

*Quality Products
Within Budget
With Commitment
Quality Services*

We Deliver *On Time*



IJM CORPORATION BERHAD
(104131-A)

annual report
2005

Since its inception, IJM Corporation Berhad has been steadfast in its drive to excel through a commitment to Quality.

The Group has consistently demonstrated that it can deliver quality products and services on time, within budget and with professionalism.

These traits have earned the Group recognition and an impeccable reputation locally and abroad, as well as many prestigious awards.



We Deliver

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The Bahasa Malaysia version of this Annual Report is also available in CD-ROM.

VISION, MISSION & CULTURE STATEMENT



Our Corporate Vision

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

Our Corporate Mission

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

Our Corporate 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 products and services exceeds our customers' expectations;
- create a conducive environment for team spirit among our employees to work towards a unified workforce; and
- be a responsible and respected corporate citizen with concerns for social, safety, health and environmental issues.

CORPORATE PROFILE

IJM 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 1970s and early 1980s.

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 is evident from 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. The Group's success in exporting its construction services abroad has not gone unnoticed. The Malaysian International Trade and Industry Ministry honoured the Company with its Excellence Award 2003 for Export of Services. 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.

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-1980s. 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 its 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 manufacturing of concrete products and quarrying into core activities as demand grew significantly outside the Group, setting the foundation for the Group's present Industries Division. The recent acquisition of control over Industrial Concrete Products Berhad has significantly expanded the Group's operations in this sector.

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 the Group's 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 Mainboard of Bursa Malaysia Securities Berhad ("BMSB").

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, Binh An Water Corporation Limited water treatment plant in Vietnam and others. The Infrastructure Division has over the years contributed substantially to the Group's earnings. With several concessions under construction in India and, for the first time, an opportunity to participate in Malaysian toll roads, the infrastructure concession business will become a major part of the Group's future operations.

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 the few companies listed on the BMSB that has shown steady growth, uninterrupted profitability and a very international business. As at 31 March 2005, the Group's market capitalisation and total assets stood at RM2.20 billion and RM3.45 billion respectively. Over time, it has evolved into a very institutional ownership profile, and an independent management team with an excellent reputation for professionalism, performance and good governance.



OUR BUSINESS POLICY & COMMITMENTS



IJM CORPORATION BERHAD

(104131-A)

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 returns 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 returns to our stakeholders – investors, employees, clients, creditors and the government; and
- be at the forefront in the pursuit of good corporate governance.

AWARDS & ACCOLADES



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

**NATIONAL ANNUAL CORPORATE
REPORT AWARD FOR 2004 & 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



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



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





GROUP STRUCTURE

as at 30 June 2005

CONSTRUCTION

PROPERTIES



► IJM Construction Sdn Bhd

Subsidiaries

- IJM Building Systems Sdn Bhd
- Insitu Envirotech Pte Ltd
 - Insitu Envirotech (HK) Limited
 - Insitu Envirotech (M) Sdn Bhd
 - Insitu Envirotech (S. E. Asia) Pte Ltd
- Jurutama Sdn Bhd
- Prebore Piling & Engineering Sdn Bhd

Associates & Jointly Controlled Entities

- Ambang Usaha Sdn Bhd
- Hexacon Construction Pte Ltd
- Integrated Water Services (M) Sdn Bhd

► GR Commerce Sdn Bhd

► Nilai Cipta Sdn Bhd

Associates & Jointly Controlled Entities

- Deltabumi Sdn Bhd
- IJM Construction (Middle East) Limited Liability Company

► IJM Properties Sdn Bhd

Subsidiaries

- Aqua Aspect Sdn Bhd
- Chen Yu Land Sdn Bhd
- IJM Management Services Sdn Bhd
- Jalinan Masyhur Sdn Bhd
- Jelutong Development Sdn Bhd
- Liberty Heritage (M) Sdn Bhd
- Manda'rina Sdn Bhd
- NS Central Market Sdn Bhd
- Sinaran Intisari (M) Sdn Bhd
- Suria Bistari Development Sdn Bhd
- Wedec Sdn Bhd

Associates & Jointly Controlled Entities

- Astaka Tegas Sdn Bhd
- Ever Mark (M) Sdn Bhd
- Elegan Pesona Sdn Bhd
- MASSCORP-Vietnam Sdn Bhd
- Worldwide Ventures Sdn Bhd

Subsidiaries

- PIETC Sdn Bhd
- Sheffield Enterprise Sdn Bhd

Associates & Jointly Controlled Entities

- Island Golf View Sdn Bhd

► IJM Australia Pty Limited

Note: Non-operating or dormant companies are not included

- Direct subsidiary / associate / jointly controlled entity of IJM Corporation Berhad, unless otherwise stated
- * Associate of IJMII (Mauritius) Limited
- # Associate of IEMCEE Infra (Mauritius) Limited
- ^ 49.2% associate of Styrobilt Sdn Bhd, a wholly-owned subsidiary of IJM Corporation Berhad
- > Jointly controlled entity of IJM (India) Infrastructure Ltd

INDUSTRIES

PLANTATIONS

INFRASTRUCTURE & OTHERS



► Industrial Concrete Products Berhad

Subsidiaries

- Arca Permata (M) Sdn Bhd
- Concrete Mould Engineering Sdn Bhd
- Durabon Sdn Bhd
- Expedient Resources Sdn Bhd
 - Tadmansori Rubber Industries Sdn Bhd
- ICP Investment (L) Limited
- ICP Jiangmen Co. Ltd
- ICP Marketing Sdn Bhd
- Malaysian Rock Products Sdn Bhd
 - Aggregate Marketing Sdn Bhd
 - Azam Ekuiti Sdn Bhd
 - Global Rock Marketing Sdn Bhd
 - Kuang Rock Products Sdn Bhd
 - Oriental Empire Sdn Bhd
 - Scaffold Master Sdn Bhd
 - Strong Mixed Concrete Sdn Bhd
 - Warga Sepakat Sdn Bhd
- Ubun Steel Sdn Bhd

► Kamad Quarry Sdn Bhd

► Kemena Industries Sdn Bhd

► Torsco Berhad

Subsidiaries

- Sang Kee Enterprise Sdn Bhd
- Sang Kee Feedmills Sdn Bhd

Associates & Jointly Controlled Entities

- IMPSA (Malaysia) Sdn Bhd

Associates & Jointly Controlled Entities

- Cofreth (M) Sdn Bhd
- Sin Kean Boon Group Berhad
- Spirolite (M) Sdn Bhd

► IJM Plantations Berhad[^]

Subsidiaries

- Akrab Perkasa Sdn Bhd
- Ampas Maju Sdn Bhd
- Berakan Maju Sdn Bhd
- Desa Talisai Sdn Bhd
 - Cahaya Adil Sdn Bhd
 - Firdana Corporation Sdn Bhd
 - Gerbang Selasih Sdn Bhd
 - Sihat Maju Sdn Bhd
- Desa Talisai Palm Oil Mill Sdn Bhd
- Dynasive Enterprise Sdn Bhd
- Excellent Challenger (M) Sdn Bhd
- Gapas Mewah Sdn Bhd
- Golden Grip Sdn Bhd
- Gunaria Sdn Bhd
- IJM Agri Services Sdn Bhd
- IJM Edible Oils Sdn Bhd
- Isu Mutiara Sdn Bhd
- Kulim Mewah Sdn Bhd
- Laserline Sdn Bhd
- MacMillion Group Sdn Bhd
- Minat Teguh Sdn Bhd
- Mowtas Bulkiers Sdn Bhd
- Rakanan Jaya Sdn Bhd
- Rantajasa Sdn Bhd
- Ratus Sempurna Sdn Bhd
- Sabang Mills Sdn Bhd
- Sijas Plantations Sdn Bhd
- Sri Kilau Sdn Bhd

Associates & Jointly Controlled Entities

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

► IJM International Limited

Associates & Jointly Controlled Entities

- OSW Properties Pty Limited

► IJM International (BVI) Pty Limited

Associates & Jointly Controlled Entities

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

► IJM Overseas Ventures Sdn Bhd

Associates & Jointly Controlled Entities

- Earning Edge Sdn Bhd
- MASSCORP-Namibia Sdn Bhd

► IJM Investments (L) Limited

► IJM Investments (M) Limited

Subsidiaries

- IEMCEE Infra (Mauritius) Limited
- IJMII (Mauritius) Limited
 - IJM (India) Infrastructure Ltd
 - IJM Concrete Products Private Limited
 - Roadstar (India) Infrastructure Private Limited
 - Swarnandhra-IJMII Intergrated Township Development Company Private Limited
- IJM Rewa (Mauritius) Limited
 - Rewa Tollway Private Limited

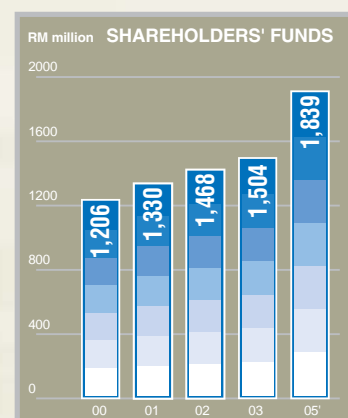
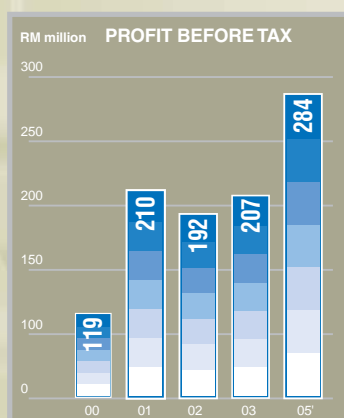
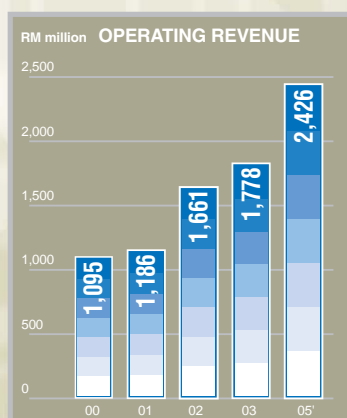
Associates & Jointly Controlled Entities

- CIDB Inventures Sdn Bhd
- Emas Utilities Corporation Sdn Bhd
- Gautami Power Limited #
- Grupo Concesionario del Oeste S. A.
- IJM Yorkville (BVI) Pty Limited
- Inversiones e Inmobiliaria Sur-Sur S. A.
- JWS Projects Sdn Bhd
- LCL-IJMII International Interiors Private Limited >
- MASSCORP-Chile Sdn Bhd
- Pacific Alliance-Stradec Group Infrastructure Company LLC *
- Swarna Tollway Pte Ltd *

GROUP FINANCIAL HIGHLIGHTS

		2005 [#]	2003	2002	2001	2000
OPERATING REVENUE ^(N1)	RM'000					
Construction		1,172,157	1,132,274	1,120,670	628,314	621,377
Property Development		478,842	204,378	160,652	148,575	97,247
Manufacturing and Quarrying		513,595	222,847	192,818	237,711	188,708
Plantation		157,030	152,383	130,569	72,554	65,123
Infrastructure		60,493	34,675	35,118	80,068	98,020
Investment and Others		43,922	31,012	20,685	18,914	24,149
		2,426,039	1,777,569	1,660,512	1,186,136	1,094,624
PROFIT BEFORE TAX	RM'000					
Construction		110,784	101,596	104,605	86,599	64,040
Property Development		88,001	35,774	19,728	16,873	13,411
Manufacturing and Quarrying		57,491	20,889	8,253	17,378	11,718
Plantation		32,072	34,853	29,761	6,796	4,792
Infrastructure		(2,668)	4,526	30,700	99,293	27,911
Investment and Others		(1,871)	9,162	(1,277)	(16,530)	(2,916)
		283,809	206,800	191,770	210,409	118,956
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	RM'000	185,486	145,724	122,543	168,998	76,773
ISSUED SHARE CAPITAL	RM'000	458,654	382,276	363,937	352,723	351,517
SHAREHOLDERS' FUNDS	RM'000	1,838,579	1,504,453	1,468,389	1,329,780	1,205,852
TOTAL ASSETS	RM'000	3,449,455	2,562,484	2,615,188	2,289,922	2,262,011
EARNINGS PER SHARE (Basic)	Sen	43.0	39.2	34.0	48.0	21.9
GROSS DIVIDEND PER SHARE	Sen	15.0	15.0	12.0	20.0	8.0
CAPITAL DISTRIBUTION	Sen	-	37.0	-	-	-
NET TANGIBLE ASSETS PER SHARE	RM	3.85	3.88	3.99	3.72	3.30
RETURN ON TOTAL ASSETS	%	5.38	5.69	4.69	7.38	3.39
RETURN ON EQUITY	%	10.09	9.69	8.35	12.71	6.37
GEARING (Net Debt/Equity)	%	29.13	12.45	13.72	14.04	30.57
SHARE PRICE						
High	RM	5.15	5.35	6.00	4.60	4.42
Low	RM	4.36	3.98	3.94	2.27	2.56
Closing	RM	4.80	4.66	5.10	4.26	2.66

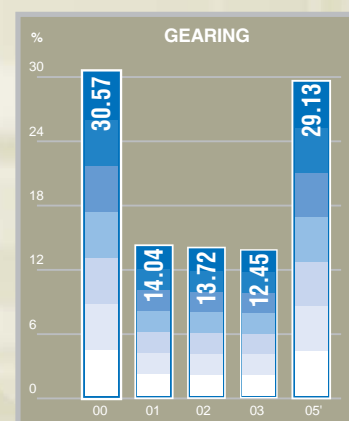
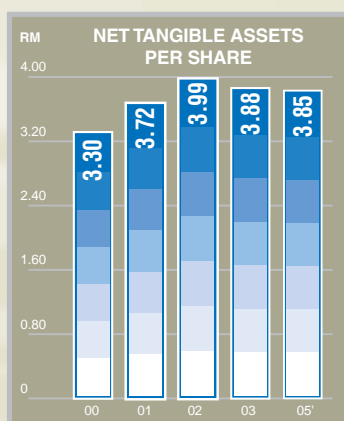
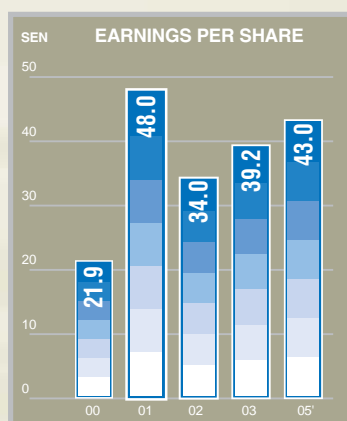
15 months ended 31 March 2005



