sabang Palm Oil Mill (SPOM). During the year, DTPOM processed 269,000 tonnes (2002: 251,000 tonnes) of FFB, an increase of 7%; MTPOM processed 187,000 tonnes (2002: 159,000 tonnes), an increase of 17%; and SPOM, in its second



Bulk storage facilities, Sugut, Sabah



REVIEW OF OPERATIONS • INFRASTRUCTURE

“As these new investments are just into the first year of operations, the Group anticipates any improvement in earnings in 2004 for this Division to be modest.”



Western Access Tollway in Buenos Aires, Argentina

In 2003, the Division recorded a pre-tax profit of RM4.53 million, a reduction of 85.24% compared to RM30.70 million achieved in 2002 as the 2002 results included the Group's share of exceptional gain of Grupo Concesionario del Oeste S.A. (GCO), amounting to RM25.89 million, arising from inflation adjustments.

In 2003, contribution from the Group's 20.1%-associate in Argentina, GCO, was nominal compared to year 2002 despite higher revenue, due to higher amortisation charge in respect of previously inflation-adjusted fixed assets and higher financial charges. Operational performance continues to improve with traffic growth of 15% seen in 2003. GCO's management is currently in negotiation on some of the terms of its Concession Contract with the Argentine Government and its credit facilities contract with its creditor banks. Further details concerning the Groups investment in GCO are explained in Note 24(b) to the Financial Statements.



Binh An Water Treatment Plant in Ho Chi Minh City, Vietnam

The Group's 36%-associate in Vietnam, Binh An Water Corporation Limited (BAWC) contributed a net profit of RM4.82 million (2002: RM5.24 million). The local water supply company only purchased its contractual volume as it had commissioned a new water treatment plant of its own.



Tada-Nellore Toll, India

Swarna Tollway Pte Ltd, the 35%-associate in India, which is undertaking the privatisation of two highways (along NH5 and NH9, a total of 156 km in length) under a 30-year concession agreement in

Andhra Pradesh state has successfully completed substantially all the construction work by the end of 2003. Tolling of the highways is expected to commence in the second quarter of 2004.

The Group's two 100%-owned Build-Operate-Transfer toll-road projects in India, namely the Rewa-Jaisinghnagar-Shahdol-Amarkantak Road and the Satna-Maihar-Parasi More-Umaria Road, are expected to complete construction in 2004 and commence tolling thereafter. Costs are well within budgets and construction completion in one segment is expected ahead of schedule.

As these new investments are just into the first year of operations, the Group anticipates any improvement in earnings in 2004 for this Division to be modest.

CONCLUSION

After half a decade of ample opportunities and a benign cost environment due to low capacity utilisation following the Asian financial crisis and the slow down in the West, the environment for our core business is turning turbulent and challenging. Some have characterised the environment as one akin to 'white water' rafting conditions. It will be a true test of management skills to navigate through these conditions and perform creditably.

DATUK TAN BOON SENG @ KRISHNAN
CEO & Managing Director

IJM gets nod to sell shares in China

IJM Corp., Malaysia's fourth-largest contractor by market value, became China's second overseas investor after billionaire George Soros to get approval to sell non-tradable shares in a mainland company.

China's stock regulator will let **IJM Overseas Ventures Sdn Bhd** trade 45 million shares of **Guangdong Provincial**

China said in August 2002 it would consider applications to convert untradable stock to market shares.

Soros, allowed to trade his 14.8 per cent stake in **Hainan Airlines Co** since Jan 30, hasn't sold.

IJM's shares in the Chinese toll road operator will **IJM secures project in India**

India ops set to add 30% to IJM revenue

BY KENNETH CHOW

IJM Corp Bhd expects its business operations in India, which include road infrastructure and property development, to contribute 20% - 30% of group turnover next year.

The company, which is involved mainly in highway construction projects in India, has announced contracts worth RM400m to be completed within the next two to three years.

The annual accounts for the third of July came under local scrutiny with RM1.25b, according to equity group managing director Chin Chee Ewe, who said projects in India contributed 15% of group revenue last year.

The amount is expected to

He said **IJM** planned to add about 2,000 houses in Andhra Pradesh over the next five years. The project has great developmental value of approximately RM100m.

"We hope to expand the project in Andhra Pradesh in view of the initial success," he added.

Elsewhere, the company recently entered into a Memorandum of Understanding with the authorities in Punjab to conduct a feasibility study on the development of a toll-free integrated township project.

"Preliminary studies indicate that the project has very good potential," **IJM** said, adding that development would likely create many jobs for Indians and high-tech local development.



enormous
essays
19.3
18.1
positi

IJM Corp Bhd has secured a project to develop a 13,88ha township in Hyderabad, India.

Its subsidiary, **IJM (India) Infrastructure Ltd (IIMIL)**, entered into an agreement with the Andhra Pradesh Housing Board (APHB) to jointly develop the integrated township.

IJM announced to the Kuala Lumpur Stock Exchange on Thursday that the project's estimated gross development value is at RM214 million with a two-year development period.

IIMIL is a 95.5 per cent subsidiary of **IJM (India) Infrastructure Ltd**, which is a wholly-owned subsidiary of **IJM Investments (M) Ltd**, which in turn is a wholly-owned subsidiary of **IJM**.

IIMIL and **APHB** will use Swarnandhra-IIMIL Integrated Township Development Co Private Ltd as the 51:49 joint venture company to undertake the development.

IJM said the transaction will not have any significant effect on the company's earnings or net tangible assets per share of the company for the financial year ending December 31, 2003.

The proposed development is pending the approval of the State Government of Andhra Pradesh, **IJM** said. **IJM** also said that it will

the amount of an estimated 25% of the total land area in the township.

The proposed township, which is a 13,88ha township, is a 51:49 joint venture company to undertake the development.

IJM said the transaction will not have any significant effect on the company's earnings or net tangible assets per share of the company for the financial year ending December 31, 2003.

The proposed development is pending the approval of the State Government of Andhra Pradesh, **IJM** said. **IJM** also said that it will

the amount of an estimated 25% of the total land area in the township.

The proposed township, which is a 13,88ha township, is a 51:49 joint venture company to undertake the development.

IJM said the transaction will not have any significant effect on the company's earnings or net tangible assets per share of the company for the financial year ending December 31, 2003.

IJM aims to finish India jobs on time

IJM has completed the construction of the toll road project in Andhra Pradesh, India, and is now preparing for the tolling of the highway.

The company, which is involved in highway construction projects in India, has announced contracts worth RM400m to be completed within the next two to three years.

The annual accounts for the third of July came under local scrutiny with RM1.25b, according to equity group managing director Chin Chee Ewe, who said projects in India contributed 15% of group revenue last year.

The amount is expected to

He said **IJM** planned to add about 2,000 houses in Andhra Pradesh over the next five years. The project has great developmental value of approximately RM100m.

"We hope to expand the project in Andhra Pradesh in view of the initial success," he added.

Elsewhere, the company recently entered into a Memorandum of Understanding with the authorities in Punjab to conduct a feasibility study on the development of a toll-free integrated township project.

"Preliminary studies indicate that the project has very good potential," **IJM** said, adding that development would likely create many jobs for Indians and high-tech local development.

The proposed development is pending the approval of the State Government of Andhra Pradesh, **IJM** said. **IJM** also said that it will

the amount of an estimated 25% of the total land area in the township.

The proposed township, which is a 13,88ha township, is a 51:49 joint venture company to undertake the development.

CORPORATE GOVERNANCE STATEMENT



The Malaysian Business Corporate Governance Award 2002, the KLSE Corporate Merit Award (Construction Sector) 2002 & 2003, Euromoney's top 20 ranking in corporate governance in the world's emerging markets for 2003, the National Annual Corporate Report Award 2003 (Construction and Infrastructure Project Companies) ... are testimonies to IJM's firm commitment to exemplary corporate governance.

The founders of this Group recognised that high standards of corporate governance are imperative to safeguard the interests of all stakeholders' and to enhance shareholders' value. Long before the promulgation of the Malaysian Code of Corporate Governance ("the Code"), companies in the Group had established the basic framework of good corporate governance practices within its organisation and operations. Thus, with the introduction of the Code, the formalisation of these practices were not difficult to achieve.

The Board of Directors ("the Board") fully supports and is committed to ensuring that the highest standards of corporate governance are practised throughout the Group. The Board continues to encourage professionalism, integrity and good governance as the way forward for the Group to provide an environment for good performance by its people and provide its shareholders with better returns.

DIRECTORS

The Board

An effective Board leads and controls the IJM Group. The Directors are professionals in the field of engineering, finance, accounting, economics, or experienced senior civil administrators. Together, they bring a wide range of technical skills and relevant business 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 15 to 17.

The Board is primarily responsible for the Group's overall strategic plans, business performance, succession planning, risk management, investor relations programs, internal control and management information systems. While the Board is responsible for creating the framework and policies within which the Group should be operating, the management is accountable for the execution of the expressed policies and attainment of the Group's expressed corporate objectives. This demarcation reinforces the supervisory role of the Board.

There is a balance of executive, non-executive and independent non-executive Directors. This ensures 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. Of the ten Board members, seven are non-executive Directors. Amongst the non-executive Directors, four (4) are independent. The Chairman is one of the independent non-executive Directors. Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor is the Senior Independent Non-Executive Director.

The role of the Chairman and the Chief Executive Officer & Managing Director (CEO & MD) are distinct and separate; the non-Executive Chairman avails himself to provide clarifications on issues that are raised by shareholders and investors, ensuring the integrity and effectiveness of the governance process of the Board. The Chairman also maintains regular dialogues with the CEO & MD on all operational matters, and acts as facilitator at the meetings of the Board. The CEO & MD is responsible to duly ensure execution of strategic goals, effective operation within the Group, and to explain, clarify and inform the Board on matters pertaining to the Group.

The Board has at least four (4) regularly scheduled meetings annually, with additional meetings convened as and when necessary. In 2003, 5 Board meetings were held. Besides these Board meetings, Directors participated in several tender adjudication meetings and investment briefings where members deliberated on the Group's participation in major project bids and/or investments. Informal meetings and consultations are frequently and freely held to share expertise and experiences. Directors also attend the 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.

The attendance record of each Director was as follows:

	Number of Meetings Attended	Percentage
Executive Directors		
Dato' Tan Boon Seng @ Krishnan	4 out of 5	80%
Goh Chye Koon	5 out of 5	100%
Soo Heng Chin	5 out of 5	100%
Velayuthan a/l Tan Kim Song (<i>Retired on 21 May 2003</i>)	2 out of 2	100%
Independent Non-Executive Directors		
Tan Sri Dato' Ir (Dr) Wan Abdul Rahman bin Wan Yaacob	5 out of 5	100%
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	5 out of 5	100%
Datuk Oh Chong Peng	5 out of 5	100%
Datuk Yahya bin Ya'acob	5 out of 5	100%
Tan Sri Dato' (Dr) Haji Ahmad Azizuddin bin Haji Zainal Abidin (<i>Resigned on 28 February 2003</i>)	1 out of 1	100%
Non-Executive Directors		
Dato' Goh Chye Keat	5 out of 5	100%
Dato' Ismail Bin Shahudin (<i>Appointed on 30 October 2003</i>)	*Exempted	-
Lai Meng (<i>Resigned on 30 September 2003</i>)	3 out of 3	100%
Haji Osman bin Haji Ismail (<i>Resigned on 30 January 2004</i>)	5 out of 5	100%
Abd Hamid bin Othman (<i>Appointed on 25 March 2004</i>)	-	-

* Leave of absence approved by MSEB on 24 December 2003.

CORPORATE GOVERNANCE STATEMENT *(Continued)*

The Company may from time to time use the services of retired executive Directors for specific roles in the Company's operations for specific periods. These Directors are paid remuneration for their services.

The Board has delegated certain functions to the Committees it established to assist in the execution of its responsibilities. The Committees operate under clearly defined terms of reference. The Chairman of the respective Committees report to the Board the outcome of the Committee meetings and such reports are included in the 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 and relevant departmental heads.



The Executive Committee meets monthly to review the performance of the Group's operating divisions

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

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

Eleven (11) Executive Committee meetings were held during the year 2003. The attendance record of each member of the Committee was as follows:

Executive Directors	Number of Meetings Attended	Percentage
Dato' Tan Boon Seng @ Krishnan	11 out of 11	100%
Goh Chye Koon	10 out of 11	91%
Soo Heng Chin	10 out of 11	91%
Velayuthan a/l Tan Kim Song (Ceased w.e.f. 21 May 2003)	3 out of 4	75%

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. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob, Y. Bhg. Datuk Yahya bin Ya'acob and Y. Bhg. Datuk Oh Chong Peng. The terms of reference and summary of activities of the Audit Committee are set out on pages 52 to 55.

3. Nomination & Remuneration Committee

The Nomination & Remuneration Committee comprises four members. Three of the members are independent non-executive Directors, namely Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor (Chairman), Y. Bhg. Tan Sri Dato' Ir (Dr) Wan Abdul Rahman bin Wan Yaacob and Y. Bhg. Datuk Yahya Bin Ya'acob. The other member is 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 2003, three (3) meetings were held. All recommendations of the Nomination & Remuneration Committee are subject to the ratification 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 Y. Bhg. Dato' Tan Boon Seng @ Krishnan (Chairman), Mr Goh Chye Koon and Mr Soo Heng Chin.

5. ESOS Committee

A new ESOS Committee was established on 30 October 2003 and is responsible for implementing and administering the new 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 Soo Heng Chin.

CORPORATE GOVERNANCE STATEMENT *(Continued)*

Supply of Information

All Directors are provided Board reports prior to the Board meeting. As a general rule, Board reports are circulated to the Directors ahead of the scheduled meetings to give them the opportunity to seek clarification or additional information on the financial performances of entities and business units, and other issues which may require discussion and decision.

Amongst others, the reports provide information on major operational, financial and corporate issues, reports and/or minutes of Board Committees such as Executive Committee, Audit Committee, Nomination & Remuneration Committee, ESOS Committee and Share Committee, 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 and disclosure of interests of Directors in contracts, property, offices pursuant to Section 131 of the Companies Act, 1965 ("the Act").

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 are also invited and do attend the semi-annual Senior Management Dialogue wherein operational review and management strategies are presented and discussed.

The Directors are also notified of any corporate announcements released to the MSEB. They are also informed of the impending restriction in dealing with the securities of the Company at least one month prior to the release of the quarterly financial result announcement.

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

All Directors have access to the advice and services of a full time Company Secretary appointed by the Board. The Company's Directors' Manual, MSEB Listing Manual, the Malaysian Code of Corporate Governance, Statement on Internal Control: Guidance for Directors of Public Listed Companies and Code of Ethics for Directors and Secretaries, updates on company and securities legislations, and other relevant rules and regulations have been made available to the Directors.

Appointments to the Board

The Nomination & Remuneration Committee is responsible for making recommendations to the Board, including those of subsidiaries and associated companies. In making these recommendations, the Nomination & Remuneration Committee considers the required mix of skills and experience, which the Directors should bring to the Board. Directors are informed and aware 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 MSEB. Directors also receive further training from time to time, particularly on relevant new laws and regulations and changing commercial risks. A brief induction 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. In 2003, a Board meeting was held at our Indian office and the Directors took the opportunity to visit several of the Group's on-going projects there.

Re-election

The Articles of Association provides that all Directors submit themselves for re-election at least every three (3) years in compliance with the listing requirements of the MSEC. The Articles of Association of the Company also provide that one third of the Board shall retire from office and be eligible for re-election at every Annual General Meeting.

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

REMUNERATION

The remuneration policy of the Company is based on the philosophy that the Group does not aspire to be a market leader for basic salary but will give a heavy weightage on performance-related bonuses. These are entrenched in the remuneration policy for Executive Directors.

The Nomination & Remuneration Committee reviews annually the remuneration policy for Executive Directors to ensure that they are rewarded appropriately for their contributions to the Group's growth and profitability.

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

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

The 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.

Fees

Fees payable to non-executive Directors are determined by the Board with the approval from shareholders at the Annual General Meeting. Fees are fixed and variable, and are payable based on meeting attendances and the Director's level of responsibility within the Board and its Committees.

Basic Salary

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



Chairman Tan Sri Wan, CEO Dato' Krishnan Tan & Secretary Jeremie Ting with the MSEC Corporate Merit Award (Construction Sector)

CORPORATE GOVERNANCE STATEMENT *(Continued)*

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.

Benefits-In-Kind

Other customary benefits (such as private medical care and car) are made available in accordance with the guidelines laid out in the IJM Scheme & Conditions of Service.

Pension Arrangements

Contributions are made to the Employees Provident Fund, the national mandatory defined contribution plan, in respect of all employees and Malaysian-resident executive Directors. In addition, all employees and 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 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 Group also rewards its staff with share options under its Employee Share Option Scheme. During the year, a new scheme was established. Options for up to 36.75 million shares were, however, granted in 2004.

The movement in Directors' warrants during the financial year ended 31 December 2003 are set out on page 23.

Directors' Remuneration

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

- Aggregate remuneration of Directors categorised into appropriate components:

	Salaries RM'000	Fees RM'000	Bonus, Incentives & Others RM'000	Retire- ment Benefits RM'000	EPF RM'000	Benefits - in-kind RM'000	Total RM'000
Executive Directors	1,252	-	1,199	79	449	52	3,031
Non-executive Directors	-	190	26	-	-	44	260

- Aggregate remuneration of each Director:

Executive Directors

Name	RM'000
Dato' Tan Boon Seng @ Krishnan	1,172
Goh Chye Koon	1,023
Soo Heng Chin	497
Velayuthan a/l Tan Kim Song <i>(Retired on 21 May 2003)</i>	339

Non-Executive Directors

Name	RM'000
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	47
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	62
Datuk Oh Chong Peng	16
Datuk Yahya Bin Ya'acob	25
Dato' Goh Chye Keat	26
Tan Sri Dato' (Dr) Haji Ahmad Azizuddin bin Haji Zainal Abidin (<i>Resigned on 28 February 2003</i>)	66
Lai Meng (<i>Resigned on 30 September 2003</i>)	18
Haji Osman Bin Haji Ismail (<i>Resigned on 30 January 2004</i>)*	-
Abd Hamid Bin Othman (<i>Appointed on 25 March 2004</i>)	-

*A fee of RM18,000 was paid to Permodalan Nasional Berhad ("PNB") as Haji Osman Bin Haji Ismail was a nominee Director of PNB

INVESTOR RELATIONS & SHAREHOLDERS COMMUNICATION

Dialogue between the Company and Investors

The Company places great importance in ensuring the highest standards of transparency and accountability in the disclosure of information of interest to its shareholders as well as to potential investors or even the public.

Various announcements and disclosures to the MSEB made during the year, including the timely release of financial results on a quarterly basis, provide shareholders and the investing public with an overview of the Group's performance and operations.

At every Annual General Meeting, a presentation is given by the CEO & MD to explain the Group's strategy, performance and major developments to shareholders. Any information that may be regarded as material would not be given to any single shareholder or shareholder group on a selective basis except to the extent of their representation in the Board.

The Group conducts dialogues with financial analysts from time to time as a means of effective investors relations. At least two scheduled Analysts Briefing are held each year, usually co-inciding with the release of the Group's second and final quarterly results to explain the results achieved and the strategies going forward. A Press conference is normally held after the Annual General Meeting of the Company. The Company had also participated in many institutional investors' forums during the financial year both locally and outside Malaysia.



CEO Dato' Krishnan Tan giving a company briefing to analysts

CORPORATE GOVERNANCE STATEMENT *(Continued)*

The Annual Report contains commentaries on business, financial and operational aspects of the Group's performance, a brief description of the Group's services and products and the financial statements of the Group. In addition, the Group has established a very comprehensive and current website at <http://www.ijm.com> to further enhance investor relations and shareholders communications, including their access to information about the Company and the Group. Among others, the website provides information on daily movement of the securities of the Company, corporate announcements released to the MSEB, what others say of the Company, annual reports, Minutes of general meetings, distribution of dividends, unclaimed dividends, securities dealings of Directors and substantial shareholders, and a profile of the Group.

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 CEO & MD 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 Board aims to present a balanced and understandable assessment of the Group's position and prospects. This also applies to other price sensitive public reports and reports to regulators.

Directors' Responsibility Statement

The Directors are required by the Act to prepare the financial statements for each financial year in accordance with the applicable approved accounting standards to 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:

1. used appropriate accounting policies which are consistently applied;
2. made judgements and estimates that are reasonable and prudent;
3. ensured that all applicable accounting standards have been followed; and
4. 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 fraud and other irregularities.

Internal Control

The Group's Internal Control Statement is set out on pages 56 and 57.

Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is set out on pages 52 to 55.

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



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



GROUP SUPPORT SERVICES

Seated left to right: Velaigam a/l Doraisamy (Senior Manager - Legal), Loy Boon Chen (Finance Director) & Jeremie Ting Keng Fui (Company Secretary)
Standing left to right: Woo Wee Weng (Manager - Information Systems), Wong Wai Li (Manager - Human Resource & Administration),
Devaraj Govindarajoo (Senior Manager - Business Development) & Ng Yoke Kian (Manager - Corporate Services)

AUDIT COMMITTEE REPORT

Membership and Meetings

The Audit committee met on five (5) occasions during the year 2003 and the attendance of each member of the Audit Committee is as follows:

	No. of meetings held during the year	No. of meetings attended
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor Chairman of the Audit Committee (Senior Independent Non-Executive Director)	5	5
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob Member (Independent Non-Executive Director)	5	5
Y. Bhg. Datuk Yahya bin Ya'acob Member (Independent Non-Executive Director)	5	5
Datuk Oh Chong Peng Member (Independent Non-Executive Director)	5	5

Activities

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

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

Internal Audit Function

The main role of the Internal Audit Department 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 management.

The IAD adopts a risk-based auditing approach taking into account global best practices and industry standards.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Membership

The Audit Committee shall be appointed by the Board of Directors from amongst the Directors and shall consist of not less than three members. The 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:
 - (a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (b) 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.
- (iii) (a) must have a degree/masters/doctorate in accounting or finance and at least 3 years' post qualification experience in accounting or finance; or
- (b) must have at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.

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



MEMBERS OF THE AUDIT COMMITTEE

Left to right: Datuk Oh Chong Peng, Tan Sri Dato' Ir (Dr) Wan Abdul Rahman Bin Wan Yaacob, Tan Sri Dato' (Dr) Haji Murad Bin Mohd Noor, Datuk Yahya Bin Ya'acob

AUDIT COMMITTEE REPORT *(Continued)*

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 and management being 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.



*Lyndon Alfred Felix,
Head of Internal Audit
Department*

Duties

- 1) To review quarterly reporting to Malaysia Securities Exchange Berhad ("MSEB") and year end financial statements of the Group before submission to the Board, focusing on:
 - (i) going concern assumption;
 - (ii) any changes in accounting policies & practices;
 - (iii) significant issues arising from the audit;
 - (iv) compliance with accounting standards, regulatory and other legal requirements; and
 - (v) major judgmental areas.
- 2) To consider the nomination and appointment of external auditors, as well as their audit fee.
- 3) To consider any letter of resignation from the external auditors, and any questions of resignation or removal.
- 4) To discuss with the external auditors, prior to the commencement of audit, their audit plan, which states the nature of the audit, and to ensure co-ordination of audit where more than one audit firm is involved.
- 5) To review with the external auditors, their evaluation of system of internal controls, their management letter and the management's response.
- 6) To review the assistance given by the employees of the Company to the external auditors.

- 7) To review the following in respect of internal audit:
 - (i) 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 plan and programme,
 - (iii) the major findings of internal audit investigations and management's responses, and ensure appropriate actions are taken on the recommendations of the internal audit function.
 - (iv) assessment of the performance of the staff of the internal audit function.
 - (v) appointment or termination of senior staff members of the internal audit function.
 - (vi) resignations of internal audit staff members and provide resigning staff member an opportunity to submit his/her reason for resignation.
- 8) To consider the major findings of internal investigations and management's response.
- 9) 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.
- 10) To review the reports of the Risk Management Committee in relation to the adequacy and integrity of the Group's internal control system.
- 11) To review all prospective financial information provided to the regulators and/or the public.
- 12) To report promptly to the MSEC on any matter reported by it to the Board of Directors, which has not been satisfactorily resolved resulting in the breach of the MSEC Listing Requirements.
- 13) To consider other matters as may be directed by the Board from time to time.