N1 Including share of revenue of associates and jointly controlled entities

GROUP QUARTERLY PERFORMANCE

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fifth Quarter
OPERATING REVENUE ^(N1)	RM'000					
Construction		242,801	220,477	207,602	208,919	292,358
Property Development		90,294	83,214	87,434	49,697	168,203
Manufacturing and Quarrying		59,570	95,474	115,648	119,222	123,681
Plantation		25,014	33,187	32,934	38,876	27,019
Infrastructure		9,075	10,604	12,258	14,228	14,328
Investment and Others		8,662	9,870	8,157	8,540	8,693
		435,416	452,826	464,033	439,482	634,282
PROFIT BEFORE TAX	RM'000					
Construction		26,563	20,888	21,965	24,218	17,150
Property Development		15,831	18,569	16,623	11,781	25,197
Manufacturing and Quarrying		6,061	9,338	14,469	16,763	10,860
Plantation		3,507	6,495	8,464	10,937	2,662
Infrastructure		1,579	854	(372)	(1,127)	(3,602)
Investment and Others		1,563	2,298	(1,750)	(1,002)	(2,973)
		55,104	58,442	59,399	61,570	49,294
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	RM'000	35,223	40,697	36,546	41,643	31,377
ISSUED SHARE CAPITAL	RM'000	389,897	431,218	452,224	454,472	458,654
SHAREHOLDERS' FUNDS	RM'000	1,538,738	1,700,683	1,794,449	1,834,740	1,838,579
TOTAL ASSETS	RM'000	2,775,402	3,170,646	3,236,502	3,265,720	3,449,455
EARNINGS PER SHARE (Basic)	Sen	9.18	9.66	8.25	9.18	6.87
GROSS DIVIDEND PER SHARE	Sen	-	5.00	-	10.00	-
NET TANGIBLE ASSETS PER SHARE	RM	3.88	3.80	3.79	3.85	3.85
SHARE PRICE						
High	RM	5.15	5.10	4.96	4.84	4.92
Low	RM	4.36	4.46	4.48	4.52	4.66
Closing	RM	4.98	4.78	4.60	4.74	4.80

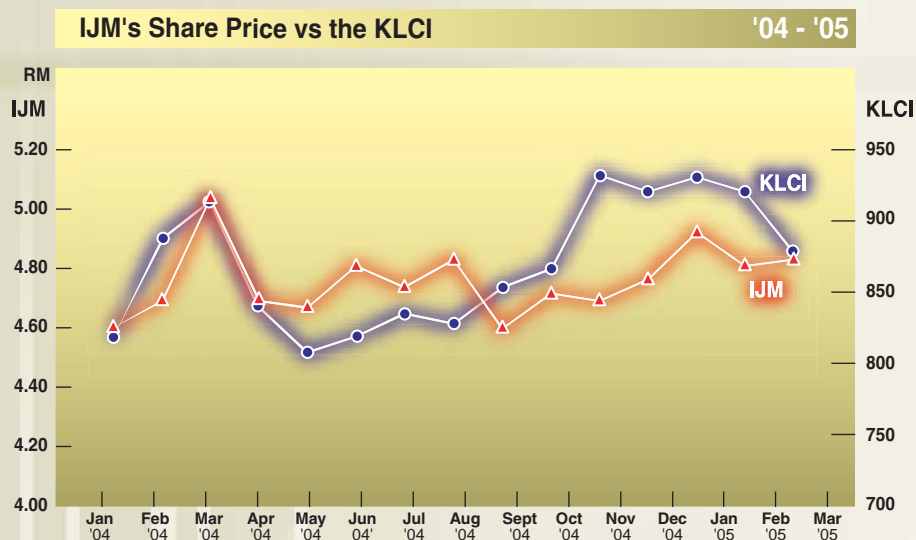


N1 Including share of revenue of associates and jointly controlled entities

INFORMATION FOR INVESTORS

A. IJM's Share Price

IJM's share price moved in tandem, albeit marginally lower, with the Kuala Lumpur Composite Index ("KLCI") for the first quarter of 2004. It outperformed the KLCI from April to September before lagging for a period. Towards the end of March 2005, IJM's share price rebounded close to the KLCI. In the 15 months period from January 2004 to the end of March 2005, IJM's share price registered a gain of 3.00% from RM4.66 to RM4.80 despite the substantial increase in capital base following the conversion of warrants and exercise of ESOS.



B. IJM Medium Term Notes 2005/2010

CREDIT ANALYSIS

KDN NO: PP9914/102004 CD 13508



MALAYSIAN RATING CORPORATION BERHAD
(Company No.: 364803 V)

IJM CORPORATION BERHAD

CORPORATE DEBT
New Rating – September 2004

Rating Action	New Rating	A+ / MARC-1
New Issue	RM300 million of Commercial Papers/ Medium Term Notes Paper Programme	
Rating History	June 2004 June 2003	A+ A
Previous Issue	RM150 million nominal value of 5% redeemable Unsecured bonds (2000/2005) with up to 83,015,330 detachable warrants	
Tenure	7 years	
Joint Lead Managers & Arrangers	AmMerchant Bank Berhad & Commerce International Merchant Bankers	
Facility Agent	Commerce International Merchant Bankers	
Trustee	Maybank Trustee Berhad	

As a further endorsement of IJM's strong financial position, MARC has reaffirmed IJM's corporate debt rating as "A+" in its latest annual review in September 2004.

Details of the medium-term notes are disclosed in Note 14 to the financial statements.

C. JP Morgan names IJM amongst Malaysia's 'World Beaters'

JP Morgan, one of the world's leading financial institutions, has singled out IJM as one of the five (5) homegrown companies that is poised to become 'world beaters' as it ventures abroad in search of the next leg of growth.

"These companies possess formidable local expertise that appears replicable worldwide as well as globally attractive and unique business models with high entry barriers. We place great faith in the management to deliver significant earnings growth over the next three to five years, which should result in price earnings multiple expansion as well as significant share price performance over the next two years," JP Morgan said.

JP Morgan added IJM would be able to leverage on its overseas expertise to bid for projects in countries like India and the Middle East.

FINANCIAL CALENDAR

Financial Year End	31 March 2005
Announcement of Results	
1st quarter	19 May 2004
2nd quarter	18 August 2004
3rd quarter	24 November 2004
4th quarter	25 February 2005
5th quarter	18 May 2005

Notice of Annual General Meeting	19 July 2005
Annual General Meeting	10 August 2005

Payment of Dividends

First Interim	
Declaration	18 August 2004
Book closure	29 October 2004
Payment	12 November 2004

Second Interim

Declaration	25 February 2005
Book closure	29 April 2005
Payment	12 May 2005

Investors Service

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

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

Mr Chua Tek Yan
Corporate Communications
Tel: +603-79858101 Fax: +603-79529388
E-mail: chuaty@ijm.com

BOARD OF DIRECTORS & SECRETARY



CHAIRMAN

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



DATO' GOH CHYE KOON
*Deputy CEO &
Deputy Managing Director*



EXECUTIVE DIRECTORS

DATO' TAN BOON SENG
@ KRISHNAN
CEO & Managing Director



SOO HENG CHIN
*Senior General Manager &
Executive Director*



NON EXECUTIVE DIRECTORS

DATO'
GOH CHYE KEAT

DATO' ISMAIL
BIN SHAUDIN

ABD HAMID
BIN OTHMAN



INDEPENDENT NON EXECUTIVE DIRECTORS

DATUK YAHYA
BIN YA'ACOB

DATUK
OH CHONG PENG

TAN SRI DATO' (DR)
HAJI MURAD
BIN MOHD NOOR



SECRETARY

JEREMIE
TING KENG FUI

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT TEAM

DIRECTORS



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

PSM, SPMT, DPMT, JSM, AMN

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

INDEPENDENT NON-EXECUTIVE CHAIRMAN

Y. Bhg. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob, born in June 1941, was appointed Non-executive Director of IJM on 1 July 1996 and Non-Executive Chairman on 28 February 2003.

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

He was with the Ministry of Works for 32 years, having served the last 6 years as Director-General of the Public Works Department before his retirement in 1996.

He is currently 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). He is also Vice-President of the Kuala Lumpur Lawn Tennis Association and Malay Cricket Association.

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

#^ **DATO' TAN BOON SENG @ KRISHNAN**

SMS, DSPN

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

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

Y. Bhg. Dato' Krishnan Tan Boon Seng, born in December 1952, joined IJM as Financial Controller in 1983. He was appointed Alternate Director on 12 June 1984. He rose in rank to assume the post of Group Managing Director on 1 January 1997. He was re-designated as Chief Executive Officer & Managing Director of IJM on 26 February 2004.

He qualified as a Certified Public Accountant in 1978 after graduating with a Bachelor of Economics (Honours) degree from University of Malaya in 1975. He also 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 7 years, his last position was Group Financial Controller.

His directorships in other public companies include IJM Plantations Berhad, Industrial Concrete Products Berhad, MASSCORP Berhad, Torsco Berhad and Grupo Concesionario del Oeste S.A. He is also President of COBRA (Combined Old Boys Rugby Association) since 1995 and a Trustee of Perdana Leadership Foundation since 2003.



#^+ **DATO' GOH CHYE KOON**

KMN, DSPN, JMN

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

DEPUTY CHIEF EXECUTIVE OFFICER & DEPUTY MANAGING DIRECTOR

Y. Bhg. Dato' Goh Chye Koon, born in June 1949, joined IJM as Senior Engineer in 1984 and was promoted to General Manager (Central Region) in 1986. He was appointed Alternate Director on 25 July 1995. He became Group Deputy Managing Director on 1 January 1997 and was re-designated as Deputy Chief Executive Officer & Deputy Managing Director on 26 February 2004. He is also Director of IJM Plantations Berhad.

He graduated with a Bachelor of Engineering (Honours) degree from University of Malaya in 1973.

Prior to joining IJM, he was with the Ministry of Works for 11 years serving as its Superintending Engineer.

He is President of the Master Builders Association Malaysia since 26 June 2004, and was its Deputy President for the session 2002/2004, Vice President from 1990 to 2002 and Deputy Secretary General from 1988 to 1990. He is also a director of the Construction Industry Development Board, Malaysia (2004-2006) and a member of the Construction Consultative Board of Engineers, Malaysia (2002-2004).

Panel of the National Productivity Corporation (2003-2006). He was a member of the Presidential Consultative Council of the Board of Engineers, Malaysia (2002-2004).



#^+ MR SOO HENG CHIN

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

SENIOR GENERAL MANAGER & EXECUTIVE DIRECTOR

Mr Soo Heng Chin, born in January 1955, was appointed Alternate Director on 12 June 1998 and subsequently Group Executive Director on 17 May 2001. He was re-designated as the Senior General Manager & Executive Director of IJM on 26 February 2004. He heads the Construction Services at Head Office overseeing the Contracts, Purchasing & Store, Plant & Workshop, Technical, Project Control and Quality System & Safety departments.

He graduated with a Bachelor of Engineering (Honours) degree from University of Malaya in 1978 and holds a Master's degree in Business Administration from Golden Gate University, San Francisco, USA.

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

>+ TAN SRI DATO' (DR) HAJI MURAD BIN MOHAMAD NOOR

PSM, DSDK, JMN, PMK, SMK, KMN

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

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Y. Bhg. Tan Sri Dato' (Dr) Haji Murad, born in April 1930, was appointed Director of IJM 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 by University of Reading in 1990 and Honorary Doctor of Education by University Sains Malaysia in 1992. He was also honoured by International Islamic University with a Honorary Doctorate in Education Philosophy and University Pendidikan Sultan Idris with an honorary degree of Doctor of Education.

His previous appointments 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 University Sains Malaysia (1985-1992) and Vice President of International Islamic University (1992-1995). He is currently the Chairman of the Board of Directors of University Pendidikan Sultan Idris, Tanjung Malim.



* DATUK OH CHONG PENG

PJN, JSM

FCA

INDEPENDENT NON-EXECUTIVE DIRECTOR

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

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

He was a senior partner of Coopers & Lybrand (now known as PricewaterhouseCoopers), Malaysia from 1974 until his retirement in 1997. He joined Coopers & Lybrand in London in 1969 and in Malaysia in 1971. He was also a Government-appointed Committee Member of the Kuala Lumpur Stock Exchange from 1990 to 1996, 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 Land & General Berhad (Chairman), British American Tobacco (Malaysia) Berhad, IJM Plantations Berhad and the 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.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT TEAM

(Continued)

DIRECTORS



>* DATUK YAHYA BIN YA'ACOB

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

INDEPENDENT NON-EXECUTIVE DIRECTOR

Y. Bhg. Datuk Yahya Bin Ya'acob, born in January 1944, was appointed Director of IJM 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. He obtained a Master's degree in Business Management from the Asian Institute of Management in 1976.

He was in the Malaysia Administrative and Diplomatic service for more than 32 years, having served the last 5 years as 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 (Chairman).

> DATO' GOH CHYE KEAT

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

NON-EXECUTIVE DIRECTOR

Y. Bhg. Dato' Goh Chye Keat, born in December 1941, is one of the pioneers of IJM Group. He has been Non-executive Director since he retired as Group Managing Director of IJM on 31 December 1996. He was appointed Director of IJM on 16 April 1984 and was appointed 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. He was conferred an Honorary Fellowship by University of Sydney, Australia in 1996. He was the recipient of The Prominent Player Award 2003 by the Construction Industry Development Board ("CIDB") Malaysia.

He started out with the Public Works Department and was there for 3 years before joining Soon Tat & Co as Project Manager. He left Soon Tat & Co after 3 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

DPCM, PMP
B. Econ(Hons)

NON-EXECUTIVE DIRECTOR

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

He graduated with a Bachelor of Economics (Honours) degree from University of Malaya in 1974. He is currently Group Chief Executive Officer of MMC Corporation Berhad ("MMC"). Prior to joining MMC, he was with Malayan Banking Berhad for 10 years (1992-2002) and was its Executive Director from 1997 to 2002. He was 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).

His directorships in other public companies include Bank Muamalat Malaysia Berhad (Chairman), Kramat Tin Dredging Berhad, Malakoff Berhad, Malaysia Smelting Corporation Berhad, Tronoh Consolidated Malaysia Berhad and MMC Engineering Group Berhad.



ENCIK ABD HAMID BIN OTHMAN

B.Sc(Hons) Quantity Surveying

NON-EXECUTIVE DIRECTOR

En Abd Hamid Bin Othman, born in October 1950, was appointed Director of IJM on 25 March 2004 and is a representative of the Employees Provident Fund Board (EPF).

He graduated with a Degree in Quantity Surveying from Thames Polytechnic London in 1976. He is General Manager, Property Department of Employees Provident Fund Board since 2000.

His previous appointments 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).

Note

1. None of the directors have any family relationship with any director and/or major shareholders of the Company except for Dato' Goh Chye Keat and Dato' Goh Chye Koon, who are brothers.
2. All the directors are Malaysians.
3. None of the directors have any financial interest in any business arrangement involving the Group except for Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman Bin Wan Yaacob, Dato' Goh Chye Keat and Dato' Abdullah Bin Mohd Yusof, who have certain related party transactions as disclosed in Note 44 to the financial statements.
4. All directors maintain a clean record with regard to convictions for offences.

Legend:

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

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT TEAM

(Continued)

SENIOR MANAGEMENT



MR MAH TECK OON

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

DIRECTOR (INDUSTRIES DIVISION)

Mr Mah Teck Oon, born in November 1952, has been Head of IJM Industries Division since 1 July 1998 and Chief Executive Officer and Managing Director of Industrial Concrete Products Berhad ("ICP") since 20 September 2004.

He graduated with a Bachelor of Engineering (Honours) degree from University of Malaya in 1976. He was with Hong Leong Group, Malaysia for 15 years. In the first 10 years, he was General Manager of 2 of its ceramic tile companies.

Prior to joining IJM as Group General Manager (Industries Division) in 1995, he was Senior General Manager of the Concrete Products Division of Hume Industries (M) Berhad.

He is also Director of Torsco Berhad.