INTERNAL CONTROL STATEMENT

Responsibility

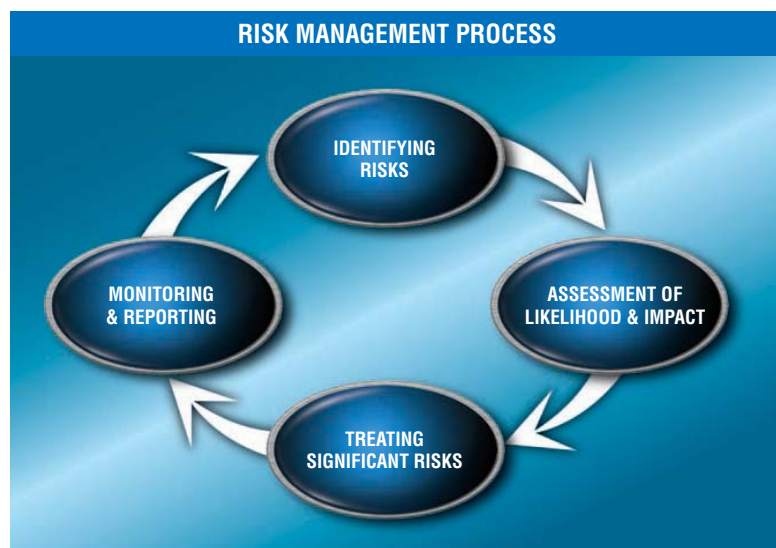
The Board of Directors recognises the importance of sound internal control and risk management practices to good corporate governance. The Board affirms its overall responsibility for IJM Group's systems of internal control and risk management, and for reviewing the adequacy and integrity of those systems. 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 such systems can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Group has put in place an ongoing risk management process of identifying, documenting, evaluating, monitoring and managing significant risks affecting the achievement of its business objectives.

Risk management framework

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

The Group has put in place a Risk Management Committee (RMC), which is chaired by the Group's Finance Director and includes representatives from all the divisions. Each business division's risk management function is led by the respective head of divisions. The RMC is tasked to develop and maintain an effective risk management system in the Group. Its reviews cover matters such as responses to significant risks identified, changes to internal control systems and output from monitoring processes. It reports regularly to the Audit Committee, which dedicates separate time for discussion of this subject.



The Group's risk management system has been developed with the help of external experts. Risk assessment and evaluation take place as an integral part of the annual strategic planning cycle. Having identified the risks to achievement of their strategic, financial, operational and other business objectives, each business or functional unit is required to document the management's mitigating actions for each significant risk. New areas are introduced for assessment as the business risk profile changes.

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

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 utilisation and cash flow performance;
- a detailed budgeting process where operating units prepare budgets for the coming year which are approved both at divisional 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.

During the year, all the Divisions within the Group have carried out their annual reviews on their risk profiles and accordingly certain changes to the risk management and internal control process have been made. The changes were reviewed by the RMC and were subsequently reported to the Audit Committee.

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



RISK MANAGEMENT COMMITTEE

Left to right: Raw Koon Beng (Manager - Accounts), Pang Sek Loh (Senior Manager - Technical), Siva Kumar a/l Rajappan (Manager - Quality Systems), Loy Boon Chen (Finance Director), Low Hong Imm (Manager - Accounts & Finance), Tan Hock Chien (Manager - Accounts) & Md. Ghazali Bin Ali (Construction Manager) Not in picture: Khoo Kah Hock (Manager - Finance)

STATEMENT ON QUALITY

Journey Towards Excellence Through Quality

The IJM Group has built a reputation for quality products and services deeply rooted in its motto “Excellence Through Quality”. It is the Group’s objective to seek continuous improvement in its quality standards to ensure that the Group’s products and services find strong acceptance from clients and continues to remain successful in business.

Policy on quality

It is IJM Group’s policy that:

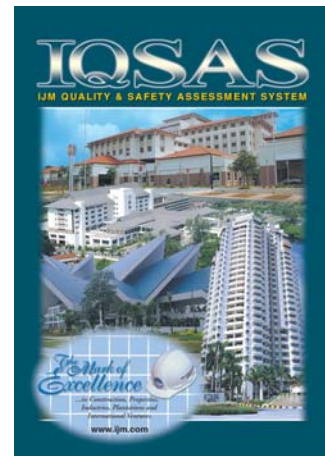
1. All projects and services undertaken will be implemented in such a manner that they exceed customer’s expectation.
2. The quality of the final products and services will be improved through continuous review and advancement of construction processes and quality assurance system.
3. The skills of our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

IJM Quality and Safety Assessment System (“IQSAS”)

The Group has developed a Quality Management System that was first certified ISO 9002:1994 in 1996. Since then, the Group has successfully renewed its certification every year.

To reaffirm its commitment towards “Zero Defects”, the Group has developed a standard known as IJM Quality & Safety Assessment Assurance System (“IQSAS”). IQSAS is a self-regulated assessment system of procedures and testing methods in which standards are set out for various quality and safety aspects of the building construction such as structures, architecture, and mechanical and engineering works.

In an environment of poorly trained and a transient migrant workforce, the introduction of IQSAS is intended to enable the Group to further enhance the quality and safety performance standards in its building projects.



Continuous Quality Improvement

The Group is committed to providing a high level of end product quality – its *Mark of Excellence*. Continuous process towards maintaining a culture of “Excellence Through Quality” is, therefore, accorded high priority. Among the activities for the year included:

1. Enhancement of Quality Manual by introducing flow chart conceptualised procedures;
2. Introduction of Quality System Department’s (QSD) manuals in the Group’s server system for easy accessibility by all staff;
3. Incorporation of Quality Policies and Procedures in the Project Manager Handbook;
4. Expansion of scope of IQSAS to cover Civil Works
5. Staff development through regular training – both in-house and external seminars; and
6. Knowledge-sharing concept via a defects database analysis system

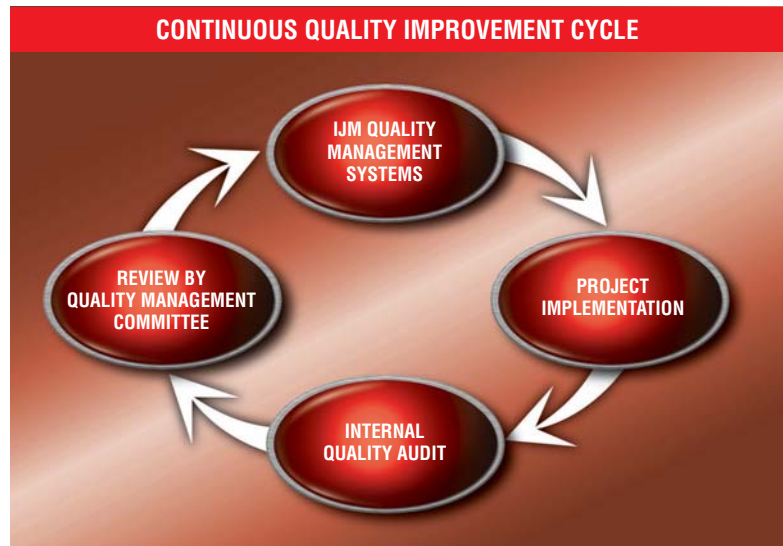


Pull-off test for internal wall tile

IJM projects’ quality management systems are continuously assessed through internal quality audits conducted by auditors from QSD. Each project and relevant Head Office department is normally audited twice a year. During the year, 31 audits were carried out.

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

The Group also has a Quality Award competition where the projects are assessed annually from the Civil and Building categories. The projects are assessed on ten major criteria, including an independent survey based on customers' feedback. The project with the highest score in each of the Civil and Building categories is rewarded with the QMC Chairman's Trophy and prize money, and enhanced bonuses for project staff.



Winners of the 2003 Quality Awards...



...Civil category: Butterworth Outer Ring Road



...Building category: Riana Green Phase 4

ISO Certification

The Group aims for all its businesses to strive towards ISO 9000 certification. IJM Properties Sdn Bhd became the latest company to join the Group's stable of ISO-certified companies when it was successfully audited for the implementation of MS ISO 9001:2000 certification on 10 December 2003.

To date, the companies within the Group which have attained the ISO certification are as follows:-

1. Strong Mixed Concrete Sdn Bhd
2. IJM Corporation Berhad
3. IJM Construction Sdn Bhd
4. Prebore Piling & Engineering Sdn Bhd
5. IJM Building Systems Sdn Bhd
6. IJM (India) Infrastructure Sdn Bhd
7. IJM Properties Sdn Bhd

Annual Survey

Annually, survey forms are sent to clients or clients' representatives for projects undertaken to invite feedback on IJM's performance. The feedback is then used to chart future steps to improve the quality of service so as to enhance customer satisfaction.

STATEMENT ON SAFETY AND HEALTH

The Group's motto "Health, Safety and Environment is Everyone's Responsibility" has been the guiding principle for the Group's attempts to inculcate into its work culture the need to maintain and enhance a high level of safety, occupational health and environmental awareness.

The high importance placed on system and process for the prevention of injury and occupational hazards to its employees and the public when carrying out its business activities was tested and certified by SIRIM in November 2000 when the OSHAS 18001:1999 certification was issued to IJM Corporation Berhad and IJM Construction Sdn Bhd. These companies became the first two Malaysian companies in the construction industry to be conferred with this internationally recognised certification. The Group has successfully maintained this certification since then.

Safety and Health Policy

It is IJM Group's policy to create awareness among its employees on collective responsibility for the prevention of injuries and occupational health hazards and the assurance of public safety when carrying out its business activities. Concerted efforts are continually being made to ensure pre-emptive measures are being carried out at all locations of the Group's operations.

Human Resources Minister Datuk Dr. Fong Chan Onn's visit to Putrajaya Convention Centre...



...presenting a certificate to Project Manager Chan Foo Kheong for achieving one million hours without lost time injury...



...and inspecting one of the safety aspects

Strategies to implement safety and health policy

The following strategies were drawn up to implement the policy:

- Compliance with all applicable legislative requirements;
- Commitment to achieve higher standard of compliance;
- Increase awareness and accountability of employees at all levels vis-à-vis their responsibility in ensuring safety and health;
- Provide information, training and facilities to every employee and interested parties;
- Monitoring 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 Head Office for the purpose of:

- assisting the development of safety and health rules and a safe system of works;
- reviewing the effectiveness of existing safety and health programmes;
- carrying out investigations on the trends of accidents, near-miss accidents, dangerous occurrences, occupational poisoning or occupational diseases, if any, which occurs at the work place and recommends immediate corrective actions, and
- reviewing the safety and health policies at the place of work and make recommendations to management if such practices were inconsistent with established policies.

The SHC conducts regular inspection of work sites and meetings are held at least once a month to confer and highlight possible improvement to existing level of safety and health.

A copy of the "Occupational Health and Safety Manual and Procedure" is given to every project site and department. The manual was formulated by the Safety and Health Department ("SHD") and is endorsed by the Group's Occupational Health and Safety Management Committee ("OHSMC"). Prior to the execution of its construction works, each project is required to put up their respective Project Safety and Health Plan ("PSP"). The implementation of this plan is to ensure the Group observes and complies fully with Occupational Safety and Health Act, 1994.

The OHSMC comprises senior managers from various operating units, representatives from safety and health committee ("SHC") and is headed by the Chief Executive Officer and Managing Director. The OHSMC meets periodically to review the operations of the safety and health management systems to ensure the effectiveness of the occupational safety and health at work site.



CEO Dato' Krishnan Tan presenting the Safety Award to French Castle's Project Manager, Leong Chan Fatt

During the year, the SHD carried out a total of 30 safety and health audits, covering all existing active projects. Where necessary, corrective and preventive actions are recommended and actions are taken to rectify any identifiable weakness or deficiency.

A Safety Award competition is organised annually to further promote occupational health and safety awareness. Projects with the highest score in each of the identified category are rewarded

with a trophy, prize money and enhanced bonuses for the project staff.

IJM Health and Safety Assessment Systems (IHSAS)

In line with its efforts to further improve upon the safety aspects of all of its activities, the Group has developed the IJM Health and Safety Assessment Systems (IHSAS). IHSAS is a self-regulated assessment system of procedures and testing methods in which standards are set out for various safety aspects of construction works undertaken, including Foundation and Piling, Building and Civil Engineering.

IHSAS is formulated based on the OHSAS 18001 standards and all other relevant applicable laws such as the Occupational Safety and Health Act, 1994 and the Factories and Machinery Act, 1967.

Training

In its endeavour to achieve "Zero Accident", IJM employees undergo regular safety and health management systems training which are organised both internally and externally. Induction training is also organised for all new employees or workers joining the Group, including regular safety and health talks conducted by the SHD. During the year, SHD introduced new training programs such as the Hazard Identification, Risk Assessment and Risk Control (HIRARC) and Chemical Handling.

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 structures in the rapidly expanding IJM Group.

The Group constantly monitors areas of environmental concern with the view of taking pre-emptive measures to prevent irreversible damage to the environment. Sensibly designed environmental management systems are, therefore, a pre-requisite for efficient environmental control.

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

- how arising environmental issues will be addressed during engineering design, and
- how environmental protection and mitigation measures are to be implemented from construction to operational phases, where applicable.

The main components of an EMP incorporate the following items:

- **Project Description:** Outline of project features, components and major development activities during construction.
- **Environmental Impact:** Summary of potential environmental impacts and their significance. The area of impacts encompasses air, noise and water quality vis-à-vis their effects to human and ecology.
- **Amelioration:** Identifying specific measures to be applied in order to control or ameliorate potential adverse impacts and, in the case of amelioration, the extent to which the measures taken will reduce the adverse impact.
- **Monitoring:** Devise programmes to monitor the identified potential impacts and effects, thereby the effectiveness of proposed amelioration measures are assessed.



Noise level testing

Environmental Monitoring and Compliance Report

Environmental monitoring is continually being carried out at project level, often with the help of external consultants. The purpose of monitoring is to evaluate the effectiveness of mitigating measures undertaken to ensure adverse environmental effects are kept to a minimum. The main areas under environmental monitoring include environmental management system, air quality control, erosion, sediment and flood control, traffic control, waste management, water quality control, noise level control, sewage effluent and sanitary facilities, and other ecological issues.

Environmental audit is regularly conducted and the findings thereof are used to compile the Environmental monitoring and Compliance Reports which generally incorporate the following elements:

1. Analysis of results derived from environmental studies;
2. Evaluation of the anticipated environmental impacts and the effectiveness of the implemented amelioration measures;
3. Report on work status on the implementation of amelioration measures;
4. Status of compliance to approved standards and/or regulatory requirements;
5. Recommendations for further action, if any.

The report is intended to provide the contractor and/or relevant authorities with feedback on the status of the EMP implementation including an assessment on effectiveness. Due recognition is given to its recommendation and necessary actions are taken where non-compliance report has been filed.

Protection of Environment in the Plantations

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 the environment and conserve soil, water, nutrient and carbon;
- Implement processes for total compliance with relevant laws, regulations and standards on environment;
- Monitor effectiveness of implementation and compliance.

The Plantation Division has undertaken various environment friendly practices to protect the environment. These include:



Good cover of legumes for soil and water conservation

- **Soil and water conservation:**

Soil erosion is minimised during plantation development by the quick planting of leguminous cover crops. In established plantation, a policy of retaining as much plant cover as practicable helps prevent soil loss and conserves moisture. Where the terrain requires it, contour terraces are constructed to serve the same purposes. Strategic locations at higher ground are identified where dams are constructed to collect water from natural water sources such as streams and rains for irrigating the fields during dry weather conditions.

- **Mill waste management:**

Subject to approval from the relevant authorities, treated mill effluents from our mills are used to irrigate plantation fields. As the effluents are organic, they enrich the soil by encouraging soil microbial activities. This practice reduces the usage of inorganic fertilisers. The added advantage is that the yield of fresh fruit bunches have improved significantly.

In addition to mill effluents irrigation, the plantation also uses bunch ash to replace potash fertiliser, empty fruit bunches as a soil conditioning mulch, and dried decanter solids as a soil ameliorant in areas with iron-rich soils.

- **Integrated Pest Management:**

Where practical, beneficial plants such as *Cassia Cobanensis* are grown within the plantation. This plant is known to be a good food source for insects that prey on oil palm pests. The presence of the beneficial plants encourages the breeding of these beneficial insects and helps to keep pest numbers low. Certain chemical pesticides are now avoided with the use of biological control on palm pests.

- **Soil Conditioning and Enrichment:**

For soil conditioning, shredded empty fruit bunches (EFB) are used to reduce water stress on the palms caused by less favorable soil conditions, such as the sandy materials. It also contributes organic materials and natural nutrients upon decomposing. Therefore, EFB, when used as topsoil covers, retains moisture in addition to the nutrients.

To improve the soil, the Plantation Division uses legume as cover establishment during the early stages of the palm's growth to prevent the growth of undesirable plants that may compete for nutrient and sunlight. Established legumes also contribute organic matters, nutrients and soil aeration that will prevent pest proliferation, soil erosion and improve soil quality.

- **Zero – burning approach:**

The Plantations Division has adopted a policy of zero-burning in all of its replanting programmes.

The Plantations Division's Quality, Training and Research Centre constantly monitor the compliance and the development of new practices to enhance the environment management practices in all the oil palm plantations of this Division.

RESEARCH & DEVELOPMENT, AND INNOVATION

IJM recognises that it operates in a competitive environment. Better products and services produced at lower costs and greater speed are vital to stay ahead of the competition.

Our culture of producing quality and innovative products and services will continue to be our foundation for growth. We will continue to allocate our resources in a synergistic manner to eliminate duplication, to benchmark our processes against the highest international standards and to embrace the state-of-the-art technology to stay ahead. Dedicated investment in research and development, and developing innovative approaches will be the key to our sustainable growth in businesses. We will move forward with an awareness that we can continue to shape and assure our future only by practising the art of constant reengineering and invention, and producing higher quality products through investment in research and development.

Construction Innovation and Excellence

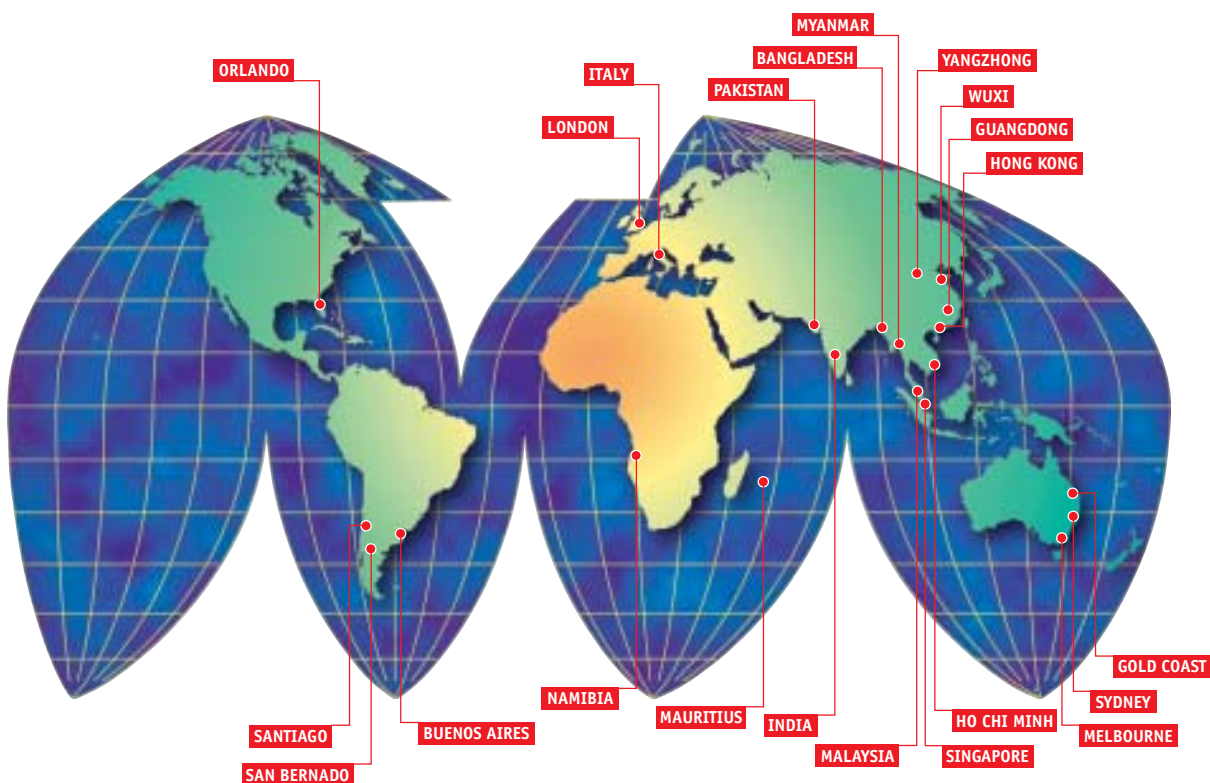
The Group has established itself as a leading player in the construction industry, particularly through innovatively designed and quality construction works

carried out in the shortest possible time. We believe in harnessing the latest tools and technologies to create products and to build structures speedily and efficiently to the highest quality standards which meet today's needs and serve the needs of the country well into the future.

Constructing the RM603 million Putrajaya Convention Centre (PCC) on turnkey basis within 22 months required intensive planning, coordination and execution. Sophisticated state-of-the-art equipment require integration to function in a seamless fashion. All these mean new construction methods for speed, new skills for systems integration and so forth. A world class landmark, the PCC will be a symbol of IJM's ability to harness its multi disciplinary skills and capabilities to produce world class buildings. Each new turnkey project is a test of our skills to innovate, use new technologies and products and deliver a quality end-product with ever shortening construction periods.

We have established ourselves as an international player in the construction and construction-related industries. We have set foot in many countries. We were among the first Malaysian contractors to venture

OUR FOOTPRINTS IN THE WORLD



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 BOT water treatment plant concession in Vietnam when few investors were looking there. We also have the distinction of becoming the first Malaysian company to embark on a privatised housing scheme in India besides leading the first consortium of Malaysian construction companies to undertake the BOT highway project in India. In each of these markets, new skills are required to adapt to local conditions, cooperate effectively and deliver on the promises expeditiously.



QC Lab, IJM Plantations

Innovative Products

The Group is also on the constant look out to develop new products for use in its various operations. In 2002, we reported that through a joint-venture undertaken by IJM Building Systems Sdn Bhd, production of the first lightweight oil palm fibre reinforced cement composite panels was accredited by the Malaysian Book of Records Award as the first such product in Malaysia.

This year, Industrial Concrete Products Berhad, a 20%-associate, was also accredited by the Malaysian Book of Records for manufacturing of the longest precast concrete pile of 46 metres. The piles were used for some of the ports and maritime terminals in Port Klang, Penang and Lumut.



Longest manufactured pile in Malaysia

Research and Development

The Group continues to place high importance on research and development (R&D) in its Plantations Division as it strives to maintain the edge well into the future. Significant investments have been made in R&D and training as proven by the official opening of its Quality, Training and Research Centre (QTRC) in 2002.

The main R & D activities are oil palm breeding and seed production. For this purpose, and along with trials on oil palm variety improvement and agronomy, the Division now produces its own quality hybrid seeds to meet the demands of its expansion. In 2003, QTRC produced more than 960,000 DxP hybrid seeds for our Sugut estate, almost doubled that of 2002.

Research into the use of biological controls to reduce the use of pesticides, converting mill wastes into natural fertilisers are also being carried out.

QTRC continue to house various training courses, including "Innovations in Oil Palm Nursery Management Practices", "FFB Quality Day for Estate & Mill Managers", amongst others. The research and training activities at QTRC in the coming years are expected to contribute further towards improving productivity of the Division.



OUR PEOPLE

People make the Organisation. At IJM, it is our firm belief that the employees of IJM are the most important assets. Dedicated employees are the crucial factor and driving force behind the success of IJM. High priority is accorded by IJM to nurture and care for the employees. In turn, the pool of competent employees of IJM - driven by their passion for excellence - would form the building blocks to support the Group's long-term growth.

Training

The Group continues to encourage its employees to improve their competencies and skills through formal developmental activities such as training, professional seminars, etc. In year 2003, RM344,009 was expended in the various competencies enhancement programs. The competencies building sessions emphasised on on-the-job skills, information technology, safety and health management, soft skills such as management, supervisory development, accounts and finance, presentation skills and report writing. A total of 32,560 man-hours of training were provided to its employees in year 2003.



Construction men at work

The Group is committed to building up a pool of competent and qualified Safety & Health Officers to meet statutory requirements under the OSHA 1994. Continuing the precedence set in previous years, the second batch of 15 employees from the construction division was identified to attend the Safety and Health Officer certification course.

The Group remains a company that recognises the importance of developing, managing and nurturing talent. Orientation programs at the onset of joining the Group, coupled with induction courses by the immediate managers, are geared towards ensuring a smooth assimilation of new employees to the Group's core beliefs and values.



CEO Dato' Krishnan Tan and staff at the NACRA Award

Work place mentoring for the young graduates has been identified to be successful in encouraging focused development of each graduate and cohesiveness among the batch of young recruits. Furthermore, this allows for early identification of potential talents that in turn provide for an avenue for the upcoming performers to be put on an accelerated career progression plan to recognise and nurture their differing strengths and abilities.

During the year, the Group took another step towards inculcating in its employees a culture of good presentation skills - in terms of speaking, listening and thinking on their feet, all in another mutually supportive learning environment, with the establishment of the IJM Toastmasters Club.



IJM Toastmasters Club-inculcating a culture of good presentation skills

Staff Welfare

Staff welfare remains an integral part of the Group's commitment to its employees. Whilst the Group strives to create more wealth for its shareholders, it does not forget its commitment to employees. Planned insurance coverage for all employees continue to be provided ensuring peace of mind and security in the form of 24-hours worldwide personal accident coverage, term assurance with critical illness cover, hospitalisation and surgical insurance. In addition, the IJM Retirement Scheme is providing employees attaining retirement age with a welcome lump sum of cash. This Scheme has the added benefit of providing safety nets to employees who succumb to ill health or die in service of the Group.



Health talks are regularly organised as part of the Group's caring programs for its employees

that it's not only about planting oil palms. The IJMP Eagles team blazed the trail to win the prestigious IJM-Adidas Challenge Football Trophy whilst the IJMP Cobra Blacks emerged champions at the 3rd COBRA 10's East Malaysia rugby competition.

Sports and Social Activities

The employees of IJM are an active lot. Staff of all ages, race and creed participate in the many events and programs organised to foster better social interaction among the employees. Responses to these social activities and sports competitions underline the enthusiasm, sense of belonging and esprit de corps of the people. Treasure hunts, visits to local eco-tourist spots eg Gua Tempurong and the Dark Caves are some activities enjoyed together, aside from the many occasions held to enjoy festive celebrations together.

The 7th edition of the Friendship Games, an annual sports competition between IGB Corporation Berhad, IJM and PricewaterhouseCoopers continue to draw response from the people in a big way.

The employees of IJM at the plantations front are not to be left out. They had shown time and again



The 20th Annual Dinner & Dance

Loyalty Awards

More than half of the Group's 972 employees had been with us for more than 5 years. During the year, another 14 of its employees reached their 20th anniversary with the Group and were rewarded at the Group's Annual Dinner and Dance.



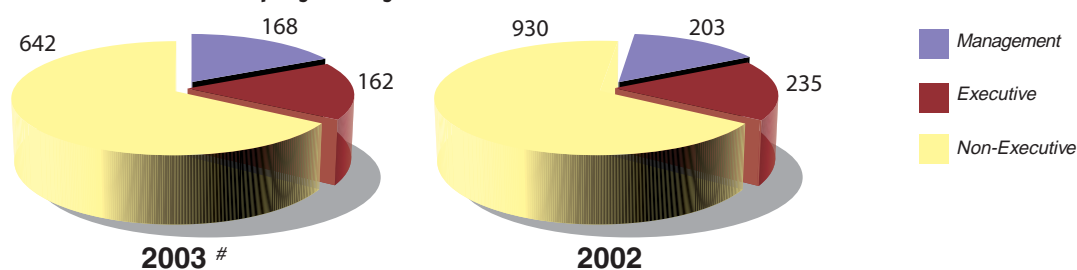
IJMP Eagles team in action during the 3rd COBRA 10's East Malaysia rugby competition



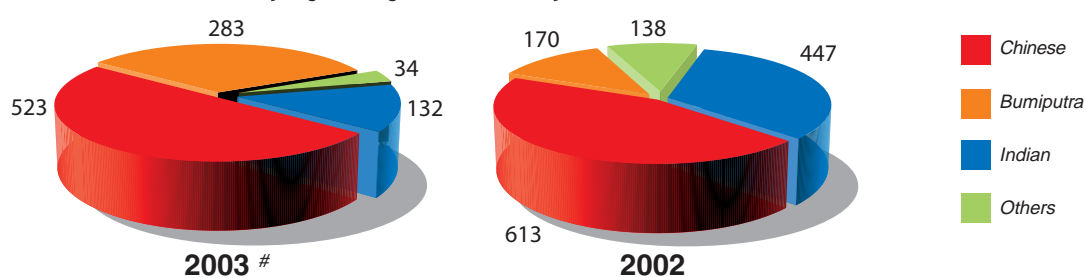
CEO & MD Dato' Krishnan Tan is among 14 recipients of the 20-year Loyalty Awards

EMPLOYEES & PRODUCTIVITY

Employees by Classification

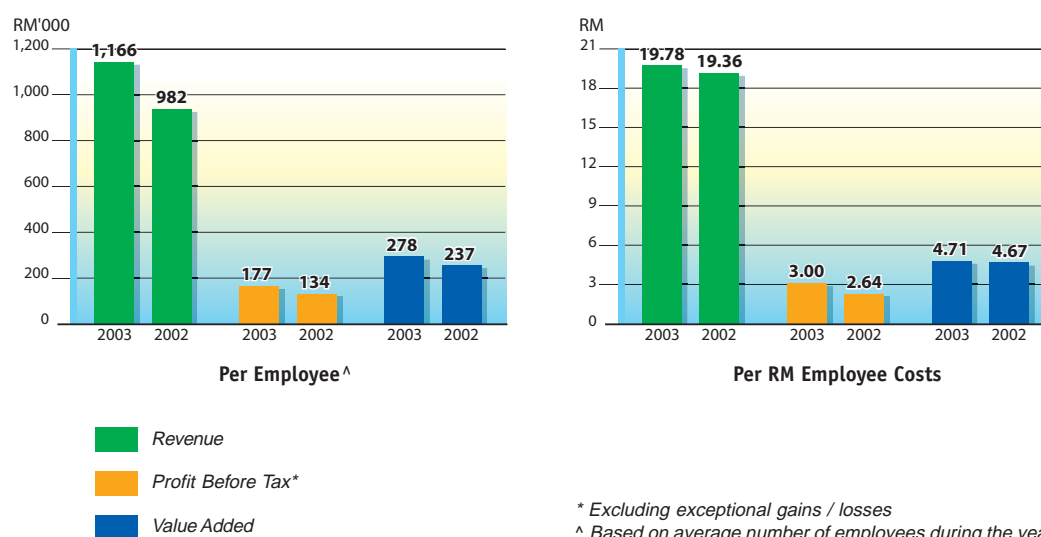


Employees by Ethnic Composition



Decrease due to exclusion of the employees of IJM Plantations Berhad which became an associate with effect from 2 July 2003

Productivity



* Excluding exceptional gains / losses

[^] Based on average number of employees during the year

COMMUNITY SERVICE

Caring for our Community



Seri Paduka Baginda Raja Permaisuri Agong, Tuanku Fauziah Binti Almarhum Tengku Abdul Rashid (second from right) with Jeremie Ting at the Heart to Art paintings for Charity drive

Believing firmly in being a socially responsible corporate citizen, the Group responded to several needs of the various communities and organisations. Total contributions of RM2.50 million were made to various charitable, educational, cultural and sports organisations.

For year 2003, the recipients for contributions in cash and in kind included the Perdana Leadership Foundation, Yayasan Kajian Dan Pembangunan Masyarakat, Majlis Kanser Nasional, Malaysian Humanitarian Foundation, Malaysian Care, Rumah Amal Cheshire Home, Pusat Penjagaan Kanak-kanak Cacat Taman Megah, Rumah Ozanam, Institut Jantung Negara, Huaren Education Foundation (UTAR), Maju Institute of Educational Development, amongst others.

Other community activities were also organised, including what is now a regular event in the IJM calendar – the blood donation campaign. During the year, children from several charitable organisations were also invited to join in our festive celebrations and trips such as that to Gua Tempurung.

IJM Scholarship Award 2003

IJM continues in the tradition of providing financial assistance to needy and deserving undergraduates who pursue local tertiary education. Another 8 deserving undergraduates were awarded scholarships to study at the local universities. This brings total scholarships awarded so far to 72. It is the Group's belief that these awards provide a stream of bright young professionals to sustain and reinvigorate the Group's long-term growth.



The Group continues to respond to needs of various charitable organisations



Past and present scholars with our Chairman, Deputy CEO and Company Secretary

FINANCIAL STATEMENTS

Directors' Report and Statement	71
Income Statements	76
Balance Sheets	77
Statements of Changes in Equity	78
Consolidated Cash Flow Statement	81
Company Cash Flow Statement	82
Summary of Significant Accounting Policies	83
Notes to the Financial Statements	92
List of Subsidiaries and Associates	146
Statutory Declaration	151
Report of the Auditors to the Members	152

DIRECTORS' REPORT AND STATEMENT

for the year ended 31 December 2003

The Directors have pleasure in submitting their 20th annual report together with the audited financial statements of the Group and Company for the financial year ended 31 December 2003.

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 from ordinary activities after taxation	150,661	79,921
Minority interest	(4,937)	-
Net profit for the year	145,724	79,921

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 2002 as shown in the Directors' Report and Statement for that year:-

Second interim dividend of 7% less tax paid on 22 May 2003	18,512
--	--------

- (b) In respect of the year ended 31 December 2003: -

First interim dividend of 5% less tax paid on 14 November 2003	13,693
--	--------

Second interim dividend of 10% less tax to be paid on 21 May 2004	27,524
---	--------

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2003.

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 RM363,936,565 to RM382,276,059 by way of the issuance of 7,168,800 and 11,170,694 new ordinary shares of RM1 each arising from the conversion of Warrants 2000/2004 at the exercise price of RM2.99 and RM2.76 (adjusted price) respectively 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.

DIRECTORS' REPORT AND STATEMENT *(Continued)*

for the year ended 31 December 2003

EMPLOYEES SHARE OPTION SCHEME ("ESOS")

7. At an Extraordinary General Meeting held on 17 October 2003, the Directors were authorised to proceed with the establishment and administration of an ESOS known as the IJM Corporation Berhad Employee Share Option Scheme.

The main features of the ESOS are as follows:

- a) The ESOS was implemented on 11 November 2003, and shall be in force for a period of five (5) years and expires on 10 November 2008.
- b) Eligible employees are at the absolute discretion of the ESOS Committee subject to the employee and Executive Director (holding office in a full time executive capacity) having been confirmed in the employment or appointment of IJM Corporation Berhad and its subsidiaries (save for any subsidiaries which are dormant) on or up to the Offer Date and has attained the age of eighteen (18) years. An Executive Director shall only be eligible if he is on the payroll and involved in the day-to-day management of IJM and his participation in the Scheme is specifically approved by the shareholders of the Company in a general meeting.
- c) The total number of new Company's shares which may be made available under the ESOS shall not exceed ten per centum (10%) (or any maximum percentage permitted by the relevant authorities) of the total issued and paid-up share capital comprising ordinary shares of the Company at any one time.
- d) The Option Price shall be the weighted average market price of the Company's shares as shown in the Daily Official List of the Malaysia Securities Exchange Berhad for the five (5) market days immediately preceding the Offer Date with an allowance for a discount of not more than ten per centum (10%) therefrom at the ESOS Committee's discretion or the par value of the Company's shares, whichever is the higher.

No offer has been granted to eligible employees in 2003.

WARRANTS

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

During the financial year ended 31 December 2000, the Company issued RM150,000,000 nominal amount of 5% Redeemable Unsecured Bonds 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 or such date extended in accordance with the provisions of the Deed Poll, 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 exercise price of the Warrants 2000/2004 had been adjusted to RM2.76 per share on 10 June 2003 following the distribution of 148,442,024 ordinary shares of RM0.50 each in IJM Plantations Berhad ("IJMP") to the shareholders of the Company on the basis of two (2) IJMP shares for every five (5) shares held in the Company. The exercise price was adjusted in accordance with condition 3(1)(c) of the second schedule of the Deed Poll.

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 and statement are: -

Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob, *Independent Non-Executive Chairman (appointed Chairman on 28 February 2003)*
Dato' Tan Boon Seng @ Krishnan, *Chief Executive Officer & Managing Director*
Goh Chye Koon, *Deputy Chief Executive Officer & Deputy Managing Director*
Soo Heng Chin, *Senior General Manager & Executive Director*
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor, *Senior Independent Non-Executive Director*
Datuk Oh Chong Peng, *Independent Non-Executive Director*
Datuk Yahya bin Ya'acob, *Independent Non-Executive Director*
Dato' Ismail Bin Shahudin, *Non-Executive Director (appointed on 30 October 2003)*
Dato' Goh Chye Keat, *Non-Executive Director*
Tan Sri Dato' (Dr) Haji Ahmad Azizuddin bin Haji Zainal Abidin, *Independent Non-Executive Chairman (resigned on 28 February 2003)*
Velayuthan A/L Tan Kim Song, *Group Executive Director (retired on 21 May 2003)*
Lai Meng, *Non-Executive Director (resigned on 30 September 2003)*
Haji Osman bin Haji Ismail, *Non-Executive Director (resigned on 30 January 2004)*

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

Name of Director	Number of Ordinary Shares of RM1 each			Balance 31.12.2003
	Balance 01.01.2003	Acquired	Disposed	
Dato' Tan Boon Seng @ Krishnan				
Direct interest	760,698	200,000	40,000	920,698
Indirect interest	319,698	25,000	-	344,698
Goh Chye Koon				
Direct interest	298,712	400,000	321,300	377,412
Soo Heng Chin				
Direct interest	5,000	120,000	75,000	50,000
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor				
Direct interest	10,333	-	-	10,333
Dato' Goh Chye Keat				
Direct interest	576,362	120,000	270,000	426,362
Indirect interest	600,132	171,000	591,000	180,132

DIRECTORS' REPORT AND STATEMENT *(Continued)*

for the year ended 31 December 2003

DIRECTORS (Continued)

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

Name of Director	Balance 01.01.2003	Number of Warrants		Balance 31.12.2003
		Acquired	Disposed / Exercised	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob Direct interest	33,400	-	-	33,400
Dato' Tan Boon Seng @ Krishnan Direct interest	1,647,000	-	200,000	1,447,000
Indirect interest	234,000	-	-	234,000
Goh Chye Koon Direct interest	976,000	194,300	405,000	765,300
Soo Heng Chin Direct interest	642,000	25,000	140,000	527,000
Dato' Goh Chye Keat Direct interest	232,000	70,000	212,000	90,000
Indirect interest	172,000	42,000	210,000	4,000

12. 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.

13. 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 associate of the Group which trades with the Company and the Group in the ordinary course of business and Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob who has substantial financial interests in Minconsult Sdn Bhd, which trades with the Company and the Group in the ordinary course of business as disclosed in Note 44 to the financial statements.

14. 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

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

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

16. At the date of this report and statement, the Directors are not aware of any circumstances: -
- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts of the Group and Company inadequate to any material extent or the values attributed to current assets of the Group and Company misleading; or
 - (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; or
 - (c) not otherwise dealt with in this report and statement or in the financial statements that would render any amount stated in the financial statements of the Group and Company misleading.
17. In the interval between the end of the financial year and the date of this report and statement: -
- (a) no item, transaction or other events of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the operations of the Group and Company for the current financial year; or
 - (b) no charge has arisen on the assets of any company in the Group which secures the liability of any other person nor have any contingent liabilities arisen in any company in the Group.
18. No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.
19. In the opinion of the Directors: -
- (a) the results of the operations of the Group and 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 Company set out on pages 76 to 150 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 2003 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

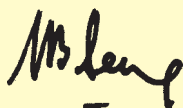
AUDITORS

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

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



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



DATO' TAN BOON SENG @ KRISHNAN

Petaling Jaya
26 February 2004

INCOME STATEMENTS

for the year ended 31 December 2003

	Note	THE GROUP		THE COMPANY	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
OPERATING REVENUE	3	1,363,895	1,295,195	238,203	236,802
COST OF SALES		(1,117,441)	(1,063,471)	(148,157)	(137,883)
GROSS PROFIT		246,454	231,724	90,046	98,919
OTHER OPERATING INCOME		54,658	43,464	46,370	40,515
TENDERING, SELLING AND DISTRIBUTION EXPENSES		(10,069)	(12,557)	-	-
ADMINISTRATIVE EXPENSES		(50,978)	(50,608)	(11,398)	(12,798)
OTHER OPERATING EXPENSES		(45,890)	(33,257)	(6,834)	(10,538)
OPERATING PROFIT BEFORE FINANCE COST	4	194,175	178,766	118,184	116,098
FINANCE COST	5	(23,161)	(24,124)	(13,606)	(17,194)
OPERATING PROFIT AFTER FINANCE COST		171,014	154,642	104,578	98,904
SHARE OF RESULTS OF ASSOCIATES		35,225	44,090	-	-
IMPAIRMENT OF INVESTMENT IN AN ASSOCIATE	6	-	(10,800)	-	(10,800)
SHARE OF RESULTS OF JOINTLY CONTROLLED ENTITIES		561	3,838	-	-
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION		206,800	191,770	104,578	88,104
TAXATION					
Company and subsidiaries		(50,687)	(48,647)	(24,657)	(21,363)
Associates		(5,452)	(3,479)	-	-
Jointly controlled entities		-	(1,022)	-	-
	7	(56,139)	(53,148)	(24,657)	(21,363)
PROFIT FROM ORDINARY ACTIVITIES AFTER TAXATION		150,661	138,622	79,921	66,741
MINORITY INTEREST		(4,937)	(16,079)	-	-
NET PROFIT FOR THE YEAR		145,724	122,543	79,921	66,741
EARNINGS PER SHARE: -					
Basic	8(a)	39.2 Sen	34.0 Sen		
Fully diluted	8(b)	36.7 Sen	31.3 Sen		
DIVIDENDS PER SHARE	9	15.0 Sen	12.0 Sen		

BALANCE SHEETS

as at 31 December 2003

		THE GROUP		THE COMPANY	
	Note	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
CAPITAL AND RESERVES					
Share capital	11	382,276	363,937	382,276	363,937
Share premium		193,873	241,880	193,873	241,880
Revaluation reserve		26,357	53,335	-	-
Exchange translation reserve		18,885	5,402	17,602	1,276
Capital reserves	12	61,451	34,383	-	-
Retained profits	13	826,647	769,452	310,234	262,518
Shareholders' equity		1,509,489	1,468,389	903,985	869,611
Minority interest		18,482	102,825	-	-
		1,527,971	1,571,214	903,985	869,611
NON-CURRENT LIABILITIES					
Bonds	14	247,164	246,671	150,000	150,000
Term loans	15	68,909	523	-	-
Hire purchase and lease creditors	16	1,244	4,338	-	-
Deferred tax liabilities	17	4,956	26,924	-	-
Amount due to an associate	18	-	36,956	-	-
Trade payable	19	6,000	12,000	-	-
Retirement benefits	20	2,971	2,262	924	871
		331,244	329,674	150,924	150,871
DEFERRED INCOME	21	27,423	6,661	-	-
		1,886,638	1,907,549	1,054,909	1,020,482
NON-CURRENT ASSETS					
Property, plant and equipment	22	250,450	674,218	18,437	18,818
Subsidiaries	23	-	-	260,779	328,100
Associates	24	676,935	366,271	293,252	105,417
Long term investments	25	80,471	66,638	50,961	50,961
Long term receivables	26	43,466	53,701	-	-
Intangible assets	27	10,847	11,718	-	-
Deferred tax assets	17	14,068	25,300	2,867	358
Land held for property development	28(a)	72,331	29,288	281	281
		1,148,568	1,227,134	626,577	503,935
CURRENT ASSETS					
Property development costs	28(b)	332,492	321,725	-	-
Inventories	29	29,730	47,492	6,766	6,584
Trade and other receivables	30	760,762	780,512	611,047	792,939
Short term investments	31	107,073	101,048	16,453	10,053
Deposits with licensed banks	32	137,356	87,705	108,901	59,262
Cash and bank balances	33	47,639	49,572	1,648	7,015
		1,415,052	1,388,054	744,815	875,853
CURRENT LIABILITIES					
Trade and other payables	35	610,834	626,614	275,964	289,041
Interest bearing bank borrowings	36	45,581	68,246	35,075	66,446
Bank overdrafts	37	9,203	880	-	5
Current tax liabilities		11,364	11,899	5,444	3,814
		676,982	707,639	316,483	359,306
NET CURRENT ASSETS		738,070	680,415	428,332	516,547
		1,886,638	1,907,549	1,054,909	1,020,482

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2003

THE GROUP	Note	Share capital RM'000	Share premium RM'000	Non-distributable		Distributable		
				Revaluation reserve RM'000	Exchange translation reserve RM'000	Capital reserves RM'000	Retained profits RM'000	Total RM'000
At 1 January 2003								
- as previously reported		363,937	241,880	73,853	5,402	34,383	737,453	1,456,908
- prior year adjustment	45	-	-	(20,518)	-	-	31,999	11,481
- as restated		363,937	241,880	53,335	5,402	34,383	769,452	1,468,389
Inflationary adjustment on opening balances on equity of a foreign associate	24(b)	-	-	-	-	-	(5,448)	(5,448)
Reserve on consolidation		-	-	-	-	4,851	-	4,851
Amortisation of reserve on consolidation		-	-	-	-	(80)	-	(80)
Reserves arising from translation of net investment in foreign subsidiaries, associates and branch		-	-	-	14,759	-	-	14,759
Realisation of foreign exchange reserve of a foreign branch		-	-	-	(1,276)	-	-	(1,276)
Net gain / (loss) not recognised in income statement		-	-	-	13,483	4,771	-	18,254
Capital distribution in conjunction with listing of a subsidiary	48	-	(81,933)	(26,978)	-	22,297	(50,876)	(137,490)
Net profit for the year		-	-	-	-	-	145,724	145,724
Dividends for the year ended: -								
31 December 2002	9	-	-	-	-	-	(18,512)	(18,512)
31 December 2003	9	-	-	-	-	-	(13,693)	(13,693)
Conversion of warrants	11	18,339	33,926	-	-	-	-	52,265
At 31 December 2003		382,276	193,873	26,357	18,885	61,451	826,647	1,509,489

THE GROUP	Note	Non-distributable					Distributable	
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Capital reserves RM'000	Retained profits RM'000	Total RM'000
At 1 January 2002								
- as previously reported		352,723	210,559	73,853	5,946	34,161	643,399	1,320,641
- prior year adjustment	45	-	-	(20,518)	-	-	29,657	9,139
- as restated		352,723	210,559	53,335	5,946	34,161	673,056	1,329,780
Reserve on consolidation		-	-	-	-	277	-	277
Amortisation of reserve on consolidation		-	-	-	-	(55)	-	(55)
Reserves arising from translation of net investment in foreign subsidiaries, associates and branch		-	-	-	(544)	-	-	(544)
Net gain / (loss) not recognised in income statement		-	-	-	(544)	222	-	(322)
Net profit for the year		-	-	-	-	-	122,543	122,543
Dividends for the year ended: -								
31 December 2001		-	-	-	-	-	(13,060)	(13,060)
31 December 2002	9	-	-	-	-	-	(13,087)	(13,087)
Issue of shares under ESOS	11	9,605	28,120	-	-	-	-	37,725
Conversion of warrants	11	1,609	3,201	-	-	-	-	4,810
At 31 December 2002		363,937	241,880	53,335	5,402	34,383	769,452	1,468,389