MR TAN GIM FOO

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

EXECUTIVE DIRECTOR (IJM CONSTRUCTION SDN BHD)

Mr Tan Gim Foo, born in June 1958, was appointed Executive Director of IJM Construction Sdn Bhd on 1 January 2005 and heads the Construction Project Units in Malaysia.

He graduated with a Bachelor of Engineering (Honours) degree from University of Malaya in 1983.

He started as 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 TEH KEAN MING

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

MANAGING DIRECTOR (IJM PROPERTIES SDN BHD)

Mr Teh Kean Ming, born in April 1955, was appointed Managing Director of IJM Properties Sdn Bhd on 1 January 2005. He was Group General Manager (Properties Division) from 1 April 2001 to 31 December 2004. He is also 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 Resident Civil & Structural Engineer of Dayabumi Phase 3 Project (1981-1983) and Malayan Banking Berhad (1983-1987). He was Engineer/Site Manager of Antah Biwater J.V. Sdn Bhd (1987-1989) prior to joining IJM Construction Sdn Bhd as Project Manager (1989-1993). His other appointments include Senior Manager (Project) (1994-1997) and Project Director (1998-2001).



MR DEBOJIT CHOWDHURY

B. Eng (Civil)

PROJECT DIRECTOR

Mr Debojit Chowdhury, born in March 1956, has been a Project Unit head of the Construction Division since 1998, overseeing in-house construction for the Properties Division and special projects.

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

He was also involved in the Company's overseas projects in Bangladesh and India.

MR JEREMIE TING KENG FUI

MBA, FCIS

COMPANY SECRETARY

Mr Jeremie Ting Keng Fui, 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. He also holds a Master's degree in Business Administration from Golden Gate University, San Francisco, USA.

He was President of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") for 2004 and Council Member (1994-2004), and was recipient of the ROC-MAICSA Company Secretary Award 2000 (Listed Company Category).



MR LOY BOON CHEN

MBA, CPA(M)

FINANCE DIRECTOR

Mr Loy Boon Chen, born in October 1951, was appointed Finance Director of IJM on 1 July 1998. He is also 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 in Ernst & Young for 7 years prior to joining Chong Kok Lin & Sons Berhad in 1980 as the Accountant cum Secretary for a year. He joined Mudajaya Construction Sdn Bhd as Chief Accountant in 1981 and was appointed as the Group Financial Controller of IJM in 1994.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT TEAM

(Continued)



MR NG CHIN MENG

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

COUNTRY DIRECTOR (INDIA)

Mr Ng Chin Meng, born in October 1956, joined IJM (Industries) as Senior Manager on Road Projects in 1994. In March 1997, he was sent to spearhead the Group's Indian operations. He is currently 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.

He graduated with a Bachelor of Engineering (Civil) degree from Victoria University of Technology, Melbourne in Australia in 1982. Upon graduation, he worked for the Australian Road Board for 1½ years before returning 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.

ENCIK ROSLAN BIN IBRAHIM

B.Sc (Hons) Civil Engineering

GENERAL MANAGER (BUSINESS DEVELOPMENT)

En Roslan, born in August 1959, was appointed General Manager, Business Development in May 2004 and oversees the Middle East projects.

He graduated with a Bachelor of Science (Honours) in Civil Engineering from University College of Swansea in 1981.

He started as an Engineer with Lembaga Kemajuan Pahang Tenggara before joining Petronas Gas Berhad in 1983 where he was a sector leader in the Peninsular Gas Utilisation Stage II (PGU II) pipeline project. He was seconded to Kuala Lumpur City Centre Berhad in 1992 and was subsequently appointed Project Manager for Tower 1 of the Petronas Twin Towers Project. In 1996, he joined Peremba Construction Sdn Bhd as General Manager where he was involved in landmark projects such as the Menara Telekom, the 2100 MW Manjung Power Plant and Malaysia Liquefied Natural Gas 3 (MLNG 3) Plant in Bintulu, Sarawak. His last posting was Chief Executive Officer of MMC Engineering Group Berhad in January 2003 prior to its privatisation by MMC Corporation Berhad.



MR VELAIGAM A/L DORAISAMY

LLB (Hons), PgDip(Constn Law), RICS(Finals), MCI Arb.

SENIOR MANAGER (LEGAL)

Mr Velaigam a/l Doraisamy, born in January 1951, rejoined IJM 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 examination 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.

MR YEO POH MENG

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

MANAGING DIRECTOR (TORSKO BERHAD)

Mr Yeo Poh Meng, born in October 1952, was appointed Managing Director of Torsco Berhad in 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 with the Public Works Department in 1972.

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 as Senior Manager in the Industries Division and was transferred to Torsco Sdn Bhd as the General Manager in 1995. He was appointed Executive Director of Torsco Berhad in 1998 before assuming his present position.

He is also the Honorary Secretary of Heavy Equipment and Machinery Manufacturers Association of Malaysia (HEMMAM) for the 2003/2004 session.



STATEMENT OF VALUE ADDED & DISTRIBUTION

	2005 [#] RM'000	2003 RM'000
Value added :		
Revenue	1,802,291	1,363,895
Purchases of goods & services	(1,371,997)	(1,071,081)
Value added by the Group	430,294	292,814
Share of profits of associates	46,167	35,225
Share of profits of jointly controlled entities	2,320	561
Other investment income	321	68
Total value added	479,102	328,668
Distribution :		
To employees		
- Salaries & other staff costs	102,353	68,963
To Governments		
- Taxation	79,334	56,139
To providers of capital		
- Dividends	80,254	32,205
- Finance costs	41,245	23,161
- Minority interest	18,989	4,937
Retained for future reinvestment & growth		
- Depreciation and amortisation	51,695	29,744
- Retained profits	105,232	113,519
Total distributed	479,102	328,668

Value added is a measure of wealth created. The above statement shows the Group's value added for 2005 and 2003 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.

	2005 [#] RM'000	2003 RM'000
Reconciliation		
Profit for the year	185,486	145,724
Add : Depreciation and amortisation	51,695	29,744
Finance costs	41,245	23,161
Staff costs	102,353	68,963
Taxation	79,334	56,139
Minority Interests	18,989	4,937
Total value added	479,102	328,668

[#] Represents 15 months ended 31 March 2005

ANALYSIS OF SHAREHOLDINGS

as at 15 June 2005

Authorised Share Capital : RM1,000,000,000
 Issued & paid-up Capital : RM462,061,980
 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	175	5,524	0.00%
100 – 1,000	1,438	1,317,226	0.29%
1,001 - 10,000	2,143	8,742,948	1.89%
10,001 – 100,000	665	22,944,288	4.97%
100,001 to less than 5% of issued shares	300	301,548,332	65.26%
5% and above of issued shares	2	127,503,662	27.59%
	4,723	462,061,980	100.00%

REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Number of Shares		Percentage of Issued Capital
	Direct	Deemed Interests	
1. Employees Provident Fund Board	63,390,800	-	13.719%
2. The Capital Group Companies, Inc.	-	30,592,097	6.621%
3. Tronoh Consolidated Malaysia Berhad	91,034,362	-	19.702%

DIRECTORS' SHAREHOLDINGS AND OPTIONS OF EMPLOYEE SHARE OPTION SCHEME IN IJM CORPORATION BERHAD

as at 15 June 2005

Name of Directors	Number of Shares		Percentage of Issued Capital	Number of Options		Percentage of Outstanding Options
	Direct	Deemed		Direct	Deemed	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	33,400	-	0.007%	100,000	-	0.239%
Dato' Tan Boon Seng @ Krishnan	2,367,698	578,698 ¹	0.638%	1,360,000	-	3.254%
Dato' Goh Chye Koon	992,712	-	0.215%	1,360,000	-	3.254%
Soo Heng Chin	412,000	-	0.089%	1,020,000	-	2.441%
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	10,333	-	0.002%	100,000	-	0.239%
Datuk Oh Chong Peng	-	-	-	100,000	-	0.239%
Datuk Yahya bin Ya'acob	-	-	-	100,000	-	0.239%
Dato' Goh Chye Keat	348,462	170,132 ²	0.112%	-	-	-
Dato' Ismail bin Shahudin	-	-	-	100,000	-	0.239%
Dato' Abdullah bin Mohd Yusof	-	-	-	-	-	-
Abd Hamid bin Othman	-	-	-	-	-	-

Note:-

*¹ Through a family member

*² Through CK Goh Holdings Sdn Bhd and Jurutama Holdings Sdn Bhd

THIRTY LARGEST SHAREHOLDERS

	Number of Shares	Percentage of Issued Capital
1. Tronoh Consolidated Malaysia Berhad	86,034,362	18.62%
2. Employees Provident Fund Board	41,469,300	8.97%
3. Amanah Raya Nominees (Tempatan) Sdn Bhd- Skim Amanah Saham Bumiputera	23,014,294	4.98%
4. HSBC Nominees (Asing) Sdn Bhd- Emerging Markets Growth Fund	17,897,714	3.87%
5. HSBC Nominees (Asing) Sdn Bhd- BBH and Co Boston for GMO Emerging Markets Fund	13,040,600	2.82%
6. Valuecap Sdn Bhd	12,651,700	2.74%
7. Amanah Raya Nominees (Tempatan) Sdn Bhd- Amanah Saham Wawasan 2020	10,189,200	2.21%
8. Amanah Raya Nominees (Tempatan) Sdn Bhd- Amanah Saham Malaysia	6,981,300	1.51%
9. HSBC Nominees (Asing) Sdn Bhd- Capital International Emerging Markets Investment Fund	6,967,000	1.51%
10. Cartaban Nominees (Tempatan) Sdn Bhd- Amanah SSCM Nominees (Tempatan) Sdn Bhd for Employees Provident Fund Board (JF404)	6,672,400	1.44%
11. Malaysia National Insurance Berhad	5,665,300	1.23%
12. HSBC Nominees (Asing) Sdn Bhd- Invesco Series (AsianEquityCore)	5,655,500	1.22%
13. Cartaban Nominees (Asing) Sdn Bhd- State Street Australia Fund Q3VD for Fullerton (Private) Limited	5,266,500	1.14%
14. HSBC Nominees (Tempatan) Sdn Bhd- Pledged Securities Account for Tronoh Consolidated Malaysia Berhad (201-139193-089)	5,000,000	1.08%
15. Takaful Nasional Sdn Bhd	4,435,200	0.96%
16. HSBC Nominees (Asing) Sdn Bhd- T. Rowe Price Trust Company, International Common Trust Fund	4,224,500	0.91%
17. Pertubuhan Keselamatan Sosial	4,114,000	0.89%
18. Citicorp Nominees (Tempatan) Sdn Bhd- CMS Dresdner Asset Management Sdn Bhd for Employees Provident Fund	4,000,000	0.87%
19. Universal Trustee (Malaysia) Berhad- Mayban Unit Trust Fund	3,731,000	0.81%
20. HSBC Nominees (Tempatan) Sdn Bhd- HSBC (M) Trustee Berhad for CMS Premier Fund (4959)	3,700,000	0.80%
21. HSBC Nominees (Asing) Sdn Bhd- T. Rowe Price International Funds for New Asia Fund	3,603,600	0.78%
22. HSBC Nominees (Asing) Sdn Bhd- BBH (LUX) SCA for Fidelity Funds Malaysia	3,500,000	0.76%
23. RHB Nominees (Tempatan) Sdn Bhd- RHB Asset Management Sdn Bhd for Kumpulan Wang Simpanan Pekerja	3,333,000	0.72%
24. Amanah Raya Nominees (Tempatan) Sdn Bhd- Amanah Saham Didik	3,302,900	0.71%
25. Mayban Nominees (Tempatan) Sdn Bhd- Mayban Investment Management Sdn Bhd for Kumpulan Wang Simpanan Pekerja (N14011980810)	2,972,000	0.64%
26. HSBC Nominees (Tempatan) Sdn Bhd- Nomura Asset Mgmt SG for Employees Provident Fund	2,597,000	0.56%
27. HSBC Nominees (Asing) Sdn Bhd- Abu Dhabi Investment Authority	2,514,415	0.54%
28. Citicorp Nominees (Asing) Sdn Bhd- American International Assurance Company Limited (P CORE)	2,448,300	0.53%
29. Cartaban Nominees (Asing) Sdn Bhd- Investors Bank and Trust Company for Ishares, Inc.	2,347,200	0.51%
30. HSBC Nominees (Asing) Sdn Bhd- Stichting Pensioenfond ABP.	2,220,900	0.48%
	299,549,185	64.81%

DIRECTORS' SHAREHOLDINGS IN INDUSTRIAL CONCRETE PRODUCTS BERHAD

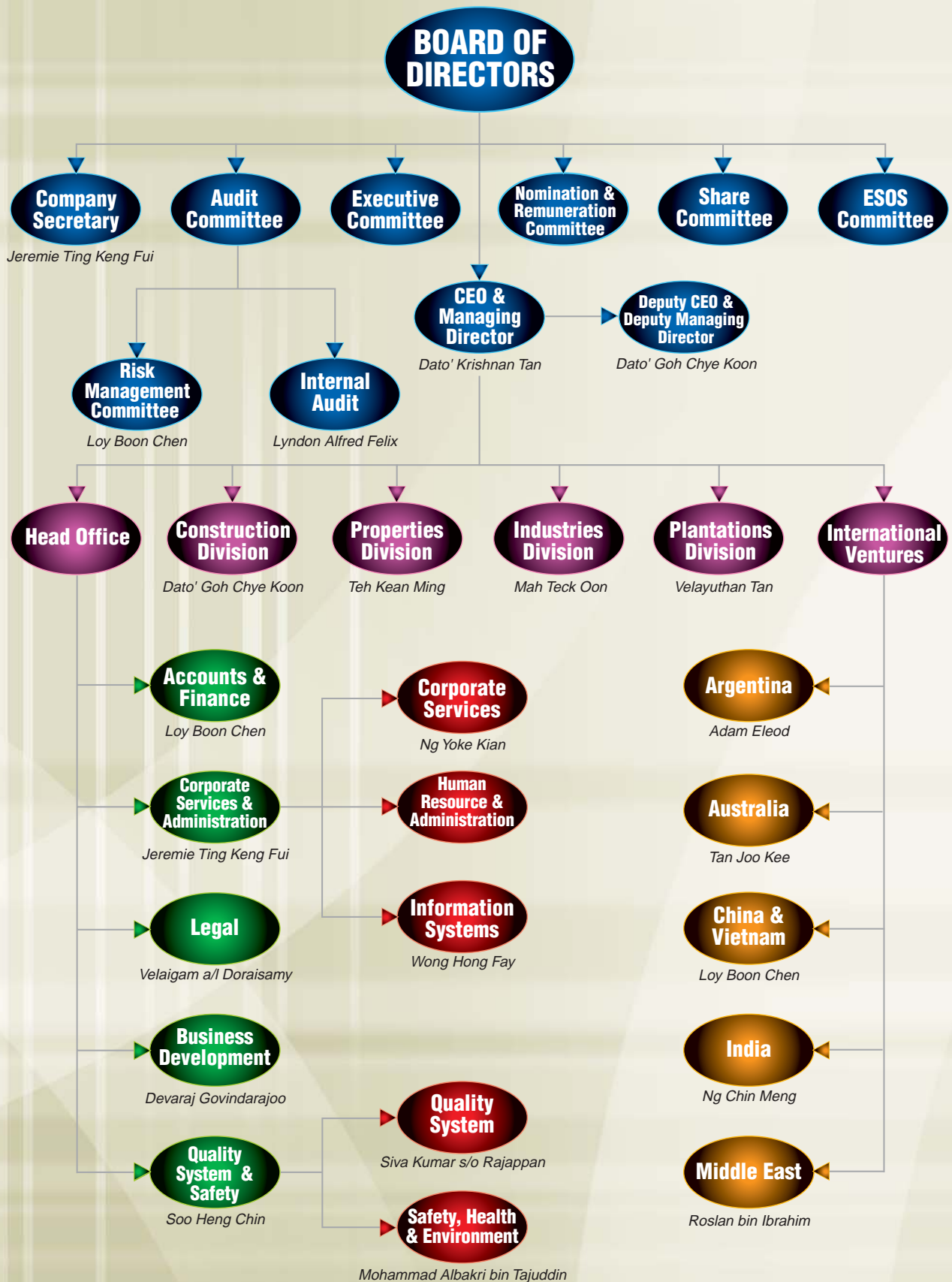
Name of Directors	Number of Shares		Percentage of Issued Capital
	Direct	Deemed	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	-	-	-
Dato' Tan Boon Seng @ Krishnan	105,000	375,500 ¹	0.328%
Dato' Goh Chye Koon	100,000	-	0.068%
Soo Heng Chin	-	-	-
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	-	-	-
Datuk Oh Chong Peng	-	-	-
Datuk Yahya bin Ya'acob	-	-	-
Dato' Goh Chye Keat	129,500	4,165,020 ²	2.931%
Dato' Ismail bin Shahudin	-	-	-
Dato' Abdullah bin Mohd Yusof	-	-	-
Abd Hamid bin Othman	-	-	-