STATEMENTS OF CHANGES IN EQUITY *(Continued)*

for the year ended 31 December 2003

THE COMPANY	Note	Share capital RM'000	← Non-distributable →		Distributable	
			Share premium RM'000	Exchange translation reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2003						
- as previously reported		363,937	241,880	1,276	257,261	864,354
- prior year adjustment	45	-	-	-	5,257	5,257
- as restated		363,937	241,880	1,276	262,518	869,611
Realisation of foreign exchange reserve of a foreign branch		-	-	(1,276)	-	(1,276)
Reserves arising from translation of net investment in a foreign subsidiary		-	-	17,602	-	17,602
Net gain / (loss) not recognised in income statement		-	-	16,326	-	16,326
Capital distribution in conjunction with listing of a subsidiary	48	-	(81,933)	-	-	(81,933)
Net profit for the year		-	-	-	79,921	79,921
Dividends for the year ended: -						
31 December 2002	9	-	-	-	(18,512)	(18,512)
31 December 2003	9	-	-	-	(13,693)	(13,693)
Conversion of warrants	11	18,339	33,926	-	-	52,265
At 31 December 2003		382,276	193,873	17,602	310,234	903,985
At 1 January 2002						
- as previously reported		352,723	210,559	1,272	219,975	784,529
- prior year adjustment	45	-	-	-	1,949	1,949
- as restated		352,723	210,559	1,272	221,924	786,478
Reserves arising from translation of net investment in a foreign branch		-	-	4	-	4
Net profit for the year		-	-	-	66,741	66,741
Dividends for the year ended: -						
31 December 2001		-	-	-	(13,060)	(13,060)
31 December 2002	9	-	-	-	(13,087)	(13,087)
Issue of shares under ESOS	11	9,605	28,120	-	-	37,725
Conversion of warrants	11	1,609	3,201	-	-	4,810
At 31 December 2002		363,937	241,880	1,276	262,518	869,611

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2003

	Note	THE GROUP	
		2003 RM'000	2002 RM'000
OPERATING ACTIVITIES			
Receipts from customers		1,349,831	1,233,223
Payments to contractors, suppliers and employees		(1,148,845)	(988,523)
Interest received		20,363	16,131
Interest paid		(7,661)	(8,624)
Income tax refunded		1,042	883
Income tax paid		(61,446)	(52,952)
Net cash flow from operating activities		153,284	200,138
INVESTING ACTIVITIES			
Acquisition of subsidiaries	39	(675)	(7,928)
Acquisition of shares from minority shareholders		(125)	(5,610)
Disposal of a subsidiary	40	1,198	672
Capital distribution in conjunction with listing of a subsidiary	48	(11,102)	-
Investments in associates		(31,796)	(44,390)
Acquisition of investments		(17,639)	(29,984)
Capital distribution by associates		-	7,825
Purchases of property, plant and equipment		(136,730)	(126,996)
Redemption of preference shares in an associate		3,400	-
Disposal of property, plant and equipment		6,210	7,699
Disposal of investments		1,365	275
Dividends received from associates		2,796	7,498
Dividends received from other investments		4,370	5,489
Net advances and repayments from/(to) associates		49,687	(28,027)
Advances to jointly controlled entities		(23,615)	-
Repayment from jointly controlled entities		5,479	-
Net cash flow used in investing activities		(147,177)	(213,477)
FINANCING ACTIVITIES			
Issue of shares by the Company: -			
- Employees Share Option Scheme		-	37,725
- Conversion of warrants		52,265	4,810
Issues of shares by subsidiaries to minority interest in subsidiaries		1,510	510
Net proceeds/(repayments) of bank borrowings		45,256	6,746
Repayments to hire purchase and lease creditors		(12,577)	(19,210)
Bonds interest		(15,500)	(15,500)
Dividends paid by subsidiaries to minority shareholders		(5,667)	(3,658)
Dividends paid by the Company		(32,272)	(26,164)
Net (redemptions)/placements of bank deposits assigned to trustees	42	(10,323)	7,376
Net cash flow from/(used in) financing activities		22,692	(7,365)
Net increase / (decrease) in cash and cash equivalents during the financial year		28,799	(20,704)
Cash and cash equivalents at beginning of the financial year		123,785	143,045
Foreign exchange differences on opening balances		273	1,444
Cash and cash equivalents at end of the financial year	42	152,857	123,785

COMPANY CASH FLOW STATEMENT

for the year ended 31 December 2003

	Note	THE COMPANY	
		2003 RM'000	2002 RM'000
OPERATING ACTIVITIES			
Receipts from customers		238,167	174,090
Payments to contractors, suppliers and employees		(157,106)	(114,792)
Interest received		6,305	1,625
Interest paid		(8,271)	(4,195)
Income tax refunded		93	883
Income tax paid		(21,784)	(9,230)
Net cash flow from operating activities		57,404	48,381
INVESTING ACTIVITIES			
Cash consideration for listing of a subsidiary	48(d)	(25,000)	-
Acquisition of subsidiaries		-	(4,980)
Investments in associates		(4,830)	(3,330)
Acquisition of investments		(778)	(5)
Redemption of preference shares in an associate		3,400	-
Disposal of investments		-	144
Disposal of property, plant and equipment		154	227
Dividends received from subsidiaries		8,676	33,362
Dividends received from associates		2,213	6,276
Dividends received from other investments		1,321	658
Purchase of property, plant and equipment		(600)	(380)
Advances to subsidiaries		(12,562)	(169,977)
Advances to associates		(8,602)	-
Advances to jointly controlled entities		(995)	(464)
Advances from subsidiaries		-	7,625
Advances from associates		-	1,480
Advances from jointly controlled entities		-	887
Capital distribution by associates		-	7,800
Repayment from jointly controlled entities		3,100	-
Repayment from associates		40,254	42,549
Net cash flow from/(used in) investing activities		5,751	(78,128)
FINANCING ACTIVITIES			
Issue of shares by the Company:-			
- Employees Share Option Scheme		-	37,725
- Conversion of warrants		52,265	4,810
Net (repayments)/proceeds of bank borrowings		(31,371)	11,743
Bonds interest		(7,500)	(7,500)
Dividends paid by the Company		(32,272)	(26,164)
Net cash flow (used in)/from financing activities		(18,878)	20,614
Net increase/(decrease) in cash and cash equivalents during the financial year		44,277	(9,133)
Cash and cash equivalents at beginning of the financial year		66,272	75,405
Cash and cash equivalents at end of the financial year	42	110,549	66,272

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 December 2003

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements, other than the changes in accounting policies set out in Note 45.

A. Basis of Preparation

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

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) New standards applicable for the financial year

- (i) MASB 25 "Income Taxes"
- (ii) MASB 27 "Borrowing Costs"
- (iii) MASB 28 "Discontinuing Operations"
- (iv) MASB 29 "Employee Benefits"

(b) Early adoption of accounting standards applicable only in the next financial year

- (i) MASB 31 "Accounting for Government Grants and Disclosure of Government Assistance"
- (ii) MASB 32 "Property Development Activities"

With the exception of the adoption of MASB 25 on Income Taxes and MASB 29 on Employee Benefits, there are no changes in accounting policy that affect net profit for the year or shareholders' equity as the Group was already following the recognition and measurement principles in those standards. Where applicable, comparatives have been adjusted or extended to take into account the requirements of the new MASB Standards (Note 45).

The preparation of financial statements in conformity with the applicable approved accounting standards in Malaysia and the provisions 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.

B. Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year.

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

Under the acquisition method of accounting, the results of subsidiaries 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 subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements.

All inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree. Separate disclosure is made for minority interest.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

for the year ended 31 December 2003

C. Subsidiaries

Subsidiaries are those enterprises in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Investments in subsidiaries are stated at cost except where there is an indication of impairment, in which case the carrying value of the investment is assessed and written down immediately to its recoverable amount.

D. Associates

The Group treats as associates those enterprises 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 associates are stated at cost except where there is an indication of impairment, in which case the carrying value of the investment is assessed and written down immediately to its recoverable amount.

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

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

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

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 with the Group.

F. Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries, jointly controlled entities and associates over the fair value of the Group's share of their identifiable net assets at the date of acquisition. Goodwill with a determinable useful economic life is amortised using the straight-line method over its estimated useful economic life or 20 years, whichever is the shorter. All other goodwill is stated at cost except when an indication of impairment exists, the carrying value of the goodwill is assessed and written down immediately to its recoverable amount.

Negative goodwill represents the excess of the fair value of the Group's share of identifiable net assets acquired over the cost of acquisition and is credited to reserves in the year of acquisition. To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the Group's plan for the acquisition and can be measured reliably, but which do not represent identifiable liabilities, that portion of negative goodwill is recognised in the income statement when the future losses and expenses are recognised.

G. Investments

Long term investments are stated at cost, unless in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of investment, such a decline is recognised as an expense in the period in which the decline is identified.

Short term investments in marketable securities are carried at the lower of cost and market value, determined on an aggregate portfolio basis. Cost is derived at on the weighted average basis. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Increases/decreases in the carrying value of marketable securities are credited/charged to the income statement.

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

H. 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 the 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 subsidiaries and associates, 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.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as local currency assets and liabilities of the foreign entity and are translated accordingly at the closing rate.

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

	31.12.2003	31.12.2002
Foreign currency	RM	RM
1 US Dollar	3.800	3.800
1 Australian Dollar	2.845	2.153
1 Singapore Dollar	2.232	2.192
1 Hongkong Dollar	0.489	0.487
1 Chinese Renminbi	0.459	0.459
1 Indian Rupee	0.083	0.079
1 Argentine Peso	1.297	1.128
1 Pound Sterling	6.756	6.093

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

for the year ended 31 December 2003

I. Property, Plant and Equipment and Depreciation

All property, plant and equipment are stated at cost or at valuation less accumulated depreciation and impairment losses except for freehold land and capital work-in-progress which are not depreciated. Freehold land is not depreciated as it has an infinite life.

The Group amortises all leasehold lands in equal instalments based on the tenures of the leases. 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%

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying value is charged to the income statement.

The Directors have applied the transitional provision of 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 an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount.

J. Revenue and Profit Recognition

(i) Construction Contracts

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) Property Development Activities

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

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

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

(iii) 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, in which case it is recognised on a cash receipt basis.

K. Capitalisation of Finance Cost

Interest incurred on borrowings directly associated with development properties up to completion is capitalised and included as part of property development costs.

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

L. Land Held For Property Development and Property Development Costs

Land held for property development consists of land held for future development where no significant development has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost or at valuation less accumulated impairment losses. Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and the development is expected to be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by MASB 32 on Property Development Activities. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

for the year ended 31 December 2003

M. 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. 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.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

N. Amounts Due From/(To) Customers On Construction Contracts

Where the amounts of construction contract costs incurred plus recognised profits (less recognised losses) exceed progress billings, the net balance is shown as amounts due from customers on construction contracts under trade and other receivables. Where the progress billings exceed the sum of construction contract costs incurred and recognised profits (less recognised losses), the net balance is shown as amounts due to customers on construction contracts under trade and other payables.

O. 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.

P. 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 lower of the fair value of the leased assets or 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 value of the aforesaid assets are amortised on a straight line basis over the period of the leases which have a duration of three to four years.

Q. Deferred Expenditure

(i) Expenses incurred on the development of quarry face are capitalised and written off on a straight line basis over the 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 periods.

Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount.

R. Borrowings

Borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

S. Income Taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary, associate or jointly controlled entity on distributions of retained earnings to companies in the Group, and real property gains taxes payable on disposal of properties.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

Deferred tax assets and liabilities are offset when the enterprise has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

T. Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Post-Employment Benefits

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the countries in which it operates. These benefit plans are either defined contribution or defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

for the year ended 31 December 2003

T. Employee Benefits (Continued)

(ii) Post-Employment Benefits (Continued)

Defined Contribution Plans

The Group's contributions to defined contribution plan are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations. (As required by law, companies in Malaysia make contribution to the state pension scheme, the Employees Provident Fund ("EPF")).

Defined Benefit Plans

The Company and certain subsidiaries participated in the IJM Retirement Scheme which is an approved defined benefits scheme under Section 150 of the Income Tax Act, 1967. The benefits payable on retirement are based on length of service and average basic salary over the last five years of service.

The liability in respect of a defined benefit plan is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets, together with adjustments for actuarial gains/losses and past service cost. The Group determines the present value of the defined benefit obligation and the fair value of the plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date. The Group's obligation in respect of the said defined benefits scheme, calculated using the projected unit credit method, is determined by an actuarial valuation carried out every three years by a qualified actuary. The last valuation was carried out in December 2002.

Actuarial gains and losses arise from experience adjustments and changes in actuarial assumptions. The amount of net actuarial gains and losses is charged or credited to income statement over the average remaining service lives of the related participating employees when the net cumulative unrecognised actuarial gains and losses for the Scheme exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of the plan assets.

Upon initial adoption of MASB 29 on Employee Benefits, the increase in defined benefit liability is recognised as an expense on a straight line basis over 5 years in accordance with the transitional provision of the Standard.

(iii) Equity Compensation Benefits

The Group does not make a charge to the income statement in connection with share options granted. When the share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital and share premium.

U. 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.

V. Share Capital

(i) Classification

Ordinary shares are classified as equity.

(ii) Share Issue Costs

External costs directly attributable to the issue of new shares are shown as a deduction from the share premium account, if any. In other cases, they are charged to the income statement when incurred.

(iii) Dividends

Dividends on ordinary shares are recognised as liabilities when declared. Proposed final dividends are accrued as liabilities only after approval by shareholders.

W. Financial Instruments

(i) Financial Instruments Recognised on the Balance Sheet

The particular recognition method adopted for financial instruments recognised on the balance sheets is disclosed in the individual policy statement associated with each item.

(ii) Financial Instruments Not Recognised on the Balance Sheet

The Group is a party to financial instruments which comprises mainly foreign currency forward contracts. These instruments are not recognised in the financial statements on inception, but are disclosed in the relevant notes to the financial statements.

Foreign Currency Forward Contracts

The Group enters into foreign currency forward contracts to protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled.

Exchange gains and losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transactions, at which time they are included in the measurement of such transactions.

All other exchange gains and losses relating to hedge instruments are recognised in the income statement in the same period as the exchange differences on the underlying hedged items. Gains and losses on contracts which are no longer designated as hedges are included in the income statement.

(iii) Fair Value Estimation For Disclosure Purposes

The fair value of publicly traded derivatives and securities is based on quoted market prices at the balance sheet date.

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

In assessing the fair value of non-traded derivatives and financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long term debt. Other techniques and bases, such as discounted value of future cash flows and the underlying net asset base of the instrument, are used to determine fair value for the remaining financial instruments. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The carrying values of financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair values.

X. Government grants

Grants from the government are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the acquisition of assets are included in non-current liabilities as deferred income and are credited to the income statement over the expected lives of the related assets, on bases consistent with the depreciation of the related assets.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2003

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 subsidiaries and associates are described in Note 50 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 Malaysia Securities Exchange Berhad.

The address of the registered office of the Company is 2nd Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The number of employees in the Group and Company as at 31 December 2003 amounted to 972 (2002: 1,368) and 89 (2002: 84) respectively.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including foreign currency exchange risk, interest rate risk, market risk, credit risk, liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to Group financial risk management policies. The management regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

The Group uses derivative financial instruments such as foreign exchange contracts to hedge certain exposure, but it does not trade in financial instruments.

Foreign currency exchange risk

The Group operates internationally and is exposed to various currencies, mainly United States Dollar, Australian Dollar, Singapore Dollar, Hongkong Dollar, Chinese Renminbi, Indian Rupee, Argentine Peso and Pound Sterling. Foreign currency denominated assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies give rise to foreign exchange exposures.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Material transaction foreign exchange exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts.

Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises mainly from the Group's borrowings and deposits. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings.

Market risk

The Group faces exposure to the risk from changes in debt and equity prices. However, the management regularly reviews these risks and takes proactive measures to mitigate the potential impact of such risks.

Credit risk

Credit risk arises when derivative instruments are used or sales are made on deferred credit terms. The Group controls these risks by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers, who are dispersed over a broad spectrum of industries and businesses. The Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

3. OPERATING REVENUE

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Construction contract revenue	961,563	953,828	219,147	183,875
Property development revenue	167,122	126,853	-	-
Sale of quarry and manufactured products	150,517	111,855	-	-
Sale of crude palm oil and by-products	75,450	96,836	-	-
Property management services	2,972	2,599	-	-
Dividend income	4,519	863	16,054	50,062
Rental of properties	1,752	2,361	3,002	2,865
	1,363,895	1,295,195	238,203	236,802
Share of operating revenue of: -				
Associates	319,360	244,333	-	-
Jointly controlled entities	94,314	120,984	-	-
	413,674	365,317	-	-
	1,777,569	1,660,512	238,203	236,802

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

4. OPERATING PROFIT BEFORE FINANCE COST

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Operating profit before finance cost is stated after charging: -				
Hire of plant and equipment	840	449	-	-
Property, plant and equipment: -				
- depreciation	25,839	29,547	919	1,060
- written off	107	237	-	-
- loss on disposal	15	199	-	-
Rental of land and buildings	908	764	-	-
Auditors' remuneration: -				
- current year	830	904	210	210
- under provision in respect of prior year	5	2	-	-
Other non-audit fees paid/payable to: -				
- auditors of the Company and their associates	637	203	325	29
- other auditors of the subsidiaries	73	26	-	-
Foreign exchange loss: -				
- unrealised	178	-	-	-
- realised	29	-	-	-
Allowance for diminution in value of investments	793	6,886	-	640
Amortisation of deferred expenditure	2,478	1,749	-	-
Amortisation of premium paid on quarry rights	70	18	-	-
Amortisation of goodwill	561	407	-	-
Amortisation of discount on bond issue	493	493	-	-
Allowance for doubtful debts	10,039	14,262	-	5,939
Construction contract costs	823,154	796,186	148,157	137,883
Property development costs	110,616	87,858	-	-
Cost of quarry and manufactured products sold	122,512	87,276	-	-
Staff cost*	68,963	66,905	10,258	11,528
and crediting:-				
Gross dividends received from:				
- subsidiaries (unquoted)	-	-	11,854	40,803
- associates				
(quoted)	-	-	2,565	2,245
(unquoted)	-	-	97	6,151
- other investments				
(quoted)	2,524	1,813	1,538	863
(unquoted)	2,063	3,917	-	-
Interest income	26,492	16,131	25,488	21,662
Foreign exchange gain: -				
- realised	4,224	200	3,967	-
- unrealised	9,679	10,309	9,256	9,770
Gain on disposal of property, plant and equipment	1,041	233	92	88
Rental income from properties	2,522	3,902	3,002	2,865
Write back of allowance for doubtful debts	912	906	-	-
Write back of allowance for diminution in value of investments	5,982	5	5,621	-
Gain on disposal/liquidation of investments	17	639	-	90

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

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Directors of the Company: -				
Fees				
- Current year	316	231	316	231
- Under/(over) provision in respect of prior year	(10)	72	(10)	72
Defined contribution retirement plan	449	449	332	333
Defined benefit retirement plan	79	75	63	60
Other emoluments	2,477	2,713	1,789	2,024
Directors of subsidiaries: -				
Fees	60	60	-	-
Defined contribution retirement plan	297	289	-	-
Defined benefit retirement plan	199	102	-	-
Other emoluments	2,652	2,479	-	-

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 RM191,000 (2002: RM138,000) and RM82,000 (2002: RM77,000) respectively.

5. FINANCE COST

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Interest expense on:-				
- Interest bearing bank borrowings	7,040	2,774	1,574	2,121
- Advances from subsidiaries	-	-	3,334	5,498
- Hire purchase and leasing	1,032	4,535	-	-
- Bonds	15,500	15,500	7,500	7,500
- Others	2,796	3,319	1,198	2,075
	26,368	26,128	13,606	17,194
Less interest capitalised into:				
- Property, plant and equipment (Note 22)	(2,995)	(2,004)	-	-
- Construction contract work in progress (Note 38)	(212)	-	-	-
	23,161	24,124	13,606	17,194

6. IMPAIRMENT OF INVESTMENT IN AN ASSOCIATE

During the preceding year, an impairment loss of RM10,800,000 was recognised for the Company's investment in Sin Kean Boon Group Berhad, a 20.1% associate of the Group in the "Manufacturing & Quarrying" segment, as the market value of the investment was below the Group's carrying value.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

7. TAXATION

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Current tax:-				
- Malaysian income tax	(64,995)	(44,981)	(27,166)	(22,675)
- Overseas taxation	(2,563)	(6,002)	-	-
	(67,558)	(50,983)	(27,166)	(22,675)
Deferred taxation (Note 17)	11,419	(2,165)	2,509	1,312
	(56,139)	(53,148)	(24,657)	(21,363)
Current tax:-				
- Current year	(69,564)	(50,075)	(26,889)	(22,675)
- Benefits from previously unrecognised tax losses	2,484	581	-	-
- Under accruals in prior years (net)	(478)	(1,489)	(277)	-
	(67,558)	(50,983)	(27,166)	(22,675)
Deferred taxation:-				
- Origination and reversal of temporary differences	11,419	(2,165)	2,509	1,312
	(56,139)	(53,148)	(24,657)	(21,363)

The explanation of the relationship between taxation and profit from ordinary activities before taxation is as follows:

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Profit from ordinary activities before taxation	206,800	191,770	104,578	88,104
Tax calculated at the Malaysian tax rate of 28% (2002: 28%)	57,904	53,696	29,282	24,669
Tax effects of:				
- Different tax rates in other countries	(1,439)	2,348	-	-
- Lower tax rates for small and medium companies	(217)	8	-	-
- Expenses not deductible for tax purposes	12,515	13,050	1,017	5,479
- Expenses subject to double deduction	(2)	-	-	-
- Income not subject to tax	(9,332)	(13,673)	(5,919)	(8,785)
- Utilisation of tax incentives	(1,751)	(3,787)	-	-
- Deferred tax assets not recognised	467	598	-	-
- Utilisation of previously unrecognised tax losses	(2,484)	(581)	-	-
- Tax under provided in prior years	478	1,489	277	-
Taxation	56,139	53,148	24,657	21,363

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

	THE GROUP	
	2003 RM'000	2002 RM'000
Tax losses :-		
Tax savings as a result of the utilisation of current year tax losses for which credit is recognised during the year	3,047	-
Tax savings as a result of the utilisation of tax losses brought forward for which the related credit is recognised during the year	2,484	581

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

8. 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 RM145,724,000 (2002: RM122,543,000) and on the weighted average number of ordinary shares in issue during the financial year of 371,846,000 (2002: 360,556,000) 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 in the preceding financial year 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 RM145,724,000 (2002: RM122,543,000) by the weighted average number of ordinary shares in issue adjusted to assume the conversion of all dilutive potential ordinary shares, i.e. the Warrants 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 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 warrants calculation.

	THE GROUP	
	2003 RM'000	2002 RM'000
Net profit for the year	145,724	122,543
	'000	'000
Weighted average number of ordinary shares in issue	371,846	360,556
Adjustments for Warrants	25,303	30,749
Weighted average number of ordinary shares for diluted earnings per share	397,149	391,305
Diluted earnings per share	36.7 Sen	31.3 Sen

9. DIVIDENDS

	2003		2002	
	Gross dividend per share Sen	Amount of dividend, net of tax RM'000	Gross dividend per share Sen	Amount of dividend, net of tax RM'000
First interim dividend	5	13,693	5	13,087
Second interim dividend	10	27,524	7	18,512
	15	41,217	12	31,599

The financial statements do not reflect the second interim dividend declared after the financial year end amounting to RM27,524,000 (2002: RM18,512,000), which will only be accrued as a liability in the financial year ending 31 December 2004. No final dividend for the financial year ended 31 December 2003 (2002: Nil) has been proposed by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

10. SEGMENTAL REPORTING

(a) Primary reporting – Business segments

	Construction RM'000	Property Development RM'000
2003		
REVENUE:		
Total sales	1,268,982	204,378
Less: Inter-segment sales*	(136,708)	-
External sales	1,132,274	204,378
Less: Group's share of revenue of associates and jointly controlled entities	(170,711)	(34,284)
Total segment revenue	961,563	170,094
RESULT:		
Segment result	94,075	34,014
Share of results of associates and jointly controlled entities	7,521	1,760
Total segment profit before taxation	101,596	35,774
Taxation		
Profit from ordinary activities after taxation		
Minority interest		
Net profit for the year		
<i>* Inter-segment sales are transacted on an arms length basis</i>		
OTHER INFORMATION:		
Segment assets	944,988	620,761
Investment in associates	80,134	22,356
Total segment assets	1,025,122	643,117
Unallocated corporate assets		
Consolidated total assets		
Total segment liabilities	804,468	101,173
Unallocated corporate liabilities		
Incurred for the year :-		
Capital expenditure	99,166	9,937
Depreciation charged to income statement	11,518	629
Amortisation of goodwill	73	34
Amortisation of deferred expenditure	-	-
Amortisation of premium paid on quarry rights	-	-
Other significant non-cash expenses: -		
- Allowance for doubtful debts	9,000	220

Manufacturing & Quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & Others RM'000	Group RM'000
254,293 (31,446)	152,383 -	34,675 -	46,778 (15,766)	1,961,489 (183,920)
222,847 (72,330)	152,383 (76,933)	34,675 (34,675)	31,012 (24,741)	1,777,569 (413,674)
150,517	75,450	-	6,271	1,363,895
16,988 3,901	14,080 20,773	(4) 4,530	11,861 (2,699)	171,014 35,786
20,889	34,853	4,526	9,162	206,800
				(56,139)
				150,661 (4,937)
				145,724
144,085 57,103	2,744 298,113	17,525 137,593	215,504 8,646	1,945,607 603,945
201,188	300,857	155,118	224,150	2,549,552
				14,068
				2,563,620
48,637	80,000	1,184	2,349	1,037,811 16,320
				1,054,131
7,019 5,992 272 2,478 70	20,608 7,700 52 - -	- - - - -	- - 130 - -	136,730 25,839 561 2,478 70
819	-	-	-	10,039

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

10. SEGMENTAL REPORTING (Continued)

(a) Primary reporting – Business segments (Continued)

	Construction RM'000	Property Development RM'000
2002		
REVENUE:		
Total sales	1,197,373	221,745
Less: Inter-segment sales*	(76,703)	(61,093)
External sales	1,120,670	160,652
Less: Group's share of revenue of associates and jointly controlled entities	(166,842)	(30,479)
Total segment revenue	953,828	130,173
RESULT:		
Segment result	97,093	18,056
Share of results of associates and jointly controlled entities	7,512	1,672
Impairment of investment in an associate	-	-
Total segment profit before taxation	104,605	19,728
Taxation		
Profit from ordinary activities after taxation		
Minority interest		
Net profit for the year		
<i>* Inter-segment sales are transacted on an arms length basis</i>		
OTHER INFORMATION:		
Segment assets	759,366	592,168
Investment in associates	61,365	20,970
Total segment assets	820,731	613,138
Unallocated corporate assets		
Consolidated total assets		
Total segment liabilities	686,329	132,014
Unallocated corporate liabilities		
Consolidated total liabilities		
Incurred for the year :-		
Capital expenditure	38,049	10,909
Depreciation charged to income statement	8,386	633
Amortisation of goodwill	73	34
Amortisation of deferred expenditure	-	-
Amortisation of premium paid on quarry rights	-	-
Other significant non-cash expenses: -		
- Allowance for diminution in value of investments	-	-

Manufacturing & Quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & Others RM'000	Group RM'000
266,163 (73,345)	130,569 -	35,118 -	67,581 (46,896)	1,918,549 (258,037)
192,818 (80,963)	130,569 (33,733)	35,118 (35,118)	20,685 (18,182)	1,660,512 (365,317)
111,855	96,836	-	2,503	1,295,195
14,483 4,570 (10,800)	26,363 3,398 -	(4,688) 35,388 -	3,335 (4,612) -	154,642 47,928 (10,800)
8,253	29,761	30,700	(1,277)	191,770
				(53,148)
				138,622 (16,079)
				122,543
126,246 55,416	558,557 27,829	52,824 143,404	180,643 11,100	2,269,804 320,084
181,662	586,386	196,228	191,743	2,589,888
				25,300
				2,615,188
49,997	225,852	10,020	3,764	1,107,976
				38,823
				1,146,799
10,524 11,042 65 1,749 18	70,737 9,486 123 - -	- - - - -	- - 112 - -	130,219 29,547 407 1,749 18
71	-	-	6,815	6,886

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

10. SEGMENTAL REPORTING (Continued)

(b) Secondary reporting – Geographical segments

Geographical markets	Revenue from external customers RM'000	Total segment assets RM'000	Capital expenditure incurred during the year RM'000
2003: -			
Malaysia	1,479,069	1,887,189	40,946
Singapore	89,426	26,929	-
Vietnam	11,609	39,161	-
China	1,468	88,038	-
India	134,000	299,008	95,784
Australia	38,853	138,477	-
Argentina	22,085	67,912	-
Other countries	1,059	16,906	-
	1,777,569	2,563,620	136,730
Less: Group's share of revenue of associates and jointly controlled entities	(413,674)	-	-
	1,363,895	2,563,620	136,730
2002: -			
Malaysia	1,314,787	2,069,704	112,871
Singapore	68,910	23,272	-
Vietnam	12,613	38,122	-
China	1,606	100,032	-
India	219,204	182,174	17,348
Australia	20,902	110,824	-
Argentina	21,428	73,704	-
Other countries	1,062	17,356	-
	1,660,512	2,615,188	130,219
Less: Group's share of revenue of associates and jointly controlled entities	(365,317)	-	-
	1,295,195	2,615,188	130,219

11. SHARE CAPITAL

	THE GROUP AND THE COMPANY			
	2003		2002	
	Number of shares '000	Nominal value RM'000	Number of shares '000	Nominal value RM'000
Ordinary shares of RM1 each: -				
Authorised	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid: -				
At 1 January	363,937	363,937	352,723	352,723
Issued under the Employees Share Option Scheme ("ESOS")	-	-	9,605	9,605
Conversion of Warrants	18,339	18,339	1,609	1,609
At 31 December	382,276	382,276	363,937	363,937

(a) During the financial year, the issued and paid up ordinary share capital of the Company was increased from RM363,936,565 to RM382,276,059 by way of :-

- (i) The issuance of 7,168,800 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.
- (ii) The issuance of 11,170,694 new ordinary shares of RM1 each arising from the conversion of Warrants 2000/2004 at the exercise price of RM2.76 (adjusted price) 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.

(b) As at the balance sheet date, the total number of Warrants 2000/2004 which remained unexercised amounted to 60,047,525 (2002: 78,387,019).

12. CAPITAL RESERVES

	THE GROUP	
	2003 RM'000	2002 RM'000
Capitalisation of post acquisition reserves in subsidiaries and associates: -		
At 1 January/At 31 December	12,563	12,563
Share of capital reserves of associates: -		
At 1 January	21,555	21,555
Dilution of a subsidiary arising from capital distribution:		
- Capital reserves arising from the issue of shares by a subsidiary to minority interests	36,089	-
- Capital distribution in conjunction with listing of a subsidiary	(13,792)	-
	22,297	-
At 31 December	43,852	21,555
Negative goodwill: -		
At 1 January	265	43
Arising from acquisition of additional shares in subsidiaries	4,851	277
	5,116	320
Less: Amortisation	(80)	(55)
At 31 December	5,036	265
Total capital reserves	61,451	34,383

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

13. RETAINED PROFITS

Subject to the agreement by the tax authorities, as at 31 December 2003, the Company has sufficient tax exempt income to declare exempt dividends of up to RM146,078,000 (2002: RM143,751,000) and tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends of up to RM163,384,000 (2002: RM151,856,000).

14. BONDS

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
(a) 8% Secured Fixed Rate Bond 1999/2009	100,000	100,000	-	-
Less:				
Discount on issuance	4,932	4,932	-	-
Amortisation	(2,096)	(1,603)	-	-
	2,836	3,329	-	-
	97,164	96,671	-	-
(b) 5% Redeemable Unsecured Bond 2000/2005	150,000	150,000	150,000	150,000
	247,164	246,671	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 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 and the Government of Malaysia referred to in Note 26(a) to the financial statements. The bond ranks parri passu and rateably among themselves and in priority to all other unsecured indebtedness.

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

- (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.

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 or such date extended in accordance with the Deed Poll, 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 exercise price of the Warrants 2000/2004 had been adjusted to RM2.76 per share on 10 June 2003 following the distribution of 148,442,024 ordinary shares of RM0.50 each in IJM Plantations Berhad ("IJMP") to the shareholders of the Company on the basis of two (2) IJMP shares for every five (5) shares held in the Company. The exercise price was adjusted in accordance with condition 3(1)(c) of the second schedule of the Deed Poll.

The warrants are recognised in the financial statements only when they are converted into ordinary shares of the Company.

15. TERM LOANS

	THE GROUP	
	2003 RM'000	2002 RM'000
Secured	48,015	523
Unsecured	22,800	-
	70,815	523
Payable within 1 year (Note 36)	1,906	-
Payable between 1 and 5 years	41,627	-
Payable after 5 years	27,282	523
Payable after 1 year (included in non-current liabilities)	68,909	523
	70,815	523
The currency exposure profile of term loans is as follows: -		
Indian Rupee	48,015	-
US Dollar	22,800	-
Australian Dollar	-	523
	70,815	523

The term loan of RM523,000 as at 31 December 2002 was repayable on 30 April 2023. This has been fully repaid during the year.

During the year, the term loan bore interest at rates ranging from 9.75% to 13.00% (2002: 6.05% to 6.40%) per annum while as at 31 December 2003, the effective interest rates ranged from 9.75% to 13.00% per annum (2002 : 6.40%) per annum.

	THE GROUP	
	2003 RM'000	2002 RM'000
The secured term loans are secured by: -		
- fixed and floating charges over certain subsidiaries' development properties	-	523
- fixed and floating charges over certain subsidiaries' property, plant and equipment and receivables	48,015	-
	48,015	523

16. HIRE PURCHASE AND LEASE CREDITORS

	THE GROUP	
	2003 RM'000	2002 RM'000
Minimum payments: -		
- payable within 1 year	204	19,047
- payable between 1 and 5 years	1,348	4,434
	1,552	23,481
Less: Future finance charges	(104)	(1,116)
Present value of liabilities	1,448	22,365
Present value of liabilities: -		
Payable within 1 year (Note 35)	204	18,027
Payable between 1 and 5 years (included in non-current liabilities)	1,244	4,338
	1,448	22,365

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

17. DEFERRED TAXATION

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Deferred tax assets	14,068	25,300	2,867	358
Deferred tax liabilities:				
- subject to income tax	(4,956)	(6,406)	-	-
- subject to capital gains tax	-	(20,518)	-	-
	(4,956)	(26,924)	-	-
	9,112	(1,624)	2,867	358
At 1 January	(1,624)	541	358	(954)
(Charged)/credited to income statement (Note 7)				
- property, plant and equipment	(1,279)	(6,169)	49	46
- post employment benefit	404	(18)	(155)	(18)
- intangible assets	(234)	(81)	-	-
- tax losses	2,977	17	-	-
- payables	3,087	3,785	577	1,010
- development properties	87	(109)	-	-
- others	6,377	410	2,038	274
	11,419	(2,165)	2,509	1,312
Disposal of subsidiary (Note 48)	(620)	-	-	-
Currency translation differences	(63)	-	-	-
At 31 December	9,112	(1,624)	2,867	358
Subject to income tax				
Deferred tax assets (before offsetting)				
- Property, plant and equipment	1,271	3,679	-	-
- Post-employment benefit	718	314	89	244
- Payables	9,569	6,482	3,098	2,521
- Tax losses	4,646	23,186	-	-
- Others	5,172	364	-	-
	21,376	34,025	3,187	2,765
Offsetting	(7,308)	(8,725)	(320)	(2,407)
Deferred tax assets (after offsetting)	14,068	25,300	2,867	358
Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	(8,531)	(9,976)	(320)	(369)
- Development properties	(1,718)	(1,805)	-	-
- Intangible assets	(1,543)	(1,309)	-	-
- Others	(472)	(2,041)	-	(2,038)
	(12,264)	(15,131)	(320)	(2,407)
Offsetting	7,308	8,725	320	2,407
Deferred tax liabilities (after offsetting)	(4,956)	(6,406)	-	-
Subject to capital gains tax				
Deferred tax liabilities				
- Revaluation of land	-	(20,518)	-	-

The amount of unused tax losses for which no deferred tax asset is recognised in the balance sheet is as follows:

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Tax losses	3,217	3,689	-	-

18. AMOUNT DUE TO AN ASSOCIATE

The amount due to an associate in the previous financial year represents an amount due to an associate of IJM Plantations Berhad, which was disposed of during the financial year (Note 48). This arose from a loan obtained by an associate which was on-lent to a subsidiary for plantation development purposes. The loan is repayable by way of a bullet repayment 7 years from the first drawdown date of 25 October 1999 and carries interest at the fixed rate of 9.95% per annum. Certain long term leasehold plantation land and development expenditure of the Group were charged as security for the loan (Note 22(d)).

19. TRADE PAYABLE

This represents the outstanding purchase consideration arising from acquisition of land for property development by a subsidiary, repayable over the duration of the development, which is unsecured and interest free.

	THE GROUP	
	2003 RM'000	2002 RM'000
Total balance outstanding	12,000	12,000
Amount payable within 12 months (Note 35)	(6,000)	-
Amount payable after 12 months	6,000	12,000

20. RETIREMENT BENEFITS

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
(a) Defined contribution plan	85	-	-	-
(b) Defined benefit plan	2,886	2,262	924	871
	2,971	2,262	924	871

(a) Defined contribution plan

The Company and its subsidiaries in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Apart from that, a subsidiary in India has also established an unfunded defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

20. RETIREMENT BENEFITS (Continued)

(b) Defined benefit plan

The Company and certain subsidiaries participated in the IJM Retirement Scheme, which is an approved defined benefits scheme under Section 150 of the Income Tax Act, 1967. The benefits payable on retirement 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 using the projected unit credit method by an actuarial valuation carried out every three years by a qualified actuary. The last valuation was carried out in December 2002.

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
At 1 January	2,262	1,594	871	936
Charged to the income statement	3,203	3,211	642	513
Contributions and benefits paid	(2,579)	(2,543)	(589)	(578)
At 31 December	2,886	2,262	924	871

The amounts recognised in the balance sheets may be analysed as follows:

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
At 31 December				
Present value of funded obligations	20,048	17,342	3,101	2,748
Fair value of plan assets	(15,576)	(12,082)	(2,234)	(1,800)
Status of funded plan	4,472	5,260	867	948
Unrecognised actuarial gains	813	-	119	-
Unrecognised transitional liability (Note 45(b))	(2,399)	(2,998)	(62)	(77)
Liability in the balance sheet	2,886	2,262	924	871

The expense recognised in the income statements may be analysed as follows :-

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Current service cost	1,592	1,452	533	520
Interest cost	1,206	1,100	187	174
Expected return on plan assets	(624)	(751)	(93)	(119)
Actuarial losses/(gains) recognised	-	1,410	-	(62)
Past service cost	430	-	-	-
Amortisation of transitional liability (Note 45(b))	599	-	15	-
Total defined benefit retirement plan	3,203	3,211	642	513
Defined contribution retirement plan	7,241	7,114	1,486	1,433
Total included in staff cost (Note 4)	10,444	10,325	2,128	1,946
The charge to the income statement was included in the following line items:				
- cost of sales	5,308	5,492	960	947
- administrative expenses	5,136	4,833	1,168	999
Total included in staff cost (Note 4)	10,444	10,325	2,128	1,946

The principal actuarial assumptions used in respect of the Group's defined benefit plan were as follows:

	THE GROUP		THE COMPANY	
	2003 %	2002 %	2003 %	2002 %
At 31 December				
Discount rates	7	7	7	7
Expected return on plan assets	5	5	5	5
Expected rate of salary increases	5	5	5	5
Actual return on plan assets	1,216	766	178	121

21. DEFERRED INCOME

	THE GROUP	
	2003 RM'000	2002 RM'000
(a) Excess of sales proceeds over the carrying value of property, plant and equipment arising from the sale and leaseback arrangements which resulted in finance leases	-	6,661
(b) Government Grants	27,423	-
	27,423	6,661

The Government Grants represent grants from the Indian Government for certain toll road concessions awarded to the Group. There was no amortisation of the Government Grants during the year as the construction of the toll roads is still in progress.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

22. PROPERTY, PLANT AND EQUIPMENT

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

THE GROUP 2003

	Land				Long term leasehold plantation land and development expenditure
	Freehold At Cost RM'000	Long term leasehold At Cost RM'000	Long term leasehold At Valuation RM'000	Short term leasehold At Cost RM'000	At Cost RM'000
Net book value					
At 1 January 2003	12,907	38,696	1,308	6,773	213,211
Dilution / disposal of subsidiaries	-	(19,379)	-	(7,606)	(221,672)
Additions	6,397	871	-	971	8,827
Disposals	-	-	-	-	-
Written off	-	-	-	-	-
Depreciation charges for the year	-	(255)	-	(138)	(366)
Exchange differences arising from translation of assets of a foreign entity	-	-	-	-	-
Transfers / reclassifications	(10,449)	-	-	-	-
At 31 December 2003	8,855	19,933	1,308	-	-
At 31 December 2003					
Cost	8,855	23,767	-	-	-
Valuation	-	-	1,308	-	-
Accumulated depreciation	-	(3,834)	-	-	-
Net book value	8,855	19,933	1,308	-	-
At 31 December 2002					
Cost	12,907	42,275	-	7,827	214,475
Valuation	-	-	1,308	-	-
Accumulated depreciation	-	(3,579)	-	(1,054)	(1,264)
Net book value	12,907	38,696	1,308	6,773	213,211

Long term leasehold plantation land and development expenditure At Valuation RM'000	Buildings At Cost RM'000	Buildings At Valuation RM'000	Plant, machinery, equipment & vehicles At Cost RM'000	Office equipment, furniture & fittings & renovations At Cost RM'000	Capital work in progress At Cost RM'000	Total RM'000
146,680	69,692	5,630	136,193	7,381	35,747	674,218
(146,585)	(39,065)	(4,723)	(53,668)	(3,064)	(30,992)	(526,754)
-	8,110	-	36,653	1,528	73,373	136,730
-	(34)	-	(4,938)	(212)	-	(5,184)
-	-	-	(74)	(33)	-	(107)
(95)	(2,604)	(247)	(23,506)	(1,995)	-	(29,206)
-	43	-	658	33	19	753
-	3	-	11	-	10,435	-
-	36,145	660	91,329	3,638	88,582	250,450
-	40,880	-	180,162	11,637	88,582	353,883
-	-	660	-	-	-	1,968
-	(4,735)	-	(88,833)	(7,999)	-	(105,401)
-	36,145	660	91,329	3,638	88,582	250,450
-	85,898	-	239,490	17,838	35,747	656,457
146,948	-	9,130	-	-	-	157,386
(268)	(16,206)	(3,500)	(103,297)	(10,457)	-	(139,625)
146,680	69,692	5,630	136,193	7,381	35,747	674,218

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

22. PROPERTY, PLANT AND EQUIPMENT (Continued)

THE COMPANY 2003

	Long term leasehold land At Cost RM'000	Buildings At Cost RM'000	Plant, machinery, equipment & vehicles At Cost RM'000	Office equipment, furniture & fittings & renovations At Cost RM'000	Total RM'000
Net book value					
At 1 January 2003	9,173	7,651	1,345	649	18,818
Additions	-	-	333	267	600
Disposals	-	-	(60)	(2)	(62)
Depreciation charge for the year	(137)	(156)	(313)	(313)	(919)
At 31 December 2003	9,036	7,495	1,305	601	18,437
At 31 December 2003					
Cost	11,500	8,321	5,054	2,325	27,200
Accumulated depreciation	(2,464)	(826)	(3,749)	(1,724)	(8,763)
Net book value	9,036	7,495	1,305	601	18,437
At 31 December 2002					
Cost	11,500	8,321	5,255	2,076	27,152
Accumulated depreciation	(2,327)	(670)	(3,910)	(1,427)	(8,334)
Net book value	9,173	7,651	1,345	649	18,818

(a) Valuation

Property, plant and equipment include buildings, long term leasehold land, long term leasehold plantation land and development expenditure of certain subsidiaries which were last revalued in 1982, 1993 and 1997 based 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	
	2003 RM'000	2002 RM'000
Long term leasehold land	415	12,293
Long term leasehold plantation land and development expenditure	-	47,787
Buildings	50	3,701
	465	63,781

(b) Plantation development expenditure

For the preceding financial year, expenses incurred which have been capitalised in the Group's plantation development expenditure included depreciation charge of RM3,223,458 and interest expense of RM2,004,000.

(c) 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	
	2003 RM'000	2002 RM'000
Plant, machinery, equipment and vehicles	10,039	35,772

(d) As at the end of the preceding financial year, certain long term leasehold plantation land and development expenditure of the Group, at a net book value of RM158,851,170 had been charged as security for a loan of an associate referred to in Note 18 to the financial statements.

(e) During the financial year, interest expense of RM2,995,000 (2002: Nil) has been capitalised in the capital work in progress.

23. SUBSIDIARIES

	THE COMPANY	
	2003 RM'000	2002 RM'000
Unquoted shares, at cost		
- in Malaysia	172,406	272,406
- outside Malaysia	5,363	5,363
	177,769	277,769
Less: Accumulated impairment losses	(173)	(173)
	177,596	277,596
Amount owing by a subsidiary (b)	83,183	50,504
	260,779	328,100

(a) The Group's effective equity interest in the subsidiaries and their respective principal activities and countries of incorporation are set out in Note 50 to the financial statements.

(b) Amount owing by a subsidiary is a loan by the Company to a foreign subsidiary, IJM International (BVI) Pty Ltd which was on-lent to its associate, Reliance-OSW (Nominees) Pty Limited, which holds a property in Australia. Exchange differences arising from the translation of the loan as at the financial year end of RM17,602,000 is recognised in equity as it represents the Company's net investment in the subsidiary whereby the loan is expected to be recovered only upon disposal of either the Group's investment in the associate or the disposal of the property by the associate (Note 49).

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

24. ASSOCIATES

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
(a) Associates other than Grupo Concesionario del Oeste S.A ("Grupo")	536,033	246,380	248,958	61,123
(b) Grupo	67,912	73,704	44,294	44,294
	603,945	320,084	293,252	105,417
(c) Amount owing by an associate	72,990	46,187	-	-
	676,935	366,271	293,252	105,417
Represented by: -				
Group's share of net assets	587,503	313,929		
Group's share of goodwill	206	1,085		
Goodwill on acquisition	16,236	5,070		
	603,945	320,084		
Market value of: -				
Quoted shares: -				
- in Malaysia	337,419	50,900	337,419	50,900
- outside Malaysia (Grupo)	12,343	8,451	12,343	8,451
	349,762	59,351	349,762	59,351

The Group's effective equity interest in the associates and their respective principal activities and countries of incorporation are set out in Note 50 to the financial statements.

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
(a) Associates other than Grupo				
At cost: -				
Quoted shares: -				
- in Malaysia	182,880	46,476	182,880	46,476
Unquoted shares: -				
- in Malaysia	54,888	67,046	35,283	33,852
- outside Malaysia	103,378	106,850	1,765	1,765
	341,146	220,372	219,928	82,093
Unquoted Redeemable Convertible Unsecured Loan Stocks (RCULS)*	50,000	-	50,000	-
Share of post-acquisition retained profits	111,818	42,840	-	-
Share of post-acquisition reserves	61,721	11,566	-	-
	564,685	274,778	269,928	82,093
Less: Accumulated impairment losses	(28,652)	(28,398)	(20,970)	(20,970)
	536,033	246,380	248,958	61,123

* The RCULS were issued by an associate, IJM Plantations Bhd ("IJMP") as part of its listing exercise detailed in Note 48. The RCULS bear interest at 5% per annum from 2 July 2003 until the date of redemption or maturity, whichever the earlier. The RCULS can be converted at a conversion rate of 1 RCULS for 2 new ordinary shares of RM0.50 each in IJMP during the conversion period from 2 July 2006 to 1 July 2008. All outstanding RCULS will be redeemed in full by IJMP on 1 July 2008.

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
(b) Grupo:-				
Quoted shares at cost	38,080	38,080	38,080	38,080
Unquoted shares at cost	51,214	51,214	51,214	51,214
	89,294	89,294	89,294	89,294
Share of post-acquisition retained profits	25,618	31,410	-	-
Less: Accumulated impairment losses	(47,000)	(47,000)	(45,000)	(45,000)
	67,912	73,704	44,294	44,294

In 2002, pursuant to the Presidential Decree N°214 in Argentina, certain loans of a 20.1% associate in Argentina, Grupo Concesionario del Oeste S.A. ("Grupo") denominated in US dollars were converted into Peso at the rate of 1 US Dollar to 1 Peso and adjusted by a Reference Stabilisation Rate (CER), a rate which measures daily changes and is calculated on the basis of the monthly changes in the Consumer Price Index published by the Instituto Nacional de Estadística y Censos, of approximately 40.5% in 2002 whilst interest is capped at 8% per annum. Certain assets and liabilities of Grupo were also concurrently adjusted by an inflationary index of approximately 118%. Grupo's net gain resulting from these inflation adjustments amounted to approximately Peso 114.2 million (RM128.8 million).