Note:-

*¹ Through a family member

*² Through CK Goh Holdings Sdn Bhd and Jurutama Holdings Sdn Bhd

GROUP ORGANISATION CHART



HIGHLIGHTS OF 2004/05

- IJM Corporation Berhad ("IJM") acquired additional shares in Industrial Concrete Products Berhad ("ICP"), a former 20.4% associate through acquisition of an additional 32.4% stake on 12 May 2004 and a subsequent mandatory general offer, raising its equity interest to a 71.5%-subsidiary as at 31 March 2005.
- To further rationalise the Group's operations, IJM disposed its entire equity interest in Malaysia Rock Products Sdn Bhd to ICP for RM110 million in a shares swap arrangement with ICP.
- IJM Properties Sdn Bhd and Maxisegar Sdn Bhd signed a Shareholders Agreement to acquire and develop a parcel of leasehold land in the District of Kuala Langat which has a gross development value in excess of RM4.50 billion.
- IJM Construction Sdn Bhd and KEB Builders Sdn Bhd signed a Shareholders Agreement to undertake the construction of the Shah Alam-Shah Alam 2 Expressway Project and a network of flood mitigation canals, roads and bridges.
- IJM was awarded a RM708 million Design and Build contract for the construction of Lebuhraya Kajang-Seremban (KASEH) - its single largest contract ever.
- Secured its first project in the Middle East – the RM120 million Fortune Tower in Dubai.
- Revenue and pre-tax profits both reached record highs of RM2,426.04 million (including share of associates and jointly controlled entities) and RM283.81 million respectively.
- Market capitalisation and total assets breached the RM2 billion and RM3 billion marks respectively for the first time.
- IJM successfully raised RM150 million from a 7-year nominal value Medium Term Notes program to replace its existing bonds, which matured in February 2005.
- IJM retains the NACRA Industry Excellence Award: Construction and Infrastructure Project Companies category.
- Implemented the second Employee Share Option Scheme.



GROUP SUPPORT SERVICES

*Seated left to right: Jeremie Ting Keng Fui, Soo Heng Chin, Loy Boon Chen and Velaigam s/o Doraisamy
Standing left to right: Sivakumar s/o Rajappan, Ng Yoke Kian, Devaraj s/o Govindarajoo, Wong Hong Fay,
Mohammad Albakri Bin Tajuddin and Lyndon Alfred Felix*

CORPORATE DIARY

16 January 2004

JOINT VENTURE DEVELOPMENT – SIGNING OF SHAREHOLDERS AGREEMENT

IJM Properties Sdn Bhd, a wholly-owned subsidiary of IJM Corporation Berhad ("IJM"), signed a Shareholders' Agreement with Landmarks Land & Properties Sdn Bhd and Elegan Pesona Sdn Bhd to develop a luxury condominium project in Wangsa Maju, Kuala Lumpur. The development, over 14 acres of land, has a gross development value of RM300 million.

13 February 2004

KLSE CORPORATE MERIT AWARD 2003



IJM was the recipient of the KLSE Corporate Merit Award (Construction Sector) for the second consecutive year. This award bears testimony to the management's continued commitment to exemplary corporate governance.

4 March 2004

THE MITI EXCELLENCE AWARD 2003



IJM was awarded the Ministry of International Trade and Industry ("MITI") Excellence Award – Export Excellence (Services). International Trade and Industry Minister, Y.B. Dato' Seri Rafidah Aziz presented the award to Dato' Krishnan Tan during the award presentation ceremony held at the Mandarin Oriental Hotel, Kuala Lumpur.

20 March 2004

AFFORDABLE HOUSING AND RELOCATION PROJECT



The Prime Minister, Y.A.B. Datuk Seri Abdullah Ahmad Badawi witnessed the handing over of the Letters of Offer by the State Secretary of Penang, Dato' Khalid Ramli, to the successful applicants of the low cost units at Bandar Sri Pinang. These units are part of the relocation programme for the residents who were affected by the Jelutong Expressway project in Penang.

30 March 2004

VISIT BY PERSONNEL OF CIDB



A team of 6 personnel from the Construction Economics Research division of Construction Industry Development Berhad ("CIDB"), headed by their General Manager Pn Sariah Abd Karib, visited IJM to foster a closer working relationship.

10 April 2004

21ST ANNUAL DINNER AND DANCE



The IJM Group celebrated its 21st Annual Dinner and Dance at the Putrajaya Convention Centre. It was attended by more than 1,000 IJM employees and their spouses, attired in colourful batik. The highlights of the evening were the presentation of the Quality and Safety Awards to the respective winners and the 20-year Service Award to 13 long-service deserving employees. Among the recipients for this award was Dato' Goh Chye Koon.

6 May 2004

ICP, A SUBSIDIARY OF IJM

Industrial Concrete Products Berhad ("ICP") became a subsidiary of IJM with the acquisition of 33,955,080 shares of ICP from Hume Industries (Malaysia) Berhad and Hume Plastics (Malaysia) Sdn Bhd. This represents 32.4% of ICP's issued and paid-up capital. This acquisition is expected to further strengthen the Group's downstream activities in the construction material sector.

5 – 6 June 2004

5TH BIENNIAL IJM REGIONAL GAMES

IJM held the 5th biennial Regional Games in Penang in its continuing efforts to promote staff interaction. More than 300 staff, representing the Group's various regional operations participated in the 10 sports events which were held over 2 days. ICP and the Northern Region emerged as joint overall champions for the first time in the Games series.

11 – 12 June 2004

MBAM BUILDERS CONVENTION 2004

IJM participated in the two-day Builders Convention 2004 that was jointly organised by Malaysian Builder Association of Malaysia ("MBAM") and CIDB at Sunway Pyramid, Selangor. The event was officiated by Works Minister, Y.B. Datuk Seri Samy Vellu. This event was aimed at providing invaluable insights on successful practices, key strategies and the latest innovations in the construction industry. Our CEO Dato' Krishnan Tan presented a paper on "Going Global".

26 June 2004

DEPUTY CEO & DEPUTY MD OF IJM ELECTED AS PRESIDENT OF MBAM

Dato' Ir. Goh Chye Koon, IJM's Deputy CEO & Deputy MD was elected the President of MBAM for the term 2004 – 2006.

10 July 2004

CONFERMENT OF TITLE TO IR. GOH CHYE KOON

Ir. Goh Chye Koon, Deputy CEO & Deputy MD was conferred the Darjah Setia Pangkuan Negeri (D.S.P.N) which carries the title Dato' by Tuan Yang Terutama, Yang Di-Pertua Negeri Pulau Pinang, Tun Dato' Seri Haji Abdul Rahman bin Haji Abbas on the occasion of His Excellency's 66th birthday.

15 – 30 July 2004

FRIENDSHIP GAMES 2004

The 8th edition of this Friendship Games involving IJM Corporation Berhad, IGB Corporation Berhad-Gold IS and PricewaterhouseCoopers saw the 3 companies participating in 10 sports events held at various locations in the Klang Valley. This annual tournament is held to promote goodwill and friendship amongst the employees from these companies. IJM emerged as the overall champions for the 5th time.

CORPORATE DIARY

(Continued)

4 August 2004

VISIT BY FOREIGN MEDIA REPRESENTATIVES



Foreign media representatives from China, Chile and Peru visited Malaysia on the invitation of MATRADE. The visit was to promote various services and businesses opportunities available in Malaysia to their respective countries. IJM was chosen as the provider for the construction and engineering services.

10 August 2004

KLSE RAT RACE



IJM continued to support this annual event by sending a team of 5 members to participate at the corporate rat race on the streets of Kuala Lumpur. Our cheerleading team, decked in blue and white, was in attendance to give moral support.

10 August 2004

SIGNING OF SHAREHOLDERS AGREEMENT FOR IMPSA (MALAYSIA) SDN BHD



Torsco Berhad, a wholly-owned subsidiary of IJM, signed an agreement to acquire a 40% stake in IMPSA (Malaysia) Sdn Bhd, enabling Torsco Berhad to be involved in the crane manufacturing business. The signing ceremony was witnessed by the International Trade and Industry Minister, Y.B. Dato' Seri Rafidah Aziz.

12 August 2004

SIGNING OF TWO SHAREHOLDERS AGREEMENTS - 'CANAL CITY DEVELOPMENT' AND 'SHAH ALAM - SHAH ALAM 2 EXPRESSWAY'

IJM Properties Sdn Bhd signed a Shareholders' Agreement with Maxisegar Sdn Bhd to acquire and develop a parcel of leasehold land in the District of Kuala Langat, Selangor. The project has a gross development value in excess of RM4.5 billion and is known as the 'Canal City Development'. IJM Construction Sdn Bhd, a wholly-owned subsidiary of IJM Corporation Berhad signed a Shareholders' Agreement with KEB Builders Sdn Bhd to undertake the construction of the Shah Alam – Shah Alam 2 Expressway Project and a network of flood mitigation canals, roads and bridges.

19 August 2004

INVESTMENT IN EVERSENDAL



A Subscription Agreement was signed between IJM Construction Sdn Bhd with Eversendal-Corporation Sdn Bhd ("ECSB") and Dato' Nathan a/l Elumalay for the subscription of 12,000,000 Redeemable Convertible Cumulative Preference Shares. This would enable IJM to tap into the steel fabrication and erection expertise of ECSB which has made a strong presence in the Middle East.

20 August 2004

VISIT BY VIETNAMESE DELEGATION

A group of 6 delegates, headed by Mr. Nguyen Van Dong from the Vietnam Housing Management and Development Company of District 2, Ho Chi Minh City, visited IJM to discuss the property development potential in the Vietnamese capital.

26 – 29 August 2004

BURSA MALAYSIA EXPO 2004



As part of its investor relations' programs, IJM participated in this annual event organised by Bursa Malaysia at the Putra World Trade Centre, Kuala Lumpur.



Visitors to IJM booth were briefed on its products and services, the business, financial and operational aspects of the Group's performance. Annual reports, corporate brochures and gifts were distributed to the visitors.

31 August 2004

FAMILY DAY



It is not all work at IJM. True to its standing as a caring employer, IJM organised a family day for all its employees and their family members. More than 650 employees and their family members packed themselves at the Taman Desa Water Park to enjoy the facilities and participated in the games. Food and drinks were also served.

30 November 2004

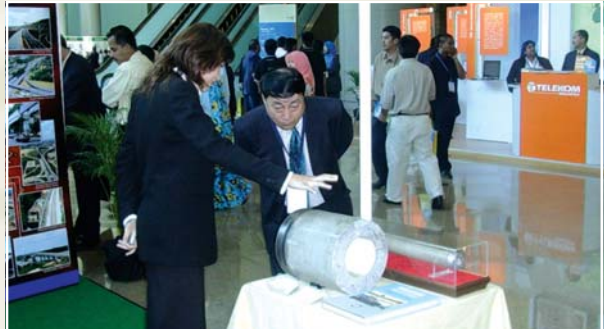
IJM RETAINS NACRA AWARD



IJM was the recipient of the National Annual Corporate Report Award ("NACRA") under the Industry Excellence category (Construction and Infrastructure Project Companies) for the second consecutive year. Dato' Krishnan Tan received the award from the Minister of Domestic Trade and Consumer Affairs, Y.B. Dato' Mohd Shafie bin Hj Apdal during the award presentation ceremony held at the Palace of the Golden Horses Hotel, Kuala Lumpur.

24 – 25 January 2005

PARTICIPATION IN THE 5TH MINISTERS' FORUM EXHIBITION



IJM participated in the 5th Ministers' Forum Exhibition 2005 on Infrastructure Development in the Asia-Pacific Region held at the Putrajaya Convention Centre. The two-day event was officiated by the Minister of Works, Y.B. Dato' Seri Samy Vellu. The exhibition opened a new perspective for the Asia-Pacific Region by focusing on the emerging areas and by providing new marketing opportunities for both the regional and the international players.



2 February 2005

RM300 MILLION CP/MTN AGREEMENT SIGNING CEREMONY



A Trust Deed and Facility Agreement signing ceremony was held at the PJ Hilton Hotel, Petaling Jaya between IJM Corporation Berhad, Commerce International Merchant Bankers and AmMerchant Bank Berhad in relation to the issuance of RM300 million Nominal Value 7-Year Medium Term Notes and Commercial Papers.

IJM's order book increases to RM2bil

BY C.S. TAN

THE Antah group's award of a highway construction contract to IJM Corp Bhd raises the latter's order book to over RM2bil. This is reassuring to investors who have been concerned over IJM's depleting order book.

IJM announced last Friday that it had secured a RM693mil contract to build a toll highway between Kajang and Seremban for Kaseh Lebuhraya Sdn Bhd, a member of the Antah group.

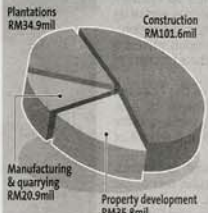
Antah is still in the midst of sorting out its finances after it defaulted on several bank debts. For the Kaseh highway, however, financing will be sought by Kaseh Lebuhraya, not Antah.

"Kaseh should be able to get the project financing. The proposed highway is a good alignment," IJM managing director Datuk Krishnan Tan told *StarBiz*.

This job will add to IJM's contracts-in-hand. This is needed because the group has a "chewing rate" of about RM100mil a month. Hence, its order book has to be replenished. Its construction division registered a turnover of RM1.3bil last year.

The group's order book stood at RM1.2bil at the end of last year. It

Pre-tax profits of IJM's operating divisions in 2003



has not stood still. New jobs totalling RM200mil were secured in the first three months this year.

In addition, IJM has in-house construction jobs from its property development activities in Malaysia and India. These in-house jobs are not included in its order book.

Some analysts had projected the group to post flat earnings this year. Krishnan Tan, however, said that the group had a track record of achieving growth.

He pointed to the group's four operating divisions, all of which posted earnings growth last year.

In plantations, for instance, the

4 Companies & Strategies



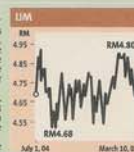
IJM leverages on its strengths

BY JOSE BARROCK

THE construction sector has definitely seen better times. Since late 2003, work on the local front has been hard to come by, causing most players to venture abroad to maintain their order books and earnings.

As a result of the gloomy outlook, the Kuala Lumpur Composite Index has underperformed the Construction Index by as much as 23% over the last year.

Our company that has to date



and is looking to ink a large development project on in Penang which is said to be lucrative and will add to IJM's bottom line.

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Projects secured so far in 2005

Date of award	Contract value (RM mil)	Tenure
Fortune Tower	120.6	17 months
Birjol condo, KLEC	135.1	24 months
Flight catering facilities	131.7	18 months
Rajasthan Highway	566.0	30 months

For its cumulative four financial quarters ended December 2004, IJM posted a net profit of RM154.1mil on the back of RM1.2bil in sales.

In the financial year in review, IJM's net profit gained by about 5.8% despite its revenue falling by 6.6%.

In its notes to Bursa Malaysia, which accompany the financial results, IJM says: "The 6.6% decrease in revenue over the preceding year was mainly attributable to lower construction revenue. The group's pre-tax profit and net profit, on the other hand, increased by 12.4% and 5.8% respectively, mainly due to better contributions from the properties and industries divisions."

However, despite the lower margins, IJM says it is confident of the performance of the first quarter of the current financial period to be satisfactory.

"Generally construction companies go for volume when margins are thin. So what IJM is doing is nothing out of the ordinary. The construction sector is cyclical, hence, when the going is tough, companies generally make less, but take in the profit during the upcycle," the analyst from the foreign brokerage adds.

He adds that with the implementation of the 9th Malaysia Plan this

look for IJM seems better. Reuters estimates, after taking into account the company's new financial year-end, forecasts IJM's earnings to a net profit of RM152mil on the back of RM1.1bil sales for the 15 months ended March 2005.

The Syed Mokhtar factor
Another promising prospect, according to one analyst, is the fact that IJM's largest shareholder is Tropicana Consolidated (M) Bhd with a 20.4% stake.

Tan Sri Syed Mokhtar Alsbakry controls Tropicana Consolidated via his flagship MMC Corp Bhd.

"Syed Mokhtar has strong ties with businessmen from the Middle East. IJM could ride on his contacts and win jobs there. IJM has the experience and expertise, and with a figure like Syed Mokhtar, many new avenues could be opened," the analyst from the foreign brokerage says.

IJM has been awarded several contracts by the tycoon, notably for construction works in the Port of Tanjung Pelepas "It is quite likely that IJM will use his network to break into the Middle Eastern market in a big way," the analyst from the foreign brokerage adds.

Now that Syed Mokhtar has taken over the helm of DRB-HICOM Bhd, perhaps IJM will even be more rail related works, he says.

IJM UNIT SEES HIGHER EARNINGS

By SHAREN KAUR

SHIN Eversendai Engineering (M) Sdn Bhd, a 30 per cent unit of IJM Corp Bhd, expects its order book to touch RM500 million in the current financial year ending Dec 31, 2005, said its managing director Datuk A.K. Nathan.

IJM, the country's fourth largest construction company, is 20.4 per cent owned by Tropicana Consolidated Malaysia Bhd, an investment holding firm, controlled by Tan Sri Syed Mokhtar Alsbakry.

Nathan said in an interview with *Mail Money* that revenue for the current fiscal year should be in the range of RM250 million. Last year, the privately held company, largely owned by Nathan, posted a revenue of RM180 million.

"Growth this year, will be spurred by contracts won last year, but to be implemented now," he said.

The majority of the contracts won by the IJM associate were from its niche market in the United Arab Emirates, Qatar and also its home base in Malaysia.

"We expect to secure more contracts in West Asia," said Nathan, adding that the company also is seeking to expand its base to non-traditional markets such as in North Africa and in India.

Eversendai's equity tie up with IJM last year should help the former break into the Indian steel fabrication market, while IJM should benefit from Eversendai's

10-year presence in West Asia.

IJM is one of the few Malaysian companies which has managed to establish a name in India, securing more than RM1 billion of construction works in the country over the last couple of years.

"We are in negotiations with several parties in India," Nathan admitted, but the market in North Africa looks a bit more difficult to crack.

"In North Africa, we are still identifying potential business partners," said Nathan.

Japan sector on a build-operate-transfer basis.

will not rake in much as margins may be relatively thin.

Based on 20% progress recognition in financial year (FY) 2005 and 30% recognition in FY06, we estimate that the project would contribute net profit of RM10mil and RM15mil respectively.

The risk of non-payment would be low, given that proceeds from the land sale would be used to finance the construction costs.

As for the proposed land acquisition, the purchase price for the land was set out to RM7.70 per sq ft, which we believe is a fair value for the land.

Due to the staggered payment, however, the joint venture company only needs to fork out not more than RM88mil per annum, over a seven-year period.

It owns and operates a steel fabrication facility in Dubai.

Besides Singapore, Eversendai also has contracts in United Arab Emirates (UAE) and Qatar and the company has completed structural steel-related jobs in Malaysia, Singapore, Indonesia, the

Philippines, Thailand and Hong Kong.

Its latest contracts include the supply, fabrication and erection of structural steel works for the 1km long Chinatown International City Mall in Dubai, the UAE and Khalifa Olympic Stadium in Qatar.

IJM set to gain from Canal City, highway projects

IJM Properties has established a 50:50 joint-venture company, Astaka Tegas Bhd, to acquire and develop a parcel of leasehold land measuring 1,750 acres at Kuala Langat, Selangor, for RM587mil from Canal City Construction Sdn Bhd.

Another shareholders' agreement was signed between IJM Construction Sdn Bhd and KEB Builders Sdn Bhd to establish a 50:50 joint-venture company, Ambang Usaha Sdn Bhd, to build the Shah Alam-Shah Alam 2 Expressway, and a network of flood mitigation canals, roads and bridges on the 5,439 acres of leasehold land in Kuala Langat under the Canal City project.

Canal City is a property develop-



hold land for RM412.2mil to Hui Wing Mau, the owner of the Shinjiao group, a leading property developer in China.

Based on 20% progress recognition in financial year (FY) 2005 and 30% recognition in FY06, we estimate that the project would contribute net profit of RM10mil and RM15mil respectively.

The risk of non-payment would be low, given that proceeds from the land sale would be used to finance the construction costs.

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launched or lower-than-expected take-up rates. However, we believe that take-up rates would be good, given that LBS Bina's Bandar Saujana Putra, which is located close to the project, is having take-up rates in excess of 90%.

With a gross development value of RM4.5bil to be recognised over 10 to 12 years, we estimate that the project would contribute net profit of RM28.1mil (based on IJM's 50% share) from FY06 onwards.

Coupled with the contribution from the construction of the canal and expressway, that works out to a net profit enhancement of 26% in FY06 to RM210.1mil.

We are maintaining our earnings

its, as well as approvals and regulatory approvals.

to maintain our view that on IJM would continue to be going forward.

IJM Construction to buy 12 million preference shares in Eversendai

IJM Construction Sdn Bhd has signed an agreement with Eversendai Corp Sdn Bhd to purchase 12 million preference shares in Eversendai priced at RM1 each.

A statement from Eversendai said the group currently had an order book in excess of RM375mil and had

tendered for projects worth more than RM400mil.

Eversendai is mainly involved in engineering and construction activities, supply, fabrication and erection of steel structures for high-rise buildings and stadiums, bridges, power plants.

It owns and operates a steel fabrication facility in Dubai.

Besides Singapore, Eversendai also has contracts in United Arab Emirates (UAE) and Qatar and the company has completed structural steel-related jobs in Malaysia, Singapore, Indonesia, the

Philippines, Thailand and Hong Kong.

Its latest contracts include the supply, fabrication and erection of structural steel works for the 1km long Chinatown International City Mall in Dubai, the UAE and Khalifa Olympic Stadium in Qatar.

CHAIRMAN'S STATEMENT

“For order book enhancement, greater reliance will be placed on our off-shore operations. There are opportunities in India and we have the necessary skills, experience, reputation and capacity to take on a much bigger order book there. The Gulf States may deliver some opportunities and a new market experience in 2005.”

“The Group is well positioned to secure further successes in 2005/06. In an environment clouded with uncertainty and potential for job losses for some, we are fortunate to be in an enviable position.”



Bistari Impian Phase 2, Johor



**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 15-month period ended 31 March 2005.

OPERATING ENVIRONMENT

In 2004, the global economy expanded by 4.8%, the strongest pace in 20 years. On the local front, the Malaysian economy experienced its highest growth in four years, growing by 7.1% in 2004.

The country's strong performance of the economy in 2004 reflected the rapid growth of global trade in manufactures, higher prices for oil and most non-oil commodities and rising domestic private consumption. The strong global growth, however, masked some disturbing trends. High and rising oil and non-oil commodities prices raised inflation fears, beginning a monetary tightening stance in the US, leading to rising interest rates. These were accompanied by measures to cool the economy by China, with its wider implications for trade with China going forward.

With the private sector assuming the lead role in driving growth, Government policies were targeted at maintaining stable and conducive economic conditions. The monetary policy stance in 2004 remained supportive of domestic economic activities and domestic inflation rate was low at 1.4%.

Amidst this robust picture were dark clouds for the local construction sector, which is the core focus of our Group. Growth contracted by 1.9% due to lower activity in the civil engineering sub-sector, though this was partly mitigated by expansion in both residential and non-residential buildings sub-sectors. Lower civil engineering activity was attributed to the completion

CHAIRMAN'S STATEMENT

(Continued)

of several large infrastructure projects and reduction in public spending on infrastructure projects in 2004 as the Government continued with its policy of fiscal consolidation. While the supply of jobs shrank and intensive competition reduced margins, the benign cost environment of the recent past was jarred by the sudden increase in steel and fuel prices, and shortage of labour. The sectoral picture continues to be poor with even the Prime Minister exhorting contractors to go abroad to build order book.

OPERATING RESULTS

Despite the tough operating environment for our core business, the Group recorded better performance, achieving higher revenue and operating profits. For the current financial period of 15 months, the Group achieved revenue of RM1,802.29 million and pre-tax profit of RM283.81 million. The better performance is attributable to better contributions from the Properties and Industries Divisions. In this regard, our strategy of intensifying efforts in the property sector in anticipation of a downturn in local construction activity has been timely.

BUSINESS OUTLOOK AND OPERATIONAL STRATEGIES FOR 2005/06

For 2005, economists are predicting a lower global GDP growth rate of about 4%. The prospects for the Malaysian economy remains good with real GDP expected to expand, albeit at a lower rate of 5-6%, according to the forecast made by Bank Negara Malaysia. The domestic economy's firm macroeconomic fundamentals, strong private sector supported by positive consumer and business sentiments, accommodative monetary policy and the recent governmental intervention in allocating increased development expenditure to mitigate the downward slide of the construction sector, are expected to underpin the GDP growth in 2005.

Opportunities for large order book enhancement in Malaysia will, however, be limited, though some big ticket infrastructure projects such as the water related ones may be implemented. For local operations, our focus will be on the private sector and emphasis will be on cost effective and efficient work execution, taking advantage of the surplus capacities of a slowing sector to bring in our margins.

For order book enhancement, greater reliance will be placed on our off-shore operations. There are opportunities in India and we have the necessary skills, experience, reputation and capacity to take on a much bigger order book there. The Gulf States may deliver some opportunities and a new market experience in 2005.

The Properties Division is again expected to pull in a good set of results, both in Malaysia and in India. We have in the making a sustainable and market responsive business model, anchored on our motto of "Excellence Through Quality". We can continue to build on this and take it to even greater heights.

We welcome to the Group the ICP family, which will significantly enlarge our Industries Division. Though the enlarged ICP group will face stiff competition locally in view of the slowing construction sector, active repositioning of the business towards the booming regional markets will see a new growth phase. Exports of ICP piles are rising while manufacturing for the southern China market will see a new plant being commissioned at the end of 2005 in the booming Guangdong province. A commercial ready-mix concrete plant commenced operations in Hyderabad in 2004, a modest beginning of what we hope will be a major concrete products business in India.

The Plantations Division should see enhanced tonnage of fresh fruit bunches production with increasing mature acreages as well as maturing palms. Barring weakness in CPO prices and any significant upsurge in fertiliser and fuel prices, the Division should see improved earnings.



Stainless steelworks for 'Gerbang' project in Putrajaya

A larger Infrastructure Division is beginning to take shape. Tolling has commenced in the Swarna concession and two other concessions in Madhya Pradesh in India. Construction work on the 33%-owned second Vivekananda toll bridge and the 20%-owned Gautami Power Plant projects are progressing well. On 8 March 2005, the Group secured another highway concession from National Highways Authority of India for the widening to four lane of a 108-km highway of the Mahua-Jaipur section of NH-11 in Rajasthan, India on Build-Operate-Transfer (BOT) basis. The potential for acquiring new highway concessions in India, Pakistan and elsewhere continues to be promising. Meanwhile, existing infrastructure investments in other countries will continue to do well, the latest being the turnaround to profitability of our Argentinean expressway after weathering very difficult business conditions following the Peso devaluation of 2001.

On 30 May 2005, a Memorandum of Agreement was signed with Kaseh Lebuh raya Sdn Bhd for the Company to participate in the BOT concession in respect of a dual three-lane highway between Kajang and Seremban, by way of management and equity participation in a new company to be incorporated. This deal is subject to a due diligence exercise, acceptance of a scheme of arrangement by creditors and approval by the authorities.

The Company has recently entered into a conditional Share Purchase Agreement to acquire a 25% equity interest in Kumpulan Europlus Berhad (KEB) for a total cash consideration of RM33,144,608 with a call option to acquire a further 5% equity interest. KEB holds the concessions to the West Coast Highway and Canal City projects, as well as a 47% equity stake in Talam Corporation Berhad, a major housing developer in Malaysia with land bank exceeding 4,000 ha. This acquisition, when completed, can have tremendous synergies for the Group's businesses.

During the financial period, the Group has made investments in Eversendai-Corporation Sdn Bhd and Insitu Envirotech Pte Ltd which operate in specialised areas of construction, which we view as potentially beneficial to the Group in the long term.

The Group is well positioned to secure further successes in 2005/06. In an environment clouded with uncertainty and potential for job losses for some, we are fortunate to be in an enviable position. Nevertheless, we should remain vigilant and proactive in the management of our existing businesses to produce better results.



An elevated section of Delhi Metro, India

DIVIDENDS

Total dividend payout for 2004/05 has been maintained at 15% despite heavier cash flow outlay for long-term investments and increased working capital requirements. A first interim dividend of 5% or 5 sen per share less tax at 28% was declared and paid on 12 November 2004 and a second interim dividend of 10% or 10 sen per share less tax at 28% was declared and paid on 12 May 2005. Due to the increase in the capital base, the quantum of dividend has increased from RM41.22 million to RM49.48 million. No final dividend is being recommended.