Included in the share of results of associates for the preceding year (current year: Nil) was the Group's share of exceptional gain arising from the above-mentioned inflationary adjustments of RM25.9 million. For the current financial year, an amount of approximately RM27million (2002: Nil) has been adjusted as a reduction against opening reserves of Grupo and accordingly the Group's share of RM5.4million has been adjusted directly to equity.

The changes in Argentine economic conditions and the amendments made by the Argentina Government to the Concession Contract may affect Grupo's economic and financial equation, generating uncertainty regarding the future development of its business, the potential compliance with the investment program established in the Concession Contract and Grupo's ability to meet the financial obligations undertaken. Grupo's management is currently renegotiating the terms of the Concession Contract with the government.

Apart from that, as a result of the effects of the provisions of the Economic Emergency Law, Grupo was unable to meet certain financial ratios required by the credit facilities contract with its creditor banks. This situation, as well as the amendments to the Concession Contract mentioned above, could result in the debts and guarantees granted being claimable if the banks notify Grupo of that non-compliance. However, Grupo has received an extension until 6 April 2004 during which the banks will refrain from declaring the debts claimable. Grupo's management is currently still in the process of renegotiating the credit facilities contract with its creditor banks.

The management of Grupo is confident that the results of negotiations detailed above would be positive.

The impact on Grupo's financial statements was recognised in accordance with evaluations and estimates made by Grupo's management at the date of preparing the financial statements. Future results could differ as the outcome of the following could not be determined at the date of these financial statements: -

- (i) The presidential decrees are still being supplemented by regulations issued by various supervisory authorities. These regulations could have a material impact on the financial statements of Grupo.
- (ii) At the date of issuing the financial statements, the renegotiations of the Concession Agreement and credit facilities contract have yet to be concluded. The impact of the outcome on the financial statements could only be determined when the renegotiations are concluded.

Subject to the outcome of the above negotiations and based on the current valuation of the Group's share of net assets and best estimates of the net present value of future cashflow, the Directors are of the opinion that the investment in Grupo is not impaired.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

24. ASSOCIATES (Continued)

(c) The amount owing by an associate is unsecured, interest free and is not repayable within the next 12 months (Note 49).

(d) Certain losses of associates 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	
	2003 RM'000	2002 RM'000
Current year share of losses	(199)	(1,695)
Cumulative share of losses	(23,387)	(23,188)

25. LONG TERM INVESTMENTS

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
At cost: -				
Quoted shares: -				
- in Malaysia	48,911	48,911	48,911	48,911
- outside Malaysia	365	10,612	-	-
	49,276	59,523	48,911	48,911
Unquoted shares: -				
- in Malaysia	36,959	21,459	6,500	6,500
- outside Malaysia	265	260	260	260
	37,224	21,719	6,760	6,760
Unquoted unit trusts: -				
- outside Malaysia	-	1,742	-	-
	86,500	82,984	55,671	55,671
Less: Allowance for diminution in value: -				
- quoted shares	(107)	(10,424)	-	-
- unquoted shares	(5,922)	(5,922)	(4,710)	(4,710)
	(6,029)	(16,346)	(4,710)	(4,710)
	80,471	66,638	50,961	50,961
Market value of: -				
Quoted shares: -				
- in Malaysia	50,088	31,723	50,088	31,723
- outside Malaysia	295	159	-	-
	50,383	31,882	50,088	31,723

The currency exposure profile of investments outside Malaysia is as follows: -

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Australian Dollar	249	1,930	-	-
Indian Rupee	14	-	-	-
	263	1,930	-	-

26. LONG TERM RECEIVABLES

	THE GROUP	
	2003 RM'000	2002 RM'000
(a) Receivable for construction of the Kementerian Kerja Raya Office Blocks	51,122	58,696
(b) Receivable for disposal of a development property	-	2,169
	51,122	60,865
Less:		
Amount receivable within 12 months (included in trade receivables - Note 30)	(7,656)	(7,164)
Amount receivable after 12 months	43,466	53,701

(a) The cost of construction of the Kementerian Kerja Raya Office Blocks by a subsidiary is reimbursable upon completion in instalments by the Government of Malaysia over a period of 13 1/2 years commencing from 1 March 1997, pursuant to a concession agreement. In connection with the concession, the subsidiary will also receive fees over the duration of the concession period for the maintenance, operation and management of the Kementerian Kerja Raya Office Blocks from the Government of Malaysia commencing from 1 March 1997. All rights under the above concession agreement have been assigned to secure the Bond referred to in Note 14(a) to the financial statements.

(b) The proceeds from the disposal of a development property by a subsidiary is receivable progressively over a period of 5 years commencing December 2001. The full amount has been received during the financial year.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

27. INTANGIBLE ASSETS

	THE GROUP	
	2003 RM'000	2002 RM'000
(a) Goodwill on consolidation	5,115	6,848
(b) Deferred expenditure	5,456	4,524
(c) Premium paid on quarry rights	276	346
	10,847	11,718
(a) Goodwill on consolidation		
At cost: -		
At 1 January	13,932	10,060
Arising from the acquisition of subsidiaries / additional equity interest in subsidiaries	688	3,872
Written off	(615)	-
Disposal of subsidiary (Note 48)	(2,465)	-
At 31 December	11,540	13,932
Less : Accumulated amortisation		
At 1 January	(7,084)	(6,677)
Current amortisation	(561)	(407)
Disposal of subsidiary (Note 48)	1,220	-
At 31 December	(6,425)	(7,084)
	5,115	6,848
(b) Deferred expenditure		
At cost: -		
At 1 January	14,786	10,944
Arising from the acquisition of subsidiaries / additional equity interest in subsidiaries	-	1,202
Additions	3,466	2,640
Written off	(928)	-
At 31 December	17,324	14,786
Less : Accumulated amortisation		
At 1 January	(10,262)	(8,513)
Current amortisation	(2,478)	(1,749)
Written off	872	-
At 31 December	(11,868)	(10,262)
	5,456	4,524

	THE GROUP	
	2003 RM'000	2002 RM'000
(c) Premium paid on quarry rights		
At cost: -		
At 1 January	364	-
Arising from the acquisition of subsidiaries / additional equity interest in subsidiaries	-	364
At 31 December	364	364
Less : Accumulated amortisation		
At 1 January	(18)	-
Current amortisation	(70)	(18)
At 31 December	(88)	(18)
	276	346

28. PROPERTY DEVELOPMENT

(a) Land held for property development

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Freehold land, at cost	63,743	23,956	281	281
Leasehold land, at cost	8,588	5,332	-	-
	72,331	29,288	281	281
At 1 January	29,288	16,032	281	281
Additions during the year	16,029	-	-	-
Disposals during the year	(245)	-	-	-
Transfer from property development costs (Note 28(b))	27,259	-	-	-
Acquisition of subsidiary	-	13,256	-	-
At 31 December	72,331	29,288	281	281

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

28. PROPERTY DEVELOPMENT (Continued)

(b) Property development costs

	THE GROUP	
	2003 RM'000	2002 RM'000
At 1 January		
Freehold land – at cost	149,356	105,973
Freehold land – at valuation	7,104	6,715
Leasehold land – at cost	71,465	49,024
Development costs	287,588	133,736
Accumulated costs charged to income statement	(193,788)	(93,584)
	321,725	201,864
Cost incurred during the year		
- purchase of land	33,249	55,250
- development costs	129,834	139,988
	163,083	195,238
Disposal of lands	(15,921)	-
Transfer to land held for property development (Note 28(a))	(27,259)	-
Costs charged to income statement	(110,616)	(87,858)
Completed units transferred to inventories	(3,861)	(1,138)
Exchange differences	5,341	914
Acquisition of subsidiary		
- land	-	10,056
- development costs	-	14,994
- accumulated cost	-	(12,345)
	-	12,705
At 31 December	332,492	321,725
At 31 December		
Freehold land – at cost	114,173	149,356
Freehold land – at valuation	6,794	7,104
Leasehold land – at cost	105,272	71,465
Development costs	410,657	287,588
Accumulated costs charged to income statement	(304,404)	(193,788)
	332,492	321,725

29. INVENTORIES

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
At cost: -				
Raw materials: -				
- Construction materials	1,293	1,176	665	483
- Other raw materials	523	660	-	-
Finished goods: -				
- Crude palm oil	-	2,877	-	-
- Palm kernel	-	693	-	-
- Completed buildings	9,348	12,785	6,101	6,101
- Quarry and manufactured products	6,955	9,115	-	-
Stores, spares & consumables	1,742	6,731	-	-
Oil palm nurseries	-	2,465	-	-
Fertilisers and chemicals	-	2,176	-	-
Work-in-progress	135	96	-	-
	19,996	38,774	6,766	6,584
At net realisable value: -				
Finished goods: -				
- Completed buildings	9,734	8,615	-	-
- Quarry and manufactured products	-	103	-	-
	9,734	8,718	-	-
	29,730	47,492	6,766	6,584

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

30. TRADE AND OTHER RECEIVABLES

	Note	THE GROUP		THE COMPANY	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade receivables		506,794	506,154	78,959	127,733
Less: Allowance for doubtful debts		(21,337)	(22,971)	(11,692)	(11,692)
		485,457	483,183	67,267	116,041
Trade and tender deposits		1,032	6,694	1,032	602
Trade advances		26,570	23,758	26,570	12,401
Less: Allowance for doubtful debts		(3,654)	(3,536)	(3,654)	(3,536)
		22,916	20,222	22,916	8,865
Other debtors, deposits and prepayments		50,142	35,121	6,748	3,841
Less: Allowance for doubtful debts		(6,574)	(6,260)	-	-
		43,568	28,861	6,748	3,841
Amounts due from customers on construction contracts	38	11,912	21,065	-	4,558
Amounts owing by subsidiaries		-	-	399,705	549,331
Amounts owing by associates		108,762	123,684	86,166	75,165
Less: Allowance for doubtful debts		(7,414)	(7,409)	(4,412)	(4,412)
		101,348	116,275	81,754	70,753
Amounts owing by jointly controlled entities	34	94,529	104,212	31,625	38,948
		760,762	780,512	611,047	792,939

The currency exposure profile of trade and other receivables is as follows: -

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Ringgit Malaysia	647,706	671,322	585,417	753,991
Indian Rupee	67,763	71,805	25,630	38,948
Hongkong Dollar	16,571	4,636	-	-
Australian Dollar	9,307	29,519	-	-
US Dollar	18,916	3,230	-	-
Pound Sterling	499	-	-	-
	760,762	780,512	611,047	792,939

Credit terms of trade receivables range from payment in advance to 90 days.

The amounts owing by subsidiaries and associates are unsecured, bear interest ranging from 3.0% to 8.4% (2002: 4.0% to 8.4%) per annum and have no fixed terms of repayment.

Included in trade receivables is the current portion of the receivable amount due for construction of the Kementerian Kerja Raya Office Blocks (Note 26) of RM7,656,000 (2002:RM7,164,000).

31. SHORT TERM INVESTMENTS

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
At cost: -				
Quoted shares - In Malaysia	22,148	21,045	20,737	19,601
- Outside Malaysia**	73,579	24,604	-	-
	95,727	45,649	20,737	19,601
Unquoted shares outside Malaysia**	-	49,071	-	-
Quoted warrants in Malaysia	55	402	2	402
Quoted debentures in Malaysia	16,644	16,575	218	175
	112,426	111,697	20,957	20,178
Less : Allowance for diminution in value of investments: -				
- Quoted shares	(4,667)	(10,603)	(4,504)	(10,125)
- Quoted warrants	(10)	-	-	-
- Quoted debentures	(676)	(46)	-	-
	(5,353)	(10,649)	(4,504)	(10,125)
	107,073	101,048	16,453	10,053
Market value:-				
Quoted shares: -				
- In Malaysia	14,032	9,287	12,776	8,322
- Outside Malaysia	109,753	28,520	-	-
	123,785	37,807	12,776	8,322
Quoted warrants in Malaysia	3,644	1,686	3,601	1,686
Quoted debentures in Malaysia	15,826	16,418	76	45
	143,255	55,911	16,453	10,053

The currency exposure profile of investments outside Malaysia is as follows: -

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Hongkong Dollar	73,579	24,604	-	-
Chinese Renminbi	-	47,745	-	-
Australian Dollar	-	1,326	-	-
	73,579	73,675	-	-

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

31. SHORT TERM INVESTMENTS (Continued)

** The short term investments quoted outside Malaysia represent the Group's investment in Guangdong Provincial Expressway Development Co. Ltd ("GPED"). At the end of the preceding financial year, 45 million foreign-legal person shares in GPED with a carrying value of RM47,745,000 was included in the unquoted shares outside Malaysia. The Securities Regulatory Commission of the People's Republic of China has vide its letter dated 17 January 2003, approved the conversion of these 45 million foreign-legal person shares in GPED to quoted "B" shares and these shares could be traded on the Shenzhen Stock Exchange from 8 March 2004. Accordingly, these have been classified as quoted shares outside Malaysia in the current financial year.

32. DEPOSITS WITH LICENSED BANKS

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Short term deposits with licensed banks	128,040	40,451	99,585	20,020
Fixed deposits with licensed banks	9,316	47,254	9,316	39,242
	137,356	87,705	108,901	59,262

Included in short term deposits with licensed banks are the deposits of a subsidiary amounting to RM22,935,000 (2002: RM12,612,000) which 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 referred to in Note 14(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 with the consent of the trustee.

The currency exposure profile of the deposits is as follows: -

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Ringgit Malaysia	132,836	80,610	108,901	59,262
US Dollar	-	6,276	-	-
Australian Dollar	4,520	819	-	-
	137,356	87,705	108,901	59,262

During the year, the interest rates for the deposits denominated in US Dollar ranged from 1.15% to 1.73% (2002: 1.15% to 1.73%) per annum while the interest rates for the other deposits ranged from 2.15% to 4.29% (2002: 2.15% to 4.75%) per annum. As at 31 December 2003, the effective interest rates for deposits ranged from 2.15% to 4.29% (2002 : 2.15% to 4.75%) per annum. As at the end of the preceding financial year, the effective interest rate for the deposits denominated in US Dollar was at 1.15% per annum.

Deposits with licensed banks have a maturity ranging between 1 day to 1 year (2002: 1 day to 1 year).

33. CASH AND BANK BALANCES

Cash and bank balances include balances amounting to RM5,104,133 (2002: RM6,272,014) 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.

The currency exposure profile of cash and bank balances is as follows: -

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Ringgit Malaysia	41,272	39,895	1,217	6,921
Indian Rupee	4,032	6,593	-	-
Hongkong Dollar	9	16	-	-
Singapore Dollar	431	94	431	94
Australian Dollar	755	30	-	-
US Dollar	1,140	2,944	-	-
	47,639	49,572	1,648	7,015

The above bank balances are deposits at call with banks and earn no interest.

34. AMOUNTS OWING BY / (TO) JOINTLY CONTROLLED ENTITIES

	Note	THE GROUP		THE COMPANY	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
(a) Amounts owing by jointly controlled entities		95,384	93,725	31,625	38,948
Less: Allowance for doubtful debts		(9,000)	-	-	-
		86,384	93,725	31,625	38,948
Share of results		8,145	10,487	-	-
	30	94,529	104,212	31,625	38,948
Amounts owing to jointly controlled entities		(22,123)	(13,327)	(9,128)	(5,889)
Share of results		3,900	997	-	-
	35	(18,223)	(12,330)	(9,128)	(5,889)
		76,306	91,882	22,497	33,059

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

34. AMOUNTS OWING BY / (TO) JOINTLY CONTROLLED ENTITIES (Continued)

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

	Group's effective interest in jointly controlled entities		Principal activity
	2003	2002	
Dywidag-IJM Joint Venture	49%	49%	Dormant
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-Gayatri Joint Venture	60%	60%	Construction
WGI-IJM Joint Venture	40%	40%	Dormant
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
IJM-NBCC-VRM Joint Venture	50%	-	Construction

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

	THE GROUP	
	2003 RM'000	2002 RM'000
Property, plant and equipment	5,716	3,788
Current assets	63,724	85,462
Current liabilities	57,476	65,569
Revenue	94,314	120,984
Expenses and costs of sales	93,753	117,146
Profits less losses before taxation	561	3,838

The Group's share of capital commitments in relation to interest in jointly controlled entities are RM3,052,809 (2002: RM5,095,916).

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

35. TRADE AND OTHER PAYABLES

	Note	THE GROUP		THE COMPANY	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade payables		387,896	354,205	46,675	55,145
Amounts due to customers on construction contracts	38	95,766	139,373	79,607	114,966
Progress billings in respect of property development		19,845	-	-	-
Amounts owing to subsidiaries		-	-	100,802	74,052
Amounts owing to associates		6,197	28,699	3,779	5,547
Amounts owing to jointly controlled entities	34	18,223	12,330	9,128	5,889
Hire purchase and lease creditors	16	204	18,027	-	-
Trade accruals		17,072	21,037	17,071	16,192
Other payables and accruals		65,594	52,839	18,865	17,146
Dividend payable		37	104	37	104
		610,834	626,614	275,964	289,041

The currency exposure profile of trade and other payables is as follows: -

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Ringgit Malaysia	561,855	577,850	269,258	283,146
Indian Rupee	41,525	38,478	6,339	5,889
Hongkong Dollar	919	6,637	-	-
Singapore Dollar	452	6	367	6
Australian Dollar	5,603	3,543	-	-
US Dollar	323	100	-	-
Pound Sterling	157	-	-	-
	610,834	626,614	275,964	289,041

Credit terms of trade and other payables range from payment in advance to 90 days.

The amounts owing to subsidiaries, associates and jointly controlled entities are unsecured, bear interest at rates ranging from 3.0% to 8.4% (2002: 4.0% to 5.0%) 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 (Note 19).

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

36. INTEREST BEARING BANK BORROWINGS

	Note	THE GROUP		THE COMPANY	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Secured: -					
Term loans	15	1,906	-	-	-
Unsecured: -					
Bankers' acceptances		36,075	68,246	35,075	66,446
Revolving credits		7,600	-	-	-
		43,675	68,246	35,075	66,446
		45,581	68,246	35,075	66,446

The currency exposure profile of the above bank borrowings is as follows:-

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Ringgit Malaysia	36,075	68,246	35,075	66,446
Indian Rupee	1,906	-	-	-
US Dollar	7,600	-	-	-
	45,581	68,246	35,075	66,446

The bankers' acceptances and revolving credits are unsecured and bear interest at rates ranging from 2.41% to 3.05% (2002: 2.90% to 3.10%) per annum during the year. As at 31 December 2003, the effective interest rates for the bankers' acceptances ranged from 3.00% to 3.02% (2002: 2.98% to 3.02%) per annum and the interest rates for the revolving credits was 2.41% (2002: Nil) per annum.

37. BANK OVERDRAFTS

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Secured	7,228	-	-	-
Unsecured	1,975	880	-	5
	9,203	880	-	5

The secured bank overdraft is secured by fixed and floating charges over inventories and receivables of a subsidiary.

The currency exposure profile of the bank overdrafts is as follows:-

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Ringgit Malaysia	299	880	-	5
Indian Rupee	7,228	-	-	-
US Dollar	1,676	-	-	-
	9,203	880	-	5

The bank overdrafts bore interest at rates ranging from 6.50% to 11.00% (2002: 6.90% to 7.65%) per annum during the year. As at 31 December 2003, the effective interest rates ranged from 6.50% to 11.00% (2002: 6.90% to 7.65%) per annum.

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

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Aggregate costs incurred to date	2,621,673	1,900,789	600,142	452,576
Attributable profits less recognised losses	279,635	194,463	136,770	65,649
	2,901,308	2,095,252	736,912	518,225
Less: Progress billings on contracts	(2,985,162)	(2,213,560)	(816,519)	(628,633)
	(83,854)	(118,308)	(79,607)	(110,408)
Amounts due from customers on construction contracts (included in trade and other receivables - Note 30)	11,912	21,065	-	4,558
Amounts due to customers on construction contracts (included in trade and other payables - Note 35)	(95,766)	(139,373)	(79,607)	(114,966)
	(83,854)	(118,308)	(79,607)	(110,408)
Advances received on contracts (included in trade payables)	25,453	39,040	9,016	19,095
Retention sums on contracts (included in trade receivables)	39,418	33,965	3,430	9,441

During the year, depreciation charge amounting to RM3,367,000 (2002: RM1,597,000) and interest expense of RM212,000 (2002:Nil) (Note 5) has been included in the aggregate costs incurred to date.

39. ACQUISITION OF SUBSIDIARIES

(a) During the financial year, the Group acquired the entire shareholdings in Warga Sepakat Sdn Bhd.

The acquisition has no significant effect on the financial results and financial position of the Group.

Details of net assets acquired, goodwill and cash flow arising from the acquisition are as follows: -

	At date of acquisition RM'000
Payables	(3)
Group's share of net assets	(3)
Goodwill	678
Cost of acquisition	675
Purchase consideration discharged by cash	675
Less: Cash and cash equivalents of a subsidiary acquired	-
Cash outflow on acquisition	675

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

39. ACQUISITION OF SUBSIDIARIES (Continued)

(b) During the preceding financial year, the Group/Company acquired the following subsidiaries :

- (i) A wholly-owned subsidiary, Malaysian Rock Products Sdn Bhd, acquired the remaining 50% equity interest in Kuang Rock Products Sdn Bhd thereby increasing its stake from 50% to 100%.
- (ii) The Company acquired the remaining 50% equity interest in Jelutong Development Sdn Bhd thereby increasing its stake from 50% to 100%.
- (iii) A wholly-owned subsidiary, IJM Construction Sdn Bhd, acquired the remaining 50% equity interest in Kami Builders Sdn Bhd thereby increasing its stake from 50% to 100%.

These acquisitions had no significant effect on the financial results of the Group.

The effects of the acquisitions on the financial position of the Group as at 31 December 2002 were as follows:-

	2002 RM'000
Cash and bank balances	942
Property, plant and equipment	588
Deferred expenditure	1,389
Development expenditure	32,732
Inventories	1,269
Receivables	49,976
Payables	(78,764)
	8,132
Amount accounted for as associates	(4,790)
Group's share of profit had the Group not acquired the additional equity interest	38
Increase in Group net assets	3,380

Details of net assets acquired, goodwill and cash flow arising from the acquisition in the preceding year are as follows: -

	At date of acquisition RM'000
Cash and bank balances	341
Property, plant and equipment	670
Deferred expenditure	1,566
Land held for property development	13,256
Development expenditure	12,705
Inventories	1,299
Receivables	63,461
Payables	(17,671)
Amount owing to shareholders	(66,581)
Group's share of net assets	9,046
Less: Amount accounted for as associates	(4,790)
Goodwill	3,687
Post acquisition losses	326
Cost of acquisition	8,269
Purchase consideration discharged by cash	8,269
Less: Cash and cash equivalents of subsidiaries acquired	(341)
Cash outflow on acquisition	7,928

40. DISPOSAL OF SUBSIDIARIES

- (a) During the financial year, a wholly-owned subsidiary, Malaysian Rock Products Sdn Bhd, disposed of its entire 100% equity interest in Mowtas Bulkers Sdn Bhd for RM1,200,000.

The effect of disposal on the financial position of the Group is as follows:

	At date of disposal RM'000	31.12.2002 RM'000
Cash and bank balances	2	2
Receivables	1,155	1,155
Payables	(9)	(9)
Net assets disposed of	1,148	1,148
Net disposal proceeds	1,200	
Net gain on disposal	52	
Total proceeds from disposal – cash consideration	1,200	
Cash and cash equivalents of subsidiary disposed	(2)	
Net cash inflow on disposal	1,198	

The disposal has no significant effect on the financial results of the Group for the financial year.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

40. DISPOSAL OF SUBSIDIARIES (Continued)

- (b) During the preceding financial year, a 55% subsidiary, Kemena Industries Sdn Bhd, disposed of its entire 51% equity interest in Kipal Industries Sdn Bhd for RM586,500 and a wholly-owned subsidiary, IJM International Ltd, Hong Kong, disposed its entire 62.5% equity interest in Park-Lee Construction Ltd, a dormant company incorporated in Hong Kong for RM1.

The disposals had no significant effect on the financial results of the Group.