CORPORATE PROPOSAL

On the corporate development front, 2004/05 saw an exciting year for the Group with record number of significant corporate proposals aimed at further enhancing our returns. The corporate proposals implemented during the period include:-

- (i) On 6 May 2004, the Company entered into an agreement with ICP to dispose its entire equity interest in Malaysian Rock Products Sdn Bhd, a wholly-owned subsidiary of the Company, to ICP for a sale consideration of RM110 million to be satisfied by an issuance of 39,285,714 ordinary shares of RM1.00 each in ICP at RM2.80 per share. The completion of this proposal was announced on 18 January 2005.

To comply with the public shareholding spread requirement of ICP, the Company disposed 21,200,000 ICP shares, thereby reducing the Company's equity interest in ICP to 66.3%.

CHAIRMAN'S STATEMENT

(Continued)

- (ii) On 12 October 2004, the Company announced the issuance of up to RM300 million nominal value 7-year Commercial Papers and Medium Term Notes ("MTNs"). The first issuance of MTNs of RM150 million nominal value was completed on 24 February 2005.
- (iii) On 12 October 2004, the Company announced a renounceable rights issue of up to 100,944,400 new warrants at an indicative issue price of RM0.05 per warrant on the basis of one (1) new warrant for every five (5) existing shares held in the Company. The entitlement date has been fixed for 11 July 2005. In addition, the Company also announced the issuance of up to 10,000,000 new warrants to eligible management staff of the Group at an indicative issue price of RM0.05 per warrant. Approvals from the Securities Commission and shareholders have been obtained. The Company is currently in the final process of circulating the prospectus.
- (iv) On 25 February 2005, ICP announced a bonus issue of 29,298,742 ordinary shares of RM1 each in ICP on the basis of one (1) new share for every five (5) existing shares held on 17 June 2005. In addition, ICP also announced a share split of each existing share into two (2) ordinary shares of RM0.50 each to be implemented immediately after the bonus issue. The new shares were listed on the Bursa Malaysia Securities Berhad on 24 June 2005.

CORPORATE GOVERNANCE

Our Statement on Corporate Governance can be found on pages 53 to 61.



Healthy young palms

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies in 2004/05.

RELATED PARTY TRANSACTIONS

Significant related party transactions of the Group for the financial period 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 27 April 2004.

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

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 2005/06 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 of achievements. 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.

Dato' Abdullah bin Mohd Yusof joined the Board as a Non-executive Director on 18 August 2004 and resigned on 5 July 2005. I thank him for his valuable contributions during his short tenure. I also take this opportunity to congratulate our Deputy CEO & Deputy Managing Director, Dato' Goh Chye Koon, who is also the President of Master Builders Association Malaysia for the term 2004 to 2006, on being conferred the Darjah Setia Pangkuan Negeri award that carries the title Dato' by the Tuan Yang Terutama Yang Di-Pertua Negeri Pulau Pinang, Tun Dato' Seri Haji Abdul Rahman bin Haji Abbas on the occasion of His Excellency's 66th birthday on 10 July 2004 and on being awarded the Johan Mangku Negara by Seri Paduka Baginda Yang Di-Pertuan Agong XII, Tuanku Syed Sirajuddin ibni al-Marhum Tuanku Syed Putra Jamalullail on the occasion of His Majesty's 62nd birthday on 4 June 2005.

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

CEO'S REVIEW OF OPERATIONS

IJM's domestic operations saw very challenging business conditions during the period. In particular, the sharp decline in the availability of new jobs in the construction sector was a great concern while the sudden and sharp increase in prices of inputs was a double whammy. Despite these, our business model has remained resilient and this stems from the diversification of our operations across a good spread of industries and economies. Our robust business processes, our internationalisation strategy and most importantly, the commitment of our people, further enabled us to keep an even keel through turbulent waters.

Going forward, we continue to review and improve the Group's businesses; investing in more companies, expanding our capacity, repositioning our businesses toward the booming regional markets and rationalising some marginal operations. We keep a tight rein on costs and continue to implement additional measures to ensure we remain competitive in the market place. Our vision to be an internationally competitive Malaysian corporation remains well in focus and we continue to see some successes in this regard.



Dato' Tan Boon Seng @ Krishnan
CEO & Managing Director

B6 MONDAY, DECEMBER 30, 2003 BUSINESS TIMES NEW STRAITS TIMES

National Annual Corporate Reports Award (Nacra)

IJM upbeat on overseas projects

BY DARIA ABUBAKAR

CONSTRUCTION GROUP IJM Corp. has been named the National Annual Corporate Reports Award (Nacra) winner for the year 2003. The award, which is the highest accolade in the industry, is presented annually to the company that has produced the best corporate report.

Chief executive officer and managing director Tan Boon Seng @ Krishnan said the group's success in winning the award was a testament to the commitment of its people and the robustness of its business model.

A major part of the increase in revenue from overseas projects was due to the group's focus on the Indian market. In 2003, the group's revenue from India increased by 15 per cent to RM1.4 billion.

IJM is one of the largest construction companies in the country to have won the award. It has won the award for the last three years.

The group's revenue for 2003 was RM2.1 billion, an increase of 10 per cent from RM1.9 billion in 2002. The group's profit for 2003 was RM200 million, an increase of 10 per cent from RM180 million in 2002.

The group's revenue from overseas projects was RM1.4 billion, an increase of 15 per cent from RM1.2 billion in 2002. The group's profit from overseas projects was RM150 million, an increase of 10 per cent from RM140 million in 2002.

The group's revenue from domestic projects was RM700 million, an increase of 5 per cent from RM660 million in 2002. The group's profit from domestic projects was RM50 million, an increase of 5 per cent from RM48 million in 2002.

The group's revenue from infrastructure projects was RM500 million, an increase of 10 per cent from RM450 million in 2002. The group's profit from infrastructure projects was RM40 million, an increase of 10 per cent from RM36 million in 2002.

The group's revenue from real estate projects was RM300 million, an increase of 5 per cent from RM280 million in 2002. The group's profit from real estate projects was RM20 million, an increase of 5 per cent from RM19 million in 2002.

The group's revenue from other projects was RM100 million, an increase of 5 per cent from RM90 million in 2002. The group's profit from other projects was RM10 million, an increase of 5 per cent from RM9 million in 2002.

The group's revenue from construction projects was RM1.4 billion, an increase of 15 per cent from RM1.2 billion in 2002. The group's profit from construction projects was RM150 million, an increase of 10 per cent from RM140 million in 2002.

The group's revenue from infrastructure projects was RM500 million, an increase of 10 per cent from RM450 million in 2002. The group's profit from infrastructure projects was RM40 million, an increase of 10 per cent from RM36 million in 2002.

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The group's revenue from other projects was RM100 million, an increase of 5 per cent from RM90 million in 2002. The group's profit from other projects was RM10 million, an increase of 5 per cent from RM9 million in 2002.

IJM

Operating revenue

Year	Operating revenue (RM million)
2000	1,200
2001	1,300
2002	1,900
2003	2,100

Profit before tax

Year	Profit before tax (RM million)
2000	120
2001	140
2002	180
2003	200

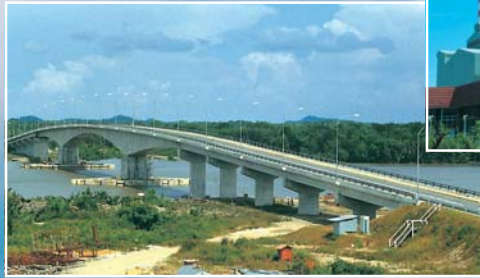
Dividends with ex-date Apr 13 to Apr 30

Company	Declared	Amount	Type	Ex-date	Record date	Payout date	Total	Per share
ABM	Apr 7	10	Final	Apr 14	Apr 14	Apr 14	10	1.00
AMK	Apr 10	20	Special	Apr 14	Apr 14	Apr 14	20	2.00
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AMU	Apr 10	10	Final	Apr 14	Apr 14	Apr 14	10	1.00
AMV	Apr 10	10	Final	Apr 14	Apr 14	Apr 14	10	1.00
AMW	Apr 10	10	Final	Apr 14	Apr 14	Apr 14	10	1.00
AMX	Apr 10	10	Final	Apr 14	Apr 14	Apr 14	10	1.00
AMY	Apr 10	10	Final	Apr 14	Apr 14	Apr 14	10	1.00
AMZ	Apr 10	10	Final	Apr 14	Apr 14	Apr 14	10	1.00
AM1	Apr 10	10	Final	Apr 14	Apr 14	Apr 14	10	1.00
AM2	Apr 10	10	Final	Apr 14	Apr 14	Apr 14	10	1.00
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AM5	Apr 10	10	Final	Apr 14	Apr 14	Apr 14	10	1.00
AM6	Apr 10	10	Final	Apr 14	Apr 14	Apr 14	10	1.00
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AM8	Apr 10	10	Final	Apr 14	Apr 14	Apr 14	10	1.00
AM9	Apr 10	10	Final	Apr 14	Apr 14	Apr 14	10	1.00
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AM11	Apr 10	10	Final	Apr 14	Apr 14	Apr 14	10	1.00
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AMX	Apr 10	10	Final	Apr 14	Apr 14	Apr 14	10	1.00
AMY	Apr 10	10	Final	Apr 1				

REVIEW OF OPERATIONS CONSTRUCTION



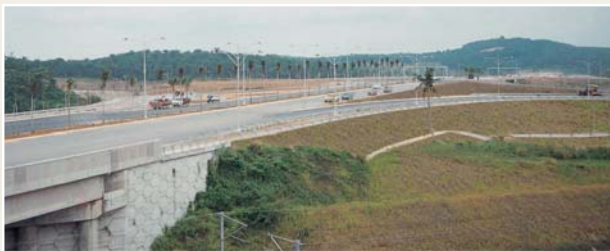
Seated left to right:
Tan Gim Foo (Executive Director,
IJM Construction Sdn Bhd),
Dato' Goh Chye Koon (Deputy CEO
& Deputy Managing Director),
Soo Heng Chin (Senior General Manager
& Executive Director) and
Debojit Chowdhury (Project Director)

Standing left to right: Roslan Bin Ibrahim
(General Manager – Business Development),
Quah Beng Teong (General Manager),
Ong Teng Cheng (Senior Manager – Project),
Liew Hau Seng (Senior Manager – Project),
Kok Fook Yu (Senior Manager – Kuching) and
Ng Chin Meng (Country Director – India)

In 2004 the Malaysian construction sector contracted by 1.9%, a net contraction of 4.4% after recording an expansion of 2.5% in 2003. The first quarter of 2005, saw a further decline of 2.4%. There were several factors that caused the sector to contract after recording positive growth over the last few years. The primary factor was the lower spending on infrastructure following the Government's efforts to reduce the budget deficit that stood at 4.3% of GDP last year and the sharp decline in civil engineering activity due to the completion of major projects. Higher activity in the construction of residential units helped mitigate the construction sector's contraction in 2004.

“...profit margin for the Division rose marginally despite the rising prices of construction materials such as steel bars and petroleum-based products, like diesel and bitumen, underlying the Group's intensive management focus and cost control measures.”

For the financial period 2004/05, the Construction Division continued to be the Group's largest contributor with revenue of RM1,172.16 million (2003: RM1,132.27 million) and pre-tax profits of RM110.78 million (2003: RM101.60 million). On an annualised basis, revenue and pre-tax profits dropped to RM937.73 million and RM88.63 million respectively, representing decreases of 17.18% and 12.77% respectively, reflecting the dearth of new projects in the local construction market. However, profit margin for the Division rose marginally to 9.45% (2003: 8.97%) despite the rising prices of construction materials such as steel bars and petroleum-based products, like diesel and bitumen, underlying the Group's intensive management focus and cost control measures.



U4 Expressway, Putrajaya



An aerial view of Delhi Metro, India

Despite operating in challenging conditions, the Division was successful in increasing its order book during the 2004/05 period, securing RM1,725.97 million worth of contracts locally. Notable projects secured locally are the Kajang-Seremban Highway, Commerce-Asset building, KLCC Luxury Condominium, the refurbishment of the Impiana Hotel and the Islamic Art Museum Extension.

The Division's overseas ventures were also successful in 2004/05. In India, it secured the RM480 million project for the Strengthening and Widening of the Jaipur to Mahua road in Rajasthan, and the RM474 million Civic Centre of Municipal Corporation of Delhi. The Group also made inroads in the Middle East by securing the building contract for Fortune Tower in Dubai with a value of RM119.78 million. Coupled with the existing order book, these projects are expected to keep the Group busy for the next two to three years.

“The Division will continue to expand its operations in the overseas markets particularly in the Indian Subcontinent and the Middle East while remaining vigilant and competitive in Malaysia.”

REVIEW OF OPERATIONS CONSTRUCTION

(Continued)



Butterworth Outer Ring Road, Packages 1 & 2, Penang

The Division will continue to expand its operations in the overseas markets particularly in the Indian Subcontinent and the Middle East while remaining vigilant and competitive in Malaysia. The overseas market is expected to contribute up to 50% of the order book enhancement in the next two years.

The Group is firmly committed to ensure the timely completion of jobs at hand as well as meeting customers' requirements and expectations, living up to the "Mark of Excellence" objective that has become synonymous with the Group. Among the major projects completed during the period are the RM470 million Putrajaya Primary Distributor Road in Malaysia, and the RM84.15 million Rewa-Jaisinghnagar-Shahdol-Amarkantak Road and the RM41.04 million Satna-Maihar-Parasimod-Umaria Road in India.

The Group is also diversifying into other construction-related businesses, especially in specialised areas of engineering. It has made investments in Shin Eversendai, a company that specialises in steel fabrication and erection, with a strong reputation and presence in the Gulf area, and in Insitu Envirotech, whose expertise lies in trenchless technology for the rehabilitation of water and sewerage pipes. The Group

has also entered into several joint ventures with companies that own large land bank to create opportunities for both its construction and property development divisions.

The Group expects its overseas ventures to contribute significantly to its bottom line as the local scene gets more competitive. Greater emphasis will be placed on cost competitiveness and efficient work execution whilst not neglecting the need for the preservation of the environment for a better future.



IJM - builder of the award-winning Senai Airport



CONSTRUCTION SUPPORT SERVICES

Left to right: Wee Kee Hong (Senior Manager – Accounts & Finance), Philip Lam Choy Loong (Assistant Manager – Workshop), Ng Yock Yin (General Manager – Contracts), Soo Heng Chin (Senior General Manager & Executive Director), Choo Lai Fong (Senior Manager – Purchasing & Store), Pang Sek Loh (Senior Manager – Technical) and Toh Teck Soon (Senior Manager – M&E)

REVIEW OF OPERATIONS PROPERTIES



Seated left to right:
 Ng Hay Lin (Manager),
 Khoo Kah Hock (Manager – Finance),
 Oye Kheng Hoon (Branch Manager),
 Low Eng Bee (Senior Marketing Manager),
 Teh Kean Ming (Managing Director),
 Karam Singh s/o Sadhu Singh (Senior Manager),
 Tham Huen Cheong (Branch Manager) and
 Lee Phaik See (Sales & Marketing Manager)

Standing left to right:
 Toh Chin Leong (Senior Engineer),
 Tan Aik Hong (Senior Manager) and
 Ch'ng Ewe Ghee (Manager – Contracts)



REVIEW OF OPERATIONS PROPERTIES

(Continued)



e-Gate, Penang

“The Division recorded an excellent set of results compared to the previous year.”

The Division recorded an excellent set of results compared to the previous year. The overall property market sentiments were favourable in tandem with the higher economic growth and low interest rate environment. Demand for residential properties was also encouraged by innovative housing loan packages as well as incentives provided under the 2003 Economic Package, which ended at the end of May 2004. Rising CPI further fuelled the property market, as investment in properties is widely perceived to be a good hedge against inflation.

The Division engaged the favourable market environment effectively and achieved a strong pre-tax profit of RM88.00 million on a turnover of RM478.84 million. On an annualised basis, the revenue and pre-tax profit rose to RM383.07 million (2003: RM204.38 million) and RM70.40 million (2003: RM35.77 million), representing increases of 87.43% and 96.79% respectively. Overall, profit margin was higher due to a better mix of higher margin products.

During the financial period 2004/05, the Division completed several projects in Penang such as Bandar Sri Pinang mixed development project and Fortune Park industrial factories along the Jelutong Expressway in Bandar Georgetown, e-Gate retail-cum-office building along Jalan Udini and Taman Idaman housing

scheme in Simpang Ampat. Contributions from the Klang Valley came from Desa Latania housing scheme in Klang, Riana Green Phase 4 in Petaling Jaya and NS Central Market in Seremban. Other contributors to the Division during the period include Bistari Impian Phase 2 medium cost apartments and Casa Impiana super-link houses in Johor, as well as Yen Yen Park housing scheme in Kuching.

New projects launched during the period include the Bayswater Condominium along Jalan Udini, new phases of Taman Idaman housing scheme in Penang and Taman Gombak Permai in the Klang Valley. Elsewhere in Johor, new projects launched were the Bistari Impian Phase 3 apartments and Impiana Business Park shop-offices, whilst in East Malaysia, the Division launched the final



Taman Idaman, Penang

phase of Yen Yen Park housing scheme in Kuching, and the Utama Court Apartments and Utama Place shop offices in Sandakan. The take-up rates in all these launches were good.

“Our maiden housing project in Hyderabad, India continues to attract strong sales...”

Our maiden housing project in Hyderabad, India continues to attract strong sales while the Sydney developments have also achieved significant sales levels.

“Looking ahead to 2005/06, the domestic property market is expected to moderate with the market showing signs of over-supply as demand begins to taper off.”

Looking ahead to 2005/06, the domestic property market is expected to moderate with the market showing signs of over-supply as demand begins to taper off. The operating environment is expected to become more competitive due to the expected increase in project launches by other developers and rising costs.

The progressive billings on committed sales of current on-going projects are expected to contribute substantially to the Division's performance in 2005/06. In addition to the Division's intensive efforts to sell remaining units from on-going projects, the Division will also embark upon several new projects at strategic locations especially in the Klang Valley, in line with its repositioning strategy. New projects to be launched in 2005/06 will include a mixed development project in Cheras to be built on 66 acres of land situated



Fortune Park, Penang

in the mature suburb of Cheras, Kuala Lumpur. Other new projects include a mixed housing project in Wangsa Maju, PJ eight, a commercial development in Petaling Jaya, and a luxurious condominium in Jalan Kia Peng. The Division will also continue to launch new phases of all its existing on-going developments throughout the country.

The on-going billings for the construction of the RM375 million “purpose-built” building for Commerce Asset-Holdings Berhad in Jalan Raja Laut and recurrent income from the lease to Tesco Stores in Penang will also contribute to the Division's performance in 2005/06.

The Division will also continue to seek 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 construction of the properties specific to the needs and preferences of clients.



Tesco, Penang

REVIEW OF OPERATIONS PROPERTIES

(Continued)

Focusing on the future, the Division entered into a number of joint ventures and strategic alliances with land owners. Among them a 50:50 joint venture with Talam Corporation Berhad to develop 1,750 acres of land in Selangor which forms part of a development known as Canal City. Through this joint venture, the Division has secured a large tract of land for a township development, which will contribute to future earnings without incurring high upfront land cost. For the coming years, the Division will consolidate its land bank holding, disposing non-core land stocks which do not fit into the Division's strategic plan while continuing to explore joint ventures with land owners for high value development in strategic and premier locations.

In India, emphasis will be on the completion of the construction of 2,100 units of apartments in Hyderabad. A commercial development of 600,000 sq ft will also be launched in this location. Elsewhere in India, the

Company expects to formalise the development agreement for the 500-acre Mohali development in Punjab. The Division expects to increase its involvement in this sector in India in the current year through joint ventures with land owners and the government.

“Excellence Through Quality” remains our core value driver.”

“Excellence Through Quality” remains our core value driver. The Division, with its in-house construction expertise, will continue to emphasise on timely delivery, innovative design and competitive prices. While keeping a balance of aesthetics and functionalism in all its development projects, the Division will offer well thought-out designs by working with highly competent consultants and architects, to give property owners and investors greater assurance of liveable homes and long term capital appreciation.

IJM confident of completing Cheras project in seven years

IJM Properties Sdn Bhd expects its Bukit Manda'rina project in Cheras, which has a gross development value (GDV) of RM560mil, to be completed in five to seven years.

Managing director Teh Kean Ming said Bukit Manda'rina, comprising seven development phases on 66 acres, would have about 1,400 homes when completed.

The whole project would consist of 46 semi-detached houses, 600 condominium units, 43 bungalows, 150 medium-cost apartments, 288 low-and medium-cost apartments and 245 terrace houses, he told a media briefing in Kuala Lumpur yesterday.

Bukit Manda'rina is a leasehold property developed on former plantation land. It is accessible via the East-



Waterfront project

ing's Jelutong reclaimed foreshore, once a shly wasteland, is set to become a vibrant complete with a 3.5km-long promenade.

> Story on pages 2 & 3



IJM: Bukit Manda'rina set to be a success

By ROZIANA HAMSAWI

IJM Properties Sdn Bhd is looking to strong response from the public to its latest RM560 million boutique housing development, Bukit Manda'rina, in Cheras.

Managing director Teh Kean Ming said judging from the feedback received during the recent pre-launch of the project's first phase (92 units of courtyard terrace houses), he is confident that the project will be successful.

"For the courtyard terrace houses, we have received close to 400 registered interests and the feedback has been very good," said he during a press preview of the project yesterday.

The courtyard terrace houses, valued at RM42 million, will be launched in two months' time and be completed by early 2007.

Phase One of Bukit Manda'rina offers two variants, Anthea and Fiorella. Teh said these are the first modern and contemporary designs to be offered in Cheras.

The two-storey Anthea is a three-plus-one bedroom house with a built-up area of over 2,100 sq ft while the two-and-a-half storey Fiorella offers four-plus-one



PRIME PROJECT: Tan inside one of the showhouses of the Bukit Manda'rina development

bedrooms with a built-up area of 2,759 sq ft.

Fiorella is priced from RM428,000 and Anthea from RM370,000.

Both variants feature indoor courtyard gardens, lift-high doors, high ceilings, spacious bathrooms, wet and dry kitchens and underground concealed services.

"Our homes will not need renovation. Buyers will get a

home the minute they walk in," said Teh.

Bukit Manda'rina is a 26.4ha seven-phase development and once completed, it will comprise 1,400 units of courtyard terrace units, condominiums, medium-cost apartments, semi-detached units and bungalows.

It is easily accessed via the East-West Link and the

Middle Ring Road 2, and is close to hypermarkets, shopping complexes, private colleges and UKM Hospital.

Among IJM Properties' other notable projects are Desa Latania in Klang, high-end condominiums like Riana Green in Tropicana, Petai Jaya, and Bayswater Resort in Sri

Pangkor in Penang.

12 News

StarBiz

WEDNESDAY 28 July 2004

Brisk sales of IJM's Bayswater condo

BY DAVID TAN IN PENANG

IJM Properties Sdn Bhd has sold 70% of its RM123mil luxurious Bayswater condominium units since the soft launch in May.

Executive director Teh Kean Ming told StarBiz the company was confident of selling the remaining units before the end of the year, owing to strong demand for high-end condominiums in strategic locations.

"Most of the buyers are from Kuala Lumpur and Seberang Prai. They are either investors who already own a house, or people who want to upgrade their lifestyle," he said.

The project, unveiled last Saturday, is scheduled for completion in early 2007.

The Bayswater, comprising 356 units of between 1,173sq ft and 1,636sq ft, is located on a 4.73-acre freehold site in Jalan Udui adjacent to the e-Gate retail office complex and Tesco hypermarket, which is part of Metro-East project on a 30-acre.

"The Tesco hypermarket is expected to be completed by the year end," said Teh. e-Gate, a RM455mil retail office complex developed by IJM, will be completed next year.

"Our marketing strategy is to promote Bayswater as a scheme where the residents live next to their place of work," he added. Teh said IJM planned to develop, in the next two years, another 200 units of high-rise condominium, priced from RM500,000 onwards,



Teh Kean Ming showing a scale model of the Bayswater condominium

and commercial properties on a 14-acre site within the Metro-East project.

REVIEW OF OPERATIONS INDUSTRIES



Seated left to right:
Leong Pak Lung (Deputy
General Manager – Finance & Administration),
Khor Kiem Teoh (Chief Operating Officer),
Mah Teck Oon (CEO & Managing Director) and
Lee Hock Aun (Deputy
General Manager – Engineering)

Standing left to right:
Kwek Hon Kiat (Assistant
General Manager – Production),
Tan Kirk Yak (Assistant General Manager –
Expedient Resources Sdn Bhd),
Pang Chwee Hoon (General Manager – Durabon),
Cheng Ming Joo (Manager –
Concrete Mould Engineering Sdn Bhd),
Leong Yew Kuen (General Manager – MRP) and
Low Hong Imm (Senior Manager –
Accounts & Finance)

REVIEW OF OPERATIONS INDUSTRIES

(Continued)

“The Division’s excellent performance was due to the acquisition of an additional 32.4% block of shares in ICP.”

For the financial period 2004/05, the Division achieved a turnover of RM513.60 million (2003: RM222.85 million) and a pre-tax profit of RM57.49 million (2003: RM20.89



ICP Piles have penetrated new international markets such as Yemen

million). On an annualised basis, the Division’s turnover and pre-tax profit increased by 84.38% and 120.18% respectively compared to the previous financial year. The Division’s excellent performance was due to the acquisition of an additional 32.4% block of shares in Industrial Concrete Products Berhad (“ICP”) on 12 May 2004, making it a subsidiary. With this acquisition, the ensuing Mandatory General Offer and subsequent placement of ICP shares to comply with public

shareholding spread, IJM’s shareholding became 71.5% as at 31 March 2005.

To rationalise the operations of the Division, a merger of ICP and the Group’s Manufacturing and Quarrying Division through a shares swap arrangement was undertaken during the financial period.

ICP, which is listed on the Main Board of the Bursa Malaysia Securities Berhad since 1996, is involved in the production and sale of Pre-tensioned Spun Concrete Piles. It has several active subsidiaries which are involved in the marketing of the piles produced by ICP, production and sale of pre-stressed concrete (PC) bars, production and sale of rubber underlay and fabrication of moulds and provision of engineering services.

The performance of ICP during the period under review was exceptionally good. It registered a group pre-tax profit of RM45.03 million on the back of higher group revenue of RM361.21 million for the fifteen months ended 31 March 2005. On an annualised basis, ICP Group’s revenue grew by almost 26% to RM288.97 million. ICP Group’s annualised pre-tax profit growth was even more remarkable, growing by 75.19% to RM36.02 million from RM20.56 million achieved in the previous financial year.



SMC’s new batching plant in Hyderabad, India

This achievement was mainly attributable to the export sector, which had contributed about 15% of the revenue, up from 1% previously.

During the period, ICP exported to new markets like Iran and Yemen in addition to its traditional export markets in Bangladesh, Singapore and the United States of America. Despite a difficult local construction scene, ICP's business grew as a result of its cost competitiveness and product quality. In terms of quantity delivered, a growth of 19.2% on annualised basis compared to the last financial year was registered. Apart from exports, the major contributor to the fine performance was the Tanjung Bin power plant project as well as the conversion of the traditional square piles to our smaller sized spun piles. ICP Group has also seen its market share improve from an estimated 65% to 70%.

ICP's other business also improved on their performances and contributed significantly to the Group's pre-tax profit. In tandem with higher sales of piles, consumption of PC bar has also increased. Durabon Sdn Bhd saw its annualised revenue grow by 56.9% and pre-tax profit increase by 2.3 times. The performance of Expedient Resources Sdn Bhd ("ER"), which produces rubber underlay, was equally impressive. The annualised revenue increased by 48.3% from the last financial year and its annualised pre-tax profit was at an all time high of RM3.00 million. This was made possible from ER's effort in promoting its products to new markets and strengthening its presence in existing markets. ER exports 90% of its products and its major markets are the United Kingdom, New Zealand and the Asian countries. The annualised revenue of Concrete Mould Engineering Sdn Bhd also improved by 51.9% and annualised pre-tax profit doubled that of last year's.

Anchored by Malaysian Rock Products Sdn Bhd, the quarrying sector registered an impressive performance in the period under review with a turnover of RM75.84 million and a pre-tax profit of RM9.63 million. During the year, the production capacities in our granite quarries in Kuang and Labu were increased to 200,000 tons and 80,000 tons respectively, in anticipation of higher market demand in these locations.

After achieving a record performance last year, the current financial period ending 31 March 2005 proved to be a tough year for Strong Mixed Concrete Sdn Bhd ("SMC"), our ready-mix concrete arm. Market demand had been expected to drop following reduced Government spending in the construction sector, but the contraction was made more severe by the shortage of steel bars in the local market and the repatriation of illegal workers with slowed construction activities. The sector also faced reduced margins as selling prices could not be increased in the sluggish market to off-set the huge increase in diesel and sand prices. Faced with such grim prospects, the management took a strategic

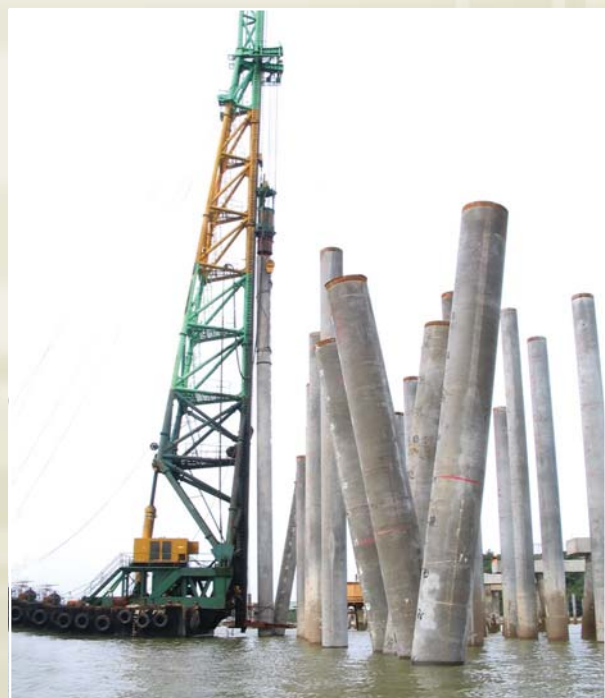


Delivery of ICP Piles have grown by 19.2% compared to the previous year

step to downsize the operations locally and expand overseas. Two unprofitable plants were closed and marketing efforts were concentrated on the remaining five locations and started a 120-metre-cube per hour wet batching plant in Hyderabad, India. The strategy bore fruit as SMC came out reasonably well to churn out a turnover of RM64.64 million and a pre-tax profit of RM1.81 million.