The effects of the disposals on the financial position of the Group were as follows:-

	At date of disposal RM'000	2001 RM'000
Cash and bank balances	(86)	221
Property, plant and equipment	409	571
Inventories	85	99
Receivables	1,716	1,531
Payables	(1,575)	(1,339)
	549	1,083
Minority interest	(461)	
Net assets disposed of	88	
Net disposal proceeds	586	
Net gain on disposal	498	
Total proceeds from disposal – cash consideration	586	
Cash and cash equivalents of subsidiary disposed	86	
Net cash inflow on disposal	672	

41. NON-CASH TRANSACTIONS

The principal non-cash transactions during the financial year were transactions implemented as part of the listing exercise of IJM Plantations Berhad ("IJMP") on the Main Board of the Malaysia Securities Exchange Berhad, as detailed in Note 48.

- (i) subscription of 200,000,000 additional ordinary shares of RM0.50 each in IJMP, by way of capitalisation of amount owing by IJMP of RM100,000,000.
- (ii) capital distribution of 148,442,024 IJMP shares for free by the Company to the shareholders of the Company.
- (iii) distribution of 1,992,000 IJMP shares to the employees of the Company and its subsidiaries as part of the employees' annual bonus.
- (iv) distribution of 2,430,804 IJMP shares to the stockholders of Rahman Hydraulic Tin Berhad ("RHTB") as part of the consideration for the acquisition of the listing status of RHTB.

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	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Deposits with licensed banks (Note 32)	137,356	87,705	108,901	59,262
Cash and bank balances (Note 33)	47,639	49,572	1,648	7,015
Bank overdrafts (Note 37)				
- Secured	(7,228)	-	-	-
- Unsecured	(1,975)	(880)	-	(5)
	(9,203)	(880)	-	(5)
	175,792	136,397	110,549	66,272
Less:				
Restricted deposits with licensed banks (Note 32)	(22,935)	(12,612)	-	-
	152,857	123,785	110,549	66,272

43. FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. These include, amongst others, investments, deposits, cash and bank balances, receivables, payables, borrowings as well as derivative instruments.

The fair value of a financial instrument is assumed to be the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

Quoted market prices, when available, are used as a measure of fair values. However, for a significant portion of the Group's and Company's financial instruments, quoted market prices do not exist. For such financial instruments, fair values presented are estimates derived using the net present value or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values.

(a) Off balance sheet financial instruments

(i) Forward foreign exchange contracts

As at 31 December 2003, the Group has no outstanding forward foreign currency contracts.

As at 31 December 2002, the settlement dates on the open contracts ranged between 1 to 4 months. The Group's outstanding contracts as at 31 December 2002 in relation to future purchase of equipments are as follows:-

Maturity	Currency	Amount in foreign currency	Contractual rate	RM'000 Equivalents	Unrecognised gain RM'000
Within 1 month	Euro	759,624	3.7080	2,817	208
Within 4 months	Euro	340,000	3.7197	1,265	89

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

43. FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES (Continued)

(a) Off balance sheet financial instruments (Continued)

(i) Forward foreign exchange contracts (Continued)

The fair value of the above outstanding forward contracts, determined using forward exchange market rates as at 31 December 2002 was a favourable position of RM297,000.

The net unrecognised gains at 31 December 2002 on open contracts of RM297,000 were deferred until the related receipts or payments occurred, at which time they were included in the measurement of such receipts or payments.

(b) On balance sheet financial instruments

Except as stated below, the carrying values of other financial assets and financial liabilities of the Group and Company at the balance sheet date approximated their fair values.

	Note	The Group Carrying value RM'000	Fair value RM'000	The Company Carrying value RM'000	Fair value RM'000
Financial Assets					
As at 31 December 2003					
(i) Long term investments	25				
- Quoted shares		49,169	50,383	48,911	50,088
- Unquoted shares		31,302	Note (bb)	2,050	Note (bb) (bb)
		80,471		50,961	
(ii) Short term investments	31				
- Quoted shares		91,060	123,785	16,233	12,776
- Quoted debentures		15,968	15,826	218	76
- Quoted warrants		45	3,644	2	3,601
		107,073		16,453	
(iii) Long term receivables	26	43,466	53,303	-	-
As at 31 December 2002					
(i) Long term investments	25				
- Quoted shares		49,099	31,882	48,911	31,723 (aa)
- Unquoted shares		15,797	Note (bb)	2,050	Note (bb) (bb)
- Unquoted unit trust		1,742	Note (bb)	-	- (bb)
		66,638		50,961	
(ii) Short term investments	31				
- Quoted shares		35,046	37,807	9,476	8,322
- Unquoted shares		49,071	58,786	-	- (cc)
- Quoted warrants		402	1,686	402	1,686
- Quoted debentures		16,529	16,418	175	45
		101,048		10,053	
(iii) Long term receivables	26	53,701	59,272	-	-

(aa) In the preceding financial year, the Directors were of the opinion that an allowance for diminution in value of the long term quoted investments quoted in Malaysia was not necessary.

(bb) It is not practicable to estimate the fair value of the Group's unquoted investments because of the lack of reference market prices and the inability to estimate fair value without incurring excessive costs. However, the Directors believe that the carrying values represent the recoverable amounts.

- (cc) In the preceding financial year, for unquoted investments in foreign-held legal person shares (unquoted shares) in Guangdong Provincial Expressway Development Co. Ltd ("GPED") at a carrying value of RM47.7 million included under short term investments in unquoted shares, estimates of its fair values had been made by reference to the market price of the quoted "B" shares of GPED, with an estimated discount for lack of marketability.

		The Group		The Company	
	Note	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
Financial liabilities					
As at 31 December 2003					
(i) Bonds	14	247,164	259,301	150,000	147,212
(ii) Trade payable (Non-current)	19	6,000	3,998	-	-
As at 31 December 2002					
(i) Bonds	14	246,671	259,679	150,000	145,937
(ii) Amount due to an associate	18	36,956	40,858	-	-
(iii) Trade payable (Non-current)	19	12,000	8,977	-	-

The above financial liabilities will be realised at their carrying values and not at their fair values as the Directors have no intention to settle these liabilities other than in accordance with their contractual obligations.

44. SIGNIFICANT RELATED PARTY DISCLOSURES

The Group

In addition to related party disclosures mentioned in Note 4 to the financial statements, set out below are other significant related party transactions and balances.

A General Mandate has been obtained from shareholders vide a Circular to Shareholders dated 29 April 2003 for Recurrent Related Party Transactions with the following related parties:-

- (i) Industrial Concrete Products Bhd and its subsidiaries ("ICP Group")
- (ii) Syn Tai Hung Sdn Bhd ("STHSB")
- (iii) Minconsult Sdn Bhd ("MSB")

- (a) The following 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.

	2003 RM'000	2002 RM'000
(aa) Associates: -		
(i) Sales / progress billings in respect of :-		
<u>Construction contract</u>		
- THB-IJM Joint Venture Sdn Bhd	-	2,970
- Worldwide Ventures Sdn Bhd	1,050	4,614
- Swarna Tollways	50,484	133,964
<u>Quarry products</u>		
- ICP Group	1,631	1,718
(ii) Purchases in respect of :-		
<u>Building materials</u>		
- ICP Group	8,406	24,864
<u>Agricultural fertilisers and chemicals</u>		
- Loongsyn Sdn Bhd	4,143	4,628

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

44. SIGNIFICANT RELATED PARTY DISCLOSURES (Continued)

	2003 RM'000	2002 RM'000
(iii) Interest charged to: -		
- Worldwide Ventures Sdn Bhd	4,552	4,128
- IJM Plantations Berhad	2,793	-
(iv) Advances / repayments to: -		
- OSW Properties Pty Ltd	4,275	10,854
- Reliance – OSW Investment Trust	11,955	10,546
- CIDB Inventures Sdn Bhd	740	9,907
- Worldwide Ventures Sdn Bhd	5,755	5,469
- THB-IJM Joint Venture Sdn Bhd	-	3,385
- Emas Utilities Corporation Sdn Bhd	3,441	-
(v) Advances / repayments from: -		
- Quay Link Enterprises	18,859	-
- Gautami Power Limited	7,049	4,750
- Avillion Hotels International (Sydney) Pty Ltd	-	3,435
- JWS Projects Sdn Bhd	2,561	1,838
- Emas Utilities Corporation Sdn Bhd	-	1,822
- OSW Properties Pty Ltd	9,325	-
- IJM Plantations Berhad	37,693	-
(bb) Jointly controlled entities: -		
(i) Progress billings in respect of construction contract by:		
- IJM Construction – Perkasa Sutera Joint Venture	14,051	13,488
(ii) Sales and marketing fees charged to:		
- IJM Properties – Danau Lumayan Joint Venture	1,112	-
(iii) Advances to :		
- IJM SCL Joint Venture	3,435	-
- IJM Gayatri Joint Venture	20,180	-
(iv) Repayment by :		
- IJM SCL Joint Venture	5,479	-
(cc) IJM Retirement Scheme:		
- Contribution to the Scheme	2,579	2,543
(dd) Purchase of building materials from a company related to IGB Corporation Berhad, a former substantial shareholder of the Company: -		
- STHSB *	2,830	2,795

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

(ee) Professional fees paid to a company in which a Director of the Company has an interest and a company in which a Director of a subsidiary has an interest, which are based on commercial terms and conditions mutually agreed by the parties, are as follows:

	2003 RM'000	2002 RM'000
(i) MSB, a company in which a Director of the Company, Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob has an interest	1,769	1,837

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

<u>Related party</u>	<u>Type of transaction</u>	2003 RM'000	2002 RM'000
Receivables: -			
- OSW Properties Pty Ltd	Advances	-	10,854
- Reliance – OSW Investment Trust	Advances	11,955	10,546
- CIDB Inventures Sdn Bhd	Advances	740	9,907
- Worldwide Ventures Sdn Bhd	Advances	5,755	5,469
- THB-IJM Joint Venture Sdn Bhd	Advances	-	3,385
- IJM SCL Joint Venture	Advances	3,435	-
- IJM Gayatri Joint Venture	Advances	20,180	-
Payables: -			
- Emas Utilities Corporation Sdn Bhd	Advances	-	1,822

45. CHANGES IN ACCOUNTING POLICIES

During the financial year, the Group adopted certain new MASB standards as mentioned in the summary of significant accounting policies. As a result, the Group has changed some of its accounting policies to comply with the new MASB standards. With the exception of the adoption of MASB 25 on Income Taxes and MASB 29 on Employee Benefits, there are no changes in accounting policy that affect net profit for the year or shareholders' equity as the Group was already following the recognition and measurement principles in those standards. However, certain comparatives have been adjusted or extended to take into account the requirements of the new MASB Standards.

(a) Deferred tax

In previous years, deferred tax was recognised for timing differences except when there was reasonable evidence that such timing differences would not reverse in the foreseeable future. The tax effect of timing differences that resulted in a debit balance or a debit to the deferred tax balance was not carried forward unless there was a reasonable expectation of its realisation.

The potential tax savings relating to a tax loss carried forward was only recognised if there was assurance beyond any reasonable doubt that future taxable income would be sufficient for the benefit of the loss to be realised.

Where there was intention to dispose of revalued assets, the deferred tax relating to such assets was recognised through a transfer from the related revaluation surplus. No provision nor disclosure was made of this tax effect where the Group intended to hold such assets for the foreseeable future.

The Group has now changed its accounting policy to recognise deferred tax on temporary differences arising between the amounts attributable to assets and liabilities for tax purposes and their carrying values in the financial statements. Deferred tax assets are recognised to the extent that is probable that taxable profits will be available against which deductible temporary differences or unused tax losses can be utilised.

In addition, deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

This change in accounting policy has been accounted for retrospectively.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

45. CHANGES IN ACCOUNTING POLICIES (Continued)

(a) Deferred tax (Continued)

The effects of the change on the Group's and Company's financial statements are as follows:

	As previously reported RM'000	Effects of change in policy RM'000	As restated RM'000
Group			
As at 31 December 2001 / 1 January 2002			
Revaluation reserve	73,853	(20,518)	53,335
Retained profits	643,399	29,657	673,056
Year ended 31 December 2002			
Taxation	55,490	(2,342)	53,148
As at 31 December 2002 / 1 January 2003			
Revaluation reserve	73,853	(20,518)	53,335
Retained profits	737,453	31,999	769,452
Deferred tax assets	-	25,300	25,300
Deferred tax liabilities	13,105	13,819	26,924
Company			
As at 31 December 2001 / 1 January 2002			
Retained profits	219,975	1,949	221,924
Year ended 31 December 2002			
Taxation	24,671	(3,308)	21,363
As at 31 December 2002 / 1 January 2003			
Retained profits	257,261	5,257	262,518
Deferred tax assets	-	358	358
Deferred tax liabilities	4,899	(4,899)	-

(b) Employee benefits

In previous years, the liability in respect of the defined benefits plan is based on an actuarial valuation calculated using the projected benefits valuation method. 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 to the income statement and payments made to the fund is treated as a non-current liability.

The Group has now changed its accounting policy to recognise the liability in respect of the defined benefit plan, which is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets, together with adjustments for actuarial gains/losses and past service cost based on actuarial valuation calculated using the projected unit credit method. Net actuarial gains and losses, arising from experience adjustments and changes in actuarial assumptions, is charged or credited to income statement over the average remaining service lives of the related participating employees when the net cumulative unrecognised actuarial gains and losses for the Scheme exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of the plan assets.

On first adoption of MASB 29 on 1 January 2003, the deficit arising in respect of post-employment benefit obligations is recognised as an expense on a straight line basis over 5 years in accordance with the transitional provision of the Standard. The amounts charged to income statements of the Group and Company for the year are RM599,000 and RM15,000 respectively (Note 20). Unrecognised transitional liability of the Group and Company at 31 December 2003 amounted to RM2,399,000 and RM62,000 respectively (Note 20).

(c) Property development activities

The Group has adopted MASB 32 in advance of its effective date. Adoption of MASB 32 did not affect net profit or shareholders' equity as the Group was already following the recognition and measurement principles in this Standard.

The effect of reclassification of comparatives is as follows:

	As previously reported RM'000	Effects of change in policy RM'000	As restated RM'000
At 31 December 2002 / 1 January 2003			
Land held for property development	-	29,288	29,288
Property development costs	351,013	(29,288)	321,725

"Property development expenditure" has been renamed "property development costs".

46. CAPITAL COMMITMENTS

	THE GROUP	
	2003 RM'000	2002 RM'000
Approved and contracted for	22,437	49,561
Approved but not contracted for	-	34,753
	22,437	84,314
Analysed as follows: -		
Property, plant and equipment	-	41,314
Development land	22,437	43,000
	22,437	84,314

47. CONTINGENT LIABILITIES (UNSECURED)

	THE GROUP		THE COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Bank borrowings of subsidiaries guaranteed by the Company	-	-	24,725	11,345
Bank borrowings of associates guaranteed by the Company	90,613	76,995	90,613	76,995
	90,613	76,995	115,338	88,340

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

48. SIGNIFICANT EVENT DURING THE YEAR

On 29 April 2002, the Company announced the signing of a Transfer of Listing Agreement between the Special Administrators of Rahman Hydraulic Tin Berhad ("RHTB"), the Company and IJM Plantations Sdn Bhd ("IJMP"), a wholly-owned subsidiary of the Company, for the proposed acquisition of the listing status of RHTB to enable the listing of IJMP. Details of the Scheme which was completed during the year are as follows:

- (a) The par value of IJMP shares was split from one (1) ordinary share of RM1.00 each into two (2) ordinary shares of RM0.50 each;
- (b) RM150,000,000 of "inter-company" advances from the Company to IJMP was capitalised in the following manner:
 - (i) RM100,000,000 of the advances was capitalised whereby 200,000,000 new IJMP Shares were issued; and
 - (ii) RM50,000,000 was converted into Redeemable Convertible Unsecured Loan Stocks in IJMP;
- (c) IJMP acquired the remaining 65% equity in Minat Teguh Sdn Bhd and the remaining 40% equity in Desa Talisai Sdn Bhd, of which the consideration was satisfied in the form of new IJMP shares issued;
- (d) The stockholders of RHTB was paid in the form of 2,430,804 IJMP shares and RHTB was paid a total cash consideration of RM25,000,000;
- (e) the Company distributed 1,992,000 IJMP shares to entitled employees of the Company and its subsidiaries (including IJMP) as part of the employees annual bonus; and
- (f) the Company distributed 148,442,024 IJMP shares to shareholders of the Company on the basis of two (2) IJMP Shares for every five (5) ordinary shares of RM1.00 each held in the Company.

The listing of IJMP on the Main Board of the Malaysia Securities Exchange Berhad was completed on 2 July 2003 and thereafter IJMP became a 49% associate of the Group.

The impact of the dilution of interest in IJMP is detailed below.

Details of net assets disposed and cash flow arising from the dilution are as follows: -

	At date of disposal RM'000	31.12.2002 RM'000
Cash and bank balances	11,102	4,049
Property, plant and equipment	526,754	513,827
Intangibles	1,245	1,726
Associates	24,963	23,646
Deferred tax	620	(6,939)
Deferred income	(2,296)	(3,444)
Inventories	16,729	13,760
Receivables	14,593	13,550
Amount owing by associates	7,784	11,744
Payables	(22,663)	(14,962)
Amount owing to holding company	(51,408)	(194,979)
Amount owing to associates	(37,394)	(36,956)
Borrowings	465	-
Hire purchase and leasing	(8,340)	(9,721)
Unquoted Redeemable Convertible Unsecured Loan Stocks	(50,000)	-
	432,154	315,301
Minority interest	(73,219)	(69,546)
Group's share of net assets	358,935	245,755
Less: Amount retained / accounted for as associates	(221,445)	
Net assets distributed to shareholders	137,490	
Net purchase consideration / disposal proceeds discharged by cash	-	
Less: Cash and cash equivalents of subsidiaries disposed	(11,102)	
Cash outflow on dilution	(11,102)	

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

48. SIGNIFICANT EVENT DURING THE YEAR (Continued)

The effect of the dilution on the financial results of the Group is as follows: -

	6 months ended 30.6.2003 RM'000	Year ended 31.12.2002 RM'000
Operating revenue	75,450	96,837
Cost of sales	(50,695)	(50,693)
Gross profits	24,755	46,144
Other income	1,516	3,094
Expenses	(9,786)	(19,886)
Finance cost	(2,405)	(3,318)
Operating profit	14,080	26,034
Share of results of associates	1,766	3,398
Profit before taxation	15,846	29,432
Taxation	(4,587)	(7,147)
Profits after taxation	11,259	22,285
Minority interests	(1,686)	(6,124)
Net profit	9,573	16,161
Less: Group's share of profit attributable to investments retained as associates	(4,729)	(7,984)
	4,844	8,177

49. COMPARATIVES

During the financial year, an amount owing by a subsidiary of RM83,183,000 and an amount owing by an associate of RM72,990,000 have been reclassified from current assets to non-current assets as the Directors are of the view that the balances represent the Group's and Company's net investment in a subsidiary and an associate as the balances due are expected to be recovered only upon disposal of either the Group's investment in the associate or the disposal of the property by the associate (Note 23).

For comparative purposes, the balances as at 31 December 2002 have been reclassified in the current financial statements.

The effect of the reclassifications on the Group's and Company's financial statements as at 31 December 2002 are as follows:

	Note	As previously reported RM'000	Effects of reclassif- ication RM'000	As restated RM'000
Group				
As at 31 December 2002				
Non-current assets				
Associates	24	320,084	46,187	366,271
Current assets				
Amounts owing by associates	30	169,871	(46,187)	123,684
Company				
As at 31 December 2002				
Non-current assets				
Subsidiaries	23	277,596	50,504	328,100
Current assets				
Amounts owing by subsidiaries	30	599,835	(50,504)	549,331

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

50. LIST OF SUBSIDIARIES AND ASSOCIATES *as at 31 December 2003*

Name	Country of incorporation	Effective equity interest		Principal activities
		2003 %	2002 %	
SUBSIDIARIES				
GR Commerce Sdn Bhd	Malaysia	72	72	Trading of building materials
IJM Construction Sdn Bhd	Malaysia	100	100	Civil and building construction and investment holding
IJM Properties Sdn Bhd	Malaysia	100	100	Property development and investment holding
IJM Argentina Sociedad Anomina *	Argentina	100	100	Investment holding
IJM Australia Pty Limited +	Australia	80	80	Engineering and construction consultancy and property development
IJM Investments (M) Limited ##	Mauritius	100	100	Investment holding
IJM International (BVI) Pty Ltd *	British Virgin Islands	100	100	Investment holding
IJM International Limited #	Hong Kong	100	100	Investment holding
IJM Investments (L) Ltd *	Federal Territory of Labuan	100	100	Investment holding
IJM Overseas Ventures Sdn Bhd	Malaysia	100	100	Investment holding
Jelutong Development Sdn Bhd	Malaysia	80	100	Civil construction and property development
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
Styrobilt Sdn Bhd	Malaysia	100	100	Dormant
Torsco Berhad *	Malaysia	100	100	Engineering, fabrication and construction
Held by IJM Construction Sdn Bhd				
IJM Building Systems Sdn Bhd	Malaysia	100	100	Prefabricated building construction
Jurutama Sdn Bhd	Malaysia	100	100	Civil and building construction and property development
Kami Builders Sdn Bhd	Malaysia	100	100	Civil construction and property development
Prebore Piling & Engineering Sdn Bhd *	Malaysia	79.9	79.9	Piling, engineering and other construction works

Name	Country of incorporation	Effective equity interest		Principal activities
		2003 %	2002 %	
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	Malaysia	70	70	Property development
Sinaran Intisari (M) Sdn Bhd	Malaysia	51	51	Property development
Suria Bistari Development Sdn Bhd	Malaysia	51	51	Property development
Wedec Sdn Bhd	Malaysia	100	100	Interior fit-out services, upgrades and renovation works
Xylocorp (M) Sdn Bhd	Malaysia	100	100	Property development
Held by Malaysian Rock Products Sdn Bhd				
Aggregate Marketing Sdn Bhd	Malaysia	100	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	100	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
Kuang Rock Products Sdn Bhd	Malaysia	100	100	Quarrying and sale of rock products
Mowtas Bulkiers Sdn Bhd *	Malaysia	-	100	Multi-user bulking terminal
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
Warga Sepakat Sdn Bhd	Malaysia	100	-	Leaseholder of quarry land

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

50. LIST OF SUBSIDIARIES AND ASSOCIATES (Continued) as at 31 December 2003

Name	Country of incorporation	Effective equity interest		Principal activities
		2003 %	2002 %	
Held by IJM Investments (M) Limited				
IEMCEE Infra (Mauritius) Limited ##	Mauritius	100	100	Investment holding
IJMII (Mauritius) Limited ##	Mauritius	100	100	Investment holding
IJM Rewa (Mauritius) Limited ##	Mauritius	100	100	Investment holding
Held by IJMII (Mauritius) Limited				
IJM (India) Infrastructure Limited *	India	95.2	70	Construction
Held by IJM Rewa (Mauritius) Limited				
Rewa Tollway Private Limited @	India	100	100	Infrastructure development
Held by IJM (India) Infrastructure Limited				
Swarnandhra-IJMII Integrated Township Development Company Private Limited @	India	48.6	-	Property development
Held by IJM Australia Pty Limited				
Billmex Pty Limited +	Australia	80	80	Property development
Held by Torsco Berhad				
Sang Kee Enterprise Sdn Bhd *	Malaysia	100	100	Property investment
Sang Kee Feedmills Sdn Bhd *	Malaysia	100	100	Property investment
Torsco Overseas Sdn Bhd*	Malaysia	100	100	Provision of engineering, fabrication and construction works
ASSOCIATES				
CIDB Inventures Sdn Bhd	Malaysia	33.65	24.9	Infrastructure investment
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
Deltabumi Sdn Bhd	Malaysia	40	40	Special purpose vehicle
Emas Utilities Corporation Sdn Bhd *	Malaysia	40	40	Investment holding
Grupo Concesionario del Oeste S.A. ~	Argentina	20.1	20.1	Construction, renovation, repair, conservation and operation of Acceso Oeste highway
IJM Plantations Berhad *	Malaysia	49.4	100	Cultivation of oil palm and investment holding

Name	Country of incorporation	Effective equity interest		Principal activities
		2003 %	2002 %	
IJM-Yorkville (BVI) Pty Ltd *	British Virgin Islands	50	50	Special purpose vehicle for financing
Industrial Concrete Products Berhad *	Malaysia	20.66	21.5	Manufacture of precast concrete products
Inversiones e Inmobiliaria Sur-Sur S.A. *	Chile	25	25	Property Development
JWS Projects Sdn Bhd	Malaysia	50	50	Investment holding
Macroland Holdings Sdn Bhd	Malaysia	30	30	Under members' voluntary liquidation
MASSCORP-Chile Sdn Bhd	Malaysia	31.87	31.4	Investment holding
Precast Products Sdn Bhd *	Malaysia	-	25	Dormant
Precast Property Sdn Bhd *	Malaysia	50	50	Dormant
Precast Technology Sdn Bhd *	Malaysia	50	50	Dormant
Sin Kean Boon Group Berhad *	Malaysia	20.1	20.1	Manufacture of roller shutters and aluminium extrusions and investment holding
Spirolite (M) Sdn Bhd *	Malaysia	37.5	37.5	Manufacture of straight extruded pipes and "spiral" pipes, tubes, tanks and containers
Held by IJM Australia Pty Limited				
Quay Link Enterprises Pty Limited +	Australia	40	40	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
Integrated Water Services (M) Sdn Bhd *	Malaysia	35	35	Operation and maintenance of a water treatment plant
IT&T Builders Sdn Bhd	Malaysia	45	45	Building construction
Malaysian Construction Ventures (Overseas) Sdn Bhd	Malaysia	20	20	Project consultancy services
Nekadsatu Jaya Sdn Bhd	Malaysia	50	50	Construction and property development
THB-IJM Joint Venture Sdn Bhd	Malaysia	49	49	Construction
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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

for the year ended 31 December 2003

50. LIST OF SUBSIDIARIES AND ASSOCIATES (Continued) as at 31 December 2003

Name	Country of incorporation	Effective equity interest		Principal activities
		2003 %	2002 %	
Held by IJM International Limited				
Amcol Pacific Infrastructure Pte Limited *	Singapore	20	20	In creditors' voluntary liquidation
Grapevine Investments (Hong Kong) Limited #	Hong Kong	50	50	Investment holding
OSW Properties Pty Limited *	Australia	50	50	Property development
Held by IEMCEE Infra (Mauritius)Limited				
Gautami Power Private Limited *	India	36	36	Power generation
Held by IJMII (Mauritius) Limited				
Swarna Tollway Pte Ltd *	India	35.09	32.5	Infrastructure development
Held by IJM Overseas Ventures Sdn Bhd				
Earning Edge Sdn Bhd	Malaysia	21.67	20	Property development
MASSCORP-Namibia Sdn Bhd	Malaysia	40	40	Investment holding
Held by IJM Properties Sdn Bhd				
Ever Mark (M) Sdn Bhd	Malaysia	50	50	Property development
MASSCORP-Vietnam Sdn Bhd	Malaysia	20	20	Investment holding
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	In members' voluntary liquidation
DML-MRP Resources (M) Sdn Bhd	Malaysia	50	50	Dormant
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

@ Audited by PricewaterhouseCoopers, India

* Not audited by PricewaterhouseCoopers

STATUTORY DECLARATION

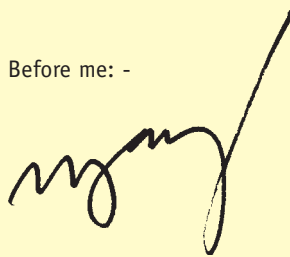
I, Loy Boon Chen, being the officer primarily responsible for the financial management of IJM Corporation Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 76 to 150 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at Petaling Jaya on 26 February, 2004.



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

Report of the auditors to the members of IJM Corporation Berhad

Company No: 104131-A

We have audited the financial statements set out on pages 76 to 150. 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 2003 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 subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiaries of which we have not acted as auditors are indicated in Note 50 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

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

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

PRICEWATERHOUSECOOPERS
(AF-1146)
Chartered Accountants

Kuala Lumpur
26 February 2004

Shirley Goh
(1778/08/04(J))
Partner

LIST OF PROPERTIES

as at 31 December 2003

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revaluation (R) / Acquisition (A)	Net Book Values at 31 December 2003 RM'000
PROPERTY, PLANT & EQUIPMENT								
JOHOR								
Lot PTB 19233 H.S.(D) 210937 Unit 1701-1703 Jalan Tebrau, Johor Bahru	Commercial land	0.064	Freehold	Office space (3 years; 2,361 sq.m.)	-	7	A:1996	2,179
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	-	5	A:1999	228
E-2-6, 3-2, 3-5 Block Mawar, Anjung Seri Condominium Jalan Persiaran Seri Alam 81750 Masai	Condominium	0.027	Freehold	Residential (Vacant)	-	5	A:1999	482
NEGERI SEMBILAN								
H.S. (D) 77335, P.T. 6322 Mukim Labu, Daerah Seremban	Industrial land	14.164	Leasehold	Quarrying	2053	-	A:1993	1,082
H.S. (D) 75235, P.T. 6054 Mukim Labu, Daerah Seremban	Industrial land	16.997	Leasehold	Quarrying	2053	-	A:1993	3,133
H.S. (D) 151681, P.T. 23506 Mukim Labu, Daerah Seremban	Industrial land	4.047	Leasehold	Quarrying	2063	-	A:2003	54

LIST OF PROPERTIES *(Continued)*

as at 31 December 2003

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revaluation (R) / Acquisition (A)	Net Book Value as at 31 December 2003 RM'000
PENANG								
Parcel No. M/0/05/20 & M/0/05/21, Pusat Perdagangan Tanjung	Office	0.05	Leasehold	Office (548 sq.m.)	2089	8	A:1994	655
PT 35, No HS (D) 11743, Seksyen 4, Daerah Timur Laut, Bandar Jelutong	Industrial land	6.423	Freehold	Vacant; for future development	-	-	A:2001	10,449
PT 69, 70, 71 Seksyen 9E, Daerah Timor Laut, Bandar Georgetown	Residential	4.4496	Leasehold	Work In Progress	2100	-	A:2001	5,244
PT 1 to PT15 Seksyen 8 Daerah Timor Laut Bandar Georgetown	Commercial	0.2256	Leasehold	W-I-P 15 shops	2102	-	A.2003	922
PERAK								
Lot 11004, 4-3/4 Miles, Jalan Lahat, Mukim Ulu Kinta	Industrial land & building	2.718	Leasehold	Plant 1, Office building & workshop (8.757sq.m.)	2053	25	R:1981	1,587
PT No. 595, H.S. (D) Dgs 1276/88 and PT No. 538, H.S. (D) Dgs 1272/88, Mukim Lumut, Daerah Manjung	Industrial land & building	2.016	Leasehold	Plant 2A, C & D, Office building & workshop (6.930 sq.m.)	2087	10	R:1993	3,627
Lot l1, Mukim Lumut, Daerah Manjung	Industrial land & building	2.497	Leasehold	Plant 2B, Workshop (3,600 sq.m.)	2094	4	A: 1995	3,560
				Plant 2E (1,800 sq.m.)	2094	2	A: 2002	1,095
Lot D-2, Mukim Lumut, Daerah Manjung	Industrial land & building	5.075	Leasehold	Plant 3, Office building, workshop & jetty (4,480 sq.m.)	2093	3	A:1996	11,188

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revaluation (R) / Acquisition (A)	Net Book Value as at 31 December 2003 RM'000
SARAWAK								
Lot 1176 Block 32, Kemena Crossing, Bintulu	Industrial Land & Building	3.710	Leasehold	Office & workshop (1,734 sq. m.)	2050	17	A:1987	1,631
Lot 2945, Block 32 Kemena Land District Bintulu	Industrial land & Building	2.676	Title yet to be issued	Vacant for future development	-	10	A:1996	1,006
Lot 1402, Block 31, Kemena Land District Jalan Tanjung Batu 97000 Bintulu	Commercial Land & Building	0.016	Leasehold	Shop-office (154 sq.m.)	2048	14	A:1996	255
Lot 3822, Block 31, Kemena Land District Jalan Tanjung Batu 97000 Bintulu	Building	0.003	Leasehold	Residential (333 sq.m.)	2056	8	A:1995	165
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	23	A: 1985	16,532
55 Jalan TS6/10A, Subang Industrial Park, Subang Jaya, H.S.(D) 97263, P.T. 27731 Mukim of Petaling	Industrial land	0.018	Leasehold	3 storey industrial building (178 sq.m.)	2090	9	A: 1996	653
Workshop 3.5KM, Jalan Kampung Jawa Klang	Workshop	0.020	Leasehold	Workshop	-	3	A:2000	24
EMR 5364, Lot 2775 District of Klang	Workshop	0.037	Rented	For repair & maintenance of steel scaffolding	-	4	A:1999	68
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	5.459	Leasehold	22 units of shoplex of which 19 are tenanted	2090	7	A:1997	2,725

LIST OF PROPERTIES *(Continued)*

as at 31 December 2003

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revaluation (R) / Acquisition (A)	Net Book Value as at 31 December 2003 RM'000
SELANGOR (Continued)								
P.T 17308, H.S. (D) 30887, Mukim Kapar, Daerah Klang	Industrial	1.698	Freehold	Vacant; for future development	-	-	A:2003	6,397
Lot 6497 Sungai Buloh Estate Off 6th Mile Jalan Kapar 42100 Kapar, Klang	Land & building	5.75	Freehold	Office, Store, Workshop & Workers' Quarters	-	3	A:2001	2,963
Lot No 52177, Mukim Batu Daerah Gombak, KM 15 Jalan Rawang	Land & Building	0.013	Leasehold	Store	2089	12	A:1992	106
Lot No M45 Unit M45-2A & 2B Block 6 Seremban	Land & Building	0.013	Freehold	Vacant	-	5	A:1999	126
Unit No. K2/01/05 & K1/02/01 (23-1 & 1-2, Desa Seri Puteri, Jalan 2/125G, 57100 KL)	Commercial	0.034	Leasehold	Commercial office	2093	2	A:2002	474
WILAYAH PERSEKUTUAN KUALA LUMPUR								
B7-6 Puncak Prima Condo Sri Hartamas	Condominium	0.009	Freehold	Residential	-	6	A:2001	333
Golden City Condominium No: 19-05, 19th Floor Jalan Ipoh, 51200	Condominium	0.010	Freehold	Residential	-	8	A:1995	192
INDIA								
Village & Post Bodhanam, Chillakur Mandal, Kadivedu Sub-post, Nellore District, Andhra Pradesh - 524410	Agricultural land	19.18	Freehold	For installing plants, quarrying & office	-	-	A:2002	1,248
Rewa Road, Opp Jail Building, PO MAU (Beohari), Madhya Pradesh - 484774	Agricultural land	6.00	Freehold	For installing plants, quarrying & office	-	-	A:2002	390

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revaluation (R) / Acquisition (A)	Net Book Value as at 31 December 2003 RM'000
DEVELOPMENT PROPERTIES & LAND HELD FOR PROPERTY DEVELOPMENT								
JOHOR								
Lot 13904-13980, 14007-14060 and 14067 & 19215 Kampung Muafakat Jalan Tun Abdul Razak	Commercial & Residential	16.35	Title yet to be issued	Under development	-	-	A:1992	18,100
Part of Lot 1896 Kampung Serantau Jalan Dato' Jaafar Larkin	Commercial & Residential	9.224	Leasehold	Under development	2101	-	A:1992	36,514
NEGERI SEMBILAN								
HS (D) 109551, PT 888, Pekan Bukit Kepayang, Daerah Seremban	Commercial	1.902	Leasehold	Under development	2096	-	A:2001	18,158
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	10,726
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	9,525
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	1,224
Holding No. 299, 300 & 304, Mukim 14, Seberang Prai Selatan	Commercial and residential land	10.918	Freehold	Under development	-	-	A:1994	16,397

LIST OF PROPERTIES *(Continued)*

as at 31 December 2003

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revaluation (R) / Acquisition (A)	Net Book Value as at 31 December 2003 RM'000
PENANG (Continued)								
Lot No. 501, Mukim 14, Seberang Prai Selatan (comprised in Geran No. 38943)	Commercial and residential land	3.567	Freehold	Under development	-	-	A:1994	6,369
Lot No. 862, Mukim 14, Seberang Prai Selatan (comprised in No. Pendaftaran 3754)	Commercial and residential land	1.806	Freehold	Vacant; for future development	-	-	A:1994	3,214
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	710
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	10,278
Lot No. 591, No. GM 168, Mukim 14, Seberang Prai Tengah	Commercial and residential land	2.635	Freehold	Vacant; for future development	-	-	A:1994	1,288
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	5,450
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	1,455
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	59

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revaluation (R) / Acquisition (A)	Net Book Value as at 31 December 2003 RM'000
Lot Nos. 1686 & 1729 Mukim 14, Seberang Prai Tengah	Agriculture land	5.233	Freehold	Vacant; for future development	-	-	A:1995	3,394
Lot No. 1627, Mukim 14, Seberang Prai Tengah	Agriculture land	7.282	Leasehold	Vacant; for future development	2876	-	A:1995	3,506
Lot No. 1628, Mukim 14, Seberang Prai Tengah	Agriculture land	1.174	Freehold	Vacant; for future development	-	-	A:1995	556
Lot 1725, 1727, 1728, 1768, 1781 & 1789, Mukim 14, Seberang Prai Tengah	Agriculture land	8.72	Freehold	Vacant; for future development	-	-	A:1995-96	4,569
PT 241, Seksyen 9W, No HS (D) 5169, Daerah Timur Laut, Bandar Georgetown	Industrial	6.07	Leasehold	Under development	2100	-	A:2001	7,087
PT 32, 33, 34, 35 Seksyen 4, ` No HS (D) 11743, Bandar Jelutong, Daerah Timur Laut	Mixed development	11.001	Freehold	Under development	-	-	A:2001	43,216
Parcel A1-1 to A1-12, A3-1 to A3-4 Seksyen 4 Jelutong, Daerah Timur Laut	Mixed development	55.24	Freehold	Yet to be reclaimed	-	-	-	8,987
Parcel A2-1 to A2-3, Seksyen 8 Georgetown, Daerah Timur Laut	Mixed development, residential	10.627	Freehold	Yet to be reclaimed	-	-	-	11,162
Parcel B1-1 to B1-8, B2-1 to B2-3, C1-2 to C1-3, C1-7 to C1-9, C2-1 to C2-7, C3-1 & C3-2 Seksyen 8 Georgetown, Daerah Timur Laut	Mixed development	44.681	Leasehold	Yet to be reclaimed	-	-	-	8,605

LIST OF PROPERTIES *(Continued)*

as at 31 December 2003

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revaluation (R) / Acquisition (A)	Net Book Value as at 31 December 2003 RM'000
PERAK								
Lot HS (D) KA 27107 - 9, PT No, 123935 - 7, Mukim of Hulu Kinta, Daerah Kinta	Residential land	5.071	Leasehold	Vacant; for future development	2092		A:2001	15,923
SABAH								
CL 075477584, District of Sandakan, 6th North Road	Residential	134.7	Leasehold	Under development	2081	-	A:1998	24,162
CL 075204269, District of Sandakan	-	3.97	Leasehold	Vacant; for future development	-	-	A:2002	882
CL 075204241, District of Sandakan	-	5.91	Leasehold	Vacant; for future development	-	-	A:2003	1,354
SARAWAK								
Lot 7978, Section 65 KTLD, (Balance of Lot 5238, Section 65 KTLD, Kuching)	Agricultural	11.338	Leasehold	Under development	2024	-	A:1991	6,755
Lot 5536, Section 65 KTLD, Kuching	Agricultural	2.752	Leasehold	Under conversion to residential	2038	-	A:1996	2,629

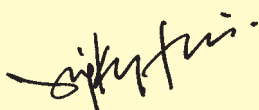
Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revaluation (R) / Acquisition (A)	Net Book Value as at 31 December 2003 RM'000
SELANGOR								
Lot 4446, Mukim Kapar, 41400 Kelang	Agriculture land	1.214	Freehold	Vacant; for future development	-	-	A:1984	300
Grant No 5051 Lot 240 Mukim of Klang	Agricultural	40.052	Freehold	Under development	-	-	A:1994	46,476
H.S. (D) 45120, P.T. 23728 Mukim Kapar, Daerah Klang	Industrial land	7.79	Freehold	Vacant; for future development	-	-	A:1989	18,762
Lot 6497 C.T. 26645 Mukim Kapar, Daerah Klang	Industrial land	5.969	Freehold	Vacant; for future development	-	-	A:1996	8,689
WILAYAH PERSEKUTUAN KUALA LUMPUR								
Mukim of Petaling, Kuala Lumpur. (Cheras)	Residential & commercial	26.709	Leasehold	Vacant; for future development	2078	-	A: 2003	33,962
AUSTRALIA								
1, William Street, Melbourne Victoria 3000	Industrial warehouse	1.000	Freehold	For sale	-	-	A:2003	30,036

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 20th 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, 19 May 2004, at 4.00 p.m. to transact the following matters:-

1. To receive the audited financial statements for the year ended 31 December 2003 together with the reports of the Directors and Auditors thereon. *(Resolution 1)*
2. To elect retiring Directors as follows:-
 - a) Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor *(Resolution 2)*
 - b) Dato' Tan Boon Seng @ Krishnan *(Resolution 3)*
 - c) Goh Chye Koon *(Resolution 4)*
 - d) Dato' Ismail Bin Shahudin *(Resolution 5)*
 - e) Abd Hamid Bin Othman *(Resolution 6)*
3. To reappoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. *(Resolution 7)*
4. As special business to consider and pass the following ordinary resolutions:-
 - a) "That the Directors' fees of RM316,000 for the year ended 31 December 2003 be approved to be divided amongst the Directors in such manner as they may determine." *(Resolution 8)*
 - b) "That the Directors be and are hereby authorised, 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 authorised 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 9)*

By Order of the Board



Jeremie Ting Keng Fui
MAICSA 0777605
Company Secretary

Petaling Jaya
27 April 2004

Notes:

1. **APPOINTMENT OF PROXY**
A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and such a proxy need not be a member of the Company. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised. The instrument appointing a proxy must be deposited at the Registered Office not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting. The Annual Report and Form of Proxy are available for access and download at IJM website at <http://www.ijm.com>.
2. **RETIREMENT OF DIRECTORS**
The Resolution 2, if approved, will authorise 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.
3. **DIRECTORS' FEES**
The Resolution 8, if approved, will authorise the payment of Directors' fees pursuant to Article 100 of the Articles of Association.
4. **AUTHORITY TO ISSUE SHARES UNDER SECTION 132D**
The Resolution 9, if approved, will renew the authorisation 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 authorisation, 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 20th Annual General Meeting (AGM) of IJM CORPORATION BERHAD (104131-A) to be held on Wednesday, 19 May 2004, 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 for the year ended 31 December 2003 together with the reports of the Directors and Auditors thereon		
2.	To reappoint Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor as Director to hold office until the next AGM		
3.	To reappoint Dato' Tan Boon Seng @ Krishnan as Director		
4.	To reappoint Goh Chye Koon as Director		
5.	To reappoint Dato' Ismail Bin Shahudin as Director		
6.	To reappoint Abd Hamid Bin Othman as Director		
7.	To reappoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration		
8.	To approve the payment of Directors' fees of RM316,000		
9.	To authorise 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 2004

Signature(s) :

Notes:

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

Stamp

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

CORPORATE INFORMATION



IJM CORPORATION BERHAD (104131-A)

Head Office

Wisma IJM, Jalan Yong Shook Lin
46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel: +603-79858288 Fax: +603-79529388
E-mail: ijm@ijm.com Website: <http://www.ijm.com>



BRANCH OFFICES

Johor, MALAYSIA

17th Floor, Unit 17-04 & 17-05
City Plaza, Jalan Tebrau
80250 Johor Baru
Johor, Malaysia
Tel : +607-3333703, +607-3331948
Fax : +607-3334803
E-mail : ijmjb@po.jaring.my
Contact : Mr Tham Huen Cheong @
Tham Huen Cheong

Penang, MALAYSIA

9th Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Tel : +604-2263492
Fax : +604-2268119
E-mail : ijm@ijmproperties.com
Website : <http://www.ijmproperties.com>
Contact : Mr Teh Kean Ming

Sarawak, MALAYSIA

1st Floor, Lot 7886 & 7887
Queen's Court, Jalan Wan Alwi
93350 Kuching, Sarawak, Malaysia
Tel : +608-2463496, +608-2463497
Fax : +608-2461581
E-mail : ijmkch@po.jaring.my
Contact : Mr Kok Fook Yu

DIVISIONAL OFFICES

CONSTRUCTION

IJM CONSTRUCTION SDN BHD (195650-H)

2nd Floor, Wisma IJM
Jalan Yong Shook Lin
P.O. Box 504 (Jalan Sultan)
46760 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-79858288
Fax : +603-79529388
E-mail : ijm@ijm.com
Contact : Mr Goh Chye Koon

INDUSTRIES

MALAYSIAN ROCK PRODUCTS SDN BHD (4780-T)

Lower Ground Floor, Wisma IJM
Jalan Yong Shook Lin
P.O. Box 504 (Jalan Sultan)
46760 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-79571580
Fax : +603-79529388
E-mail : ijm@ijm.com
Contact : Mr Mah Teck Oon

PLANTATIONS

IJM PLANTATIONS BERHAD (133399-A)

Wisma IJM Plantations
Lot 1, Jalan Bandar Utama
Mile 6, Jalan Utara
90000 Sandakan, Sabah
Postal Address: BQ 3933
Mail Bag No. 8, 90009 Sandakan
Sabah, Malaysia
Tel : +6089-667721, +6089-667716
Fax : +6089-667728
E-mail : ijm@ijm.com
Contact : Mr Velayuthan Tan

INDIA

IJM (INDIA) INFRASTRUCTURE LIMITED

646-A, Road No. 36 Hi-Tech City Road
Jubilee Hills, Hyderabad - 500033 India
Tel : +91 40 23541984; 91 40 23554375
Fax : +91 40 23600439
E-mail : hyd2_ijmii@sancharnet.in
Website : <http://www.ijmindia.com>
Contact : Mr Ng Chin Meng

SINGAPORE

432, Balestier Road, #02-432
Public Mansion Singapore 329813
Tel : +65-2519388
Fax : +65-2531638
E-mail : hexacon@singnet.com.sg
Contact : Mr Pang Hoe Sang

VIETNAM

BINH AN WATER CORPORATION LTD

Binh An Hill, Binh An Commune
Thuan An District
Binh Duong Province, Vietnam
Tel : +84 65 0750777
Fax : +84 65 0750778
E-mail : binhan.corp@hcm.vnn.vn
Contact : Mr How See Hock

PROPERTIES

IJM PROPERTIES SDN BHD (100180-M)

Ground Floor, Wisma IJM, Jalan Yong Shook Lin
P.O. Box 504 (Jalan Sultan), 46760 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: +603-79858288
Fax: +603-79529388
E-mail : ijm@ijmproperties.com
Website : <http://www.ijmproperties.com>
Contact : Mr Teh Kean Ming

Ground Floor, Menara Penang Garden
42A, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Tel : +604-2293999
Fax : +604-2286342
E-mail : ijm@ijmproperties.com
Website : <http://www.ijmproperties.com>
Contact : Mr Teh Kean Ming

INTERNATIONAL VENTURES

IJM (INDIA) INFRASTRUCTURE LIMITED

646-A, Road No. 36 Hi-Tech City Road
Jubilee Hills, Hyderabad - 500033 India
Tel : +91 40 23541984; 91 40 23554375
Fax : +91 40 23600439
E-mail : hyd2_ijmii@sancharnet.in
Website : <http://www.ijmindia.com>
Contact : Mr Ng Chin Meng

IJM AUSTRALIA PTY LTD

(ACN 002 042 088)
Suite 211, Manning Building, 451 Pitt Street
Sydney NSW 2000, Australia
Tel : +61 02 92803355
Fax : +61 02 92803377
E-mail : info@ijmaustralia.com.au
Website : <http://www.ijmaustralia.com.au>
Contact : Mr Tan Joo Kee

REGISTERED OFFICE

2nd Floor, Wisma IJM
Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: +603-79858288
Fax: +603-79529388
E-mail: ijm@ijm.com
Website: <http://www.ijm.com>

SHARE REGISTRARS

IGB Corporation Berhad (5745-A)
23rd Floor, Menara IGB
1 The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia
Tel: +603-22898989
Fax: +603-22898899
E-mail: corporate-enquiry@igbcorp.com

AUDITORS

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

PRINCIPAL BANKERS

- ABN AMRO Bank Berhad
- HSBC Bank Malaysia Berhad
- Malayan Banking Berhad
- RHB Bank Berhad
- Standard Chartered Bank Malaysia Berhad
- United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Board of Malaysia Securities
Exchange Berhad since
29 September 1986
MSEB Code : 3336
Reuters Code : IJMS.KL
Bloomberg Code : IJM MK