Scaffold Master Sdn Bhd managed to register a turnover of RM7.41 million. However, pre-tax profit fell by 30.7% as gross margin eroded with higher depreciation charges.

It has been a tough 15 months for the steel fabrication business under Torsco Berhad. Competition was intense with the scarcity of jobs both locally and overseas. However, with its good track record for quality and timely



Installation of the Ø1200 mm ICP piles at the Independent Oil Terminal, Kg. Senai Port, Sarawak

REVIEW OF OPERATIONS INDUSTRIES

(Continued)

delivery, Torsco Berhad has been successful in replenishing its order book, which stood at RM38.06 million as at 31 March 2005. This bodes well for the next financial year as it seeks to improve on the current period's turnover of RM45.28 million and pre-tax profit of RM2.73 million. Meanwhile, Torsco Berhad is exploring opportunities to widen its market in the oil and gas, and biomass sectors where business opportunities are expected to be better.

Associates within the Division, namely Spirolite (M) Sdn Bhd, Cofreth Sdn Bhd, Sin Kean Boon Group Berhad and newly acquired IMPSA (Malaysia) Sdn Bhd performed creditably and contributed a combined turnover of RM45.10 million and pre-tax profit of RM2.08 million.



ICP Piles - supporting the wharf of West Port in Port Klang, Selangor

ICP expands with IJM support

BY C.S. TAN

THE earnings of Industrial Concrete Products Bhd (ICP), a manufacturer of concrete piles, have been moderate in recent years. This is against a backdrop of slow construction activity and one of ICP's public-listed competitors even operating in the red.

It was, therefore, out of the norm for ICP to post a net profit of RM18.5m in the first six months ended Dec 31, 2004, an increase of



In a meeting with *StarBiz*, IJM managing director Datuk Krishnan Tan said that ICP's product had become increasingly competitive. Its round, small-diameter piles use less steel than square piles, which ICP

instance, supplying piles to Iran. "There is a lot of port development in the Middle East and Asia," Krishnan said.

After ICP joined the group, IJM gave it leeway to seek export orders. In fact, soon after the takeover, observers were surprised that ICP announced it would set up a plant to make piles in China.

"After we took over, we save the

acquired from IJM for RM1 settled through an issue of shares. MRP has been a govt ment for IJM, which had for RM13m between '1 1998.

MRP, an operator of equa earlier forecast to make a of RM12m last year.

While all these factors higher earnings for ICP.

IJM to turn ICP into China springboard

By Jimmy Yew

At the analysts' briefing earlier,

IJM to sell entire stake in MRock to ICP

FROM PAGE ONE

do not require IJM shareholders' approval.

The company said it expects to complete the share acquisition on May 13 and the MGO in four months' time.

IJM also said it is selling its entire stake in Malaysian Rock Products Sdn Bhd (MRock) to ICP for RM110 million. ICP will issue 39.28 million shares of RM1 each at RM2.80 a share to IJM as consideration.

The disposal will not give rise to any gain or loss to the IJM group of companies in view that MRock is still a subsidiary of IJM through ICP after the acquisitions from Hume Industries and Hume Plastics respectively.

Following the disposal of MRock, IJM's stake in ICP will increase further to 65.89 per cent before the MGO.

IJM originally acquired the entire equity in MRock on March 6 1991 and

November 9 1998 for of RM13 million.

MRock is involved in quarrying, sale of rock products and investment holding while the principal activities of its subsidiaries are quarrying, sale of rock products, production and sale of ready-mixed concrete, and sale and rental of steel scaffolding.

IJM said the disposal will put quarrying operations of the IJM Group to be housed under ICP.

Krishnan sees bright prospects for ICP

It is natural to hear IJM Corp Bhd managing director Datuk Krishnan Tan speak pursuant of export markets that's now expected of newly acquired subsidiary Industrial Concrete Products Bhd (ICP).

After all, IJM itself has been pursuing jobs right across the Pacific Rim in the last years. Krishnan, who also sits on ICP's board, tells *StarBiz* associate editor C.S. about ICP's performance since its takeover.

STARBIZ: What accounted for ICP's strong earnings in recent quarters?

Krishnan: There was substitution for ICP's small diameter piles from square piles that use more steel. (ICP does not make square piles.) It was fortuitous there was a significant rise in steel prices.

ICP has also exported a lot of large diameter piles. Since last year, the company started d emphasising export businesses.

We cannot claim full credit for the overall results.

StarBiz: Did IJM direct ICP to go for overseas projects?

Krishnan: We gave them more leeway to look into international markets. After we took over, we gave ICP the go-ahead for the China plant. We told management to take a more international outlook.

IJM group as a whole looks at markets with a regional outlook. ICP should also do



Datuk Krishnan Tan

ity. So, we decided bonus issue and stock.

The company gives a 15% dividend. That's a 4% yield. This company is

IJM raises stake in ICP, to make general offer

By ALICE CHIA

IJM Corp Bhd will make a general offer for shares it does not own in Industrial Concrete Products (ICP) after announcing two corporate transactions yesterday.

IJM said it was buying an additional 32.56 per cent stake in ICP for RM95.1 million cash or RM2.80 a share to add to the 20.48 per cent it owned before, making it mandatory for it to make a general offer.

The 32.56 per cent will be bought from Hume Industries (Malaysia) Bhd and Hume Plastics (Malaysia) Sdn Bhd.

The company said it will pay for the latest acquisition and the mandatory general offer (MGO) with its own funds and/or borrowings.

In a statement to Bursa Malaysia Securities Bhd, IJM said that it will be the beneficial owner of a 53.04 per cent stake, or 55.3 million shares, in ICP upon completion of the acquisition.

IJM also said it intends to maintain the listing status of ICP.

"Accordingly, in the event that ICP does not have the necessary public

spread after the MGO, IJM will explore various options to address the shareholding spread requirement," it added.

The company said it is buying the additional stake in ICP as the unit currently has three groups of major shareholders — the Hume group, IJM and Jurutana Holdings Sdn Bhd.

"The existing shareholding structure gives rise to some differences as to the future strategic direction of ICP in view of the differing interests and objectives of each of the major group of shareholders," IJM said.

It added that the acquisition and the MGO will allow IJM to be the controlling shareholder and set the strategic direction for ICP.

IJM views the prospects of ICP positively, given the improving outlook for the construction industry, especially in the international market.

"With the acquisition, ICP will be a 53.04 per cent subsidiary of IJM and is, therefore, expected to derive greater synergies from this relationship, for example, in the area of bulk purchasing" it added.

The acquisition is expected to enhance the future earnings of the IJM group, the company said.

According to Bank Negara

the equivalent of 30% of its Malaysia factory capacity of 1.2 million tonnes of piles

num. It is to be by year will the ing in ment. Tan

he tells *Finance* in daily about leasing on IJM's of ICP in Petaling Jaya

ent that China Harbour rting Construction No 4 the partners in the joint

Finance market is huge y roads, bridges and needed to be built, and for piles for the

the aim of ports alone is re each port expansion

will add 50 to 100 compared to Malaysia expansion involves

or four new berths," managing director Lim on Malaysia's experience.

65.89% with the acquisition of 33.91 million ICP shares from the Hong Leong group and the injection of a quarrying business into the latter via a share swap.

It is acquiring the 32.56% stake in ICP shares from Hume Industries (M) Bhd and Hume Plastics (M) Sdn Bhd for RM95.07 million cash or RM2.80 each.

IJM also disposing of its wholly-owned subsidiary Malaysia Rock Products Sdn Bhd (MRock) to ICP for RM110 million in exchange of 39.29 million ICP shares at RM2.80 each.

The disposal will allow the quarrying operations of the IJM group to be housed under ICP given the synergies involved.

With these deals, IJM is obligated to undertake a mandatory general offer (MGO) for the remaining shares in the concrete products manufacturer. Currently it has a 20.48% stake in ICP.

Announcing its acquisition of the ICP shares

million), he says.

With IJM's acquisition of additional shares in ICP, Tan says the difference in shareholding's perception of business leading to single-product and domestic orientation could be addressed.

ICP is using its stake in ICP to be the listing status of ICP will be maintained. Accordingly, in the event if ICP does not have the necessary public spread after the MGO, IJM will explore various options to address the shareholding spread requirement."

On the funding of the acquisition of the 33.91 million shares in ICP, IJM said that it would be via its own funds and/or borrowings.

IJM said it was raising its stake in ICP because of the expected increase in demand for construction materials which would grow in tandem with the construction sector. ICP has been exporting its products to Asian, the Middle East and North America.

MRock had a group net tangible assets and after-tax profit of RM27.82 million and RM46.5 million for the year ended Dec 31, 2003.

ICP closed five sen lower to RM2.65 while IJM rose 16 sen to RM4.96 yesterday.

Rising steel prices have minimal impact on ICP

IJM Corporation Bhd, which is making Industrial Concrete Products Bhd (ICP) its subsidiary, says the rising steel prices have minimal impact on the latter's products.

"The impact is minimal as ICP processes its own high-quality proprietary pre-stressed steel bars (UBON Bars)," says IJM managing director and chief executive officer Datuk Krishnan Tan Boon Seng. He says the company is able to pass the increase

in the cost of production to buyers.

In an analysts' briefing on IJM's acquisition of additional ICP shares, Tan says ICP carries high stocks of raw materials and finished goods that also help to cushion the impact for the moment.

"The company enjoys brisk sales now due to the shortage of construction high-tensile (HT) bars, which is affecting square piles business," he says.

stones is good. Most of its quarries

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REVIEW OF OPERATIONS PLANTATIONS



Seated left to right:
Ling Ah Hong (Group General Manager),
Velayuthan s/o Tan Kim Song
(CEO & Managing Director) and
Purushothaman s/o Kumaran
(Financial Controller)

Standing left to right:
P K Venugopal (Controller – Agri Services),
Joseph Tek Choon Yee
(Controller – Research, Training & Development),
Ir. Sia Thiam Teck (Chief Engineer) and
Ng Chung Yin (Senior Plantation Controller)

REVIEW OF OPERATIONS PLANTATIONS

(Continued)



Sabang Palm Oil Mill in Sugut Region, Sabah

IJM Plantations Berhad Group ("IJMP Group"), a 49% associate, achieved revenue of RM318.93 million for the 15 months ended 31 March 2005, representing a growth of 26% on an annualised basis (2003: RM202.02 million). IJMP Group registered a pre-tax profit of RM65.14 million for the same period (2003: RM54.03 million), a slight decline of 3.55% on an annualised basis.

“The good performance in both operating revenue and profitability is attributable to higher palm product prices and increased crop production...”

The good performance in both operating revenue and profitability is attributable to higher palm product prices and increased crop production despite a rising cost trend for fertilisers and fuel oil. Average crude palm oil ("CPO") price for the period moved up marginally to RM1,541 per ton level (2003: RM1,522 per ton). Total tonnage of fresh fruit bunches ("FFB") milled exceeded 744,000 tons (2003: 619,000 tons). The increased tonnage of FFB milled is due to a 9% increase in FFB harvested to 366,000 tons (2003: 335,000 tons). Purchase of FFB from surrounding estates declined in volume due to keen competition.

The increased tonnage of FFB harvested is mainly from the young areas in Sugut region coming into maturity. The mills maintained good palm oil and kernel extraction rates to finish at average of 22.0% and 4.5% respectively (2003: 21.4% and 4.4%).

At the close of the financial year, the IJMP Group had a land bank totaling 29,672 hectares (2003: 29,578 hectares), a marginal increase of 94 hectares. Of the total land bank, 10,158 hectares are located at the Sandakan region, and the remaining are in the Sugut region in Sabah. IJMP Group's estates that have achieved maturity status totalled 17,913 hectares (2003: 16,134 hectares). The additional 1,779 hectares (2003: 3,839 hectares) are primarily attributable to plantings in the Sugut region attaining maturity status. The

remaining immature area of 6,488 hectares will come to production in the near future.

IJMP Group has a total processing capacity of 165 tons of FFB per hour in its three palm oil mills, Desa Talisai Palm Oil Mill ("DTPOM"), Minat Teguh Palm Oil Mill ("MTPOM") and Sabang Palm Oil Mill ("SBPOM"). During the period, DTPOM processed 276,000 tons (2003: 269,000 tons) of FFB, MTPOM processed 187,000 tons (2003: 186,000 tons) of FFB, and SBPOM,



Almost 18,000 hectares of IJMP Group's estates have attained maturity



Hybrid IJM DxP seedlings in the nursery

after the expansion to 60 ton per hour, processed 281,000 tons (2003: 163,000 tons) of FFB in its third year of milling. The volume of own crop processed is expected to increase in the coming years as more young area move into maturity, particularly in the Sugut region.

In its second year of operation, the kernel crushing plant with a capacity of 250 ton per day crushed some 56,000 tons of kernels. It produced 25,000 tons of crude palm kernel oil and 30,000 tons of palm kernel expellers to give an extraction rate of 45.96% and 52.63% respectively.

Adequacy of skilled workers and sustainability of high productivity levels continues to be the challenges for operations. These difficulties are mitigated through continuous training of work force and structured supervision. To sustain high FFB yield, improved water conservation and

irrigation measures have been adopted selectively. Cost efficiency measures will be intensified further to realise greater benefits, particularly with the increased cost of fertiliser and fuel oil.

IJMP Group takes great pride 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 IJMP Group to ensure long-term sustainable plantation development.

During the reporting period, IJMP Group started composting of its empty fruit bunch ("EFB") with effluents in SBPOM. Whilst this is another environmental care project, the produce when applied to the fields will enhance soil condition and nutrient uptake resulting in reduced fertiliser application in the future.

The forecast for the next financial year is for palm product prices to soften marginally after sustaining two years at fairly high levels. Fertiliser and fuel oil prices together with the increased State sales tax will put pressure on the cost of production. IJMP Group is expecting higher crop production from the increased area of young and prime palms, and with its continuous cost control measures, a satisfactory performance for the financial year ending 2006 can be achieved.

IJM plans to venture into palm oil refining

BY YEOW POOI LING

IJM Corp Bhd, whose plantation division plans to go into downstream activities, sees good potential in the palm oil refining business, chief executive officer and managing director Datuk Krishnan Tan said.

He said the plantation division's activities currently involved the harvesting of fresh fruit bunches, the operation of crude palm oil (CPO) mills and kernel processing.

"(So) it is fairly natural for us with a sizeable acreage to look at the refining business," Tan told reporters after the company's EGM in Petaling Jaya yesterday.

IJM's 49%-owned plantation unit, IJM Plantations Bhd, has 30,000ha, which include 11,500ha of immature plantations and 3,000ha of yet-to-be planted land.

On IJM's construction activities, Tan said the group had submitted bids for some RM2bil worth of projects overseas, mainly in India and the Gulf region.

"The Indian government said the country's infrastructure spending over the next 10 years would be US\$150bil. This means there is tremendous potential for contracting business in that country," he said.

Offshore projects account for 30% of IJM's total order book, which currently stands in excess of RM2bil, and contributed about 15% of its net profit for its four financial quarters ended December 2004.

IJM, which changed its financial year-end to March from December, posted a net profit of RM154mil on the back of RM1.2bil sales for the four quarters.

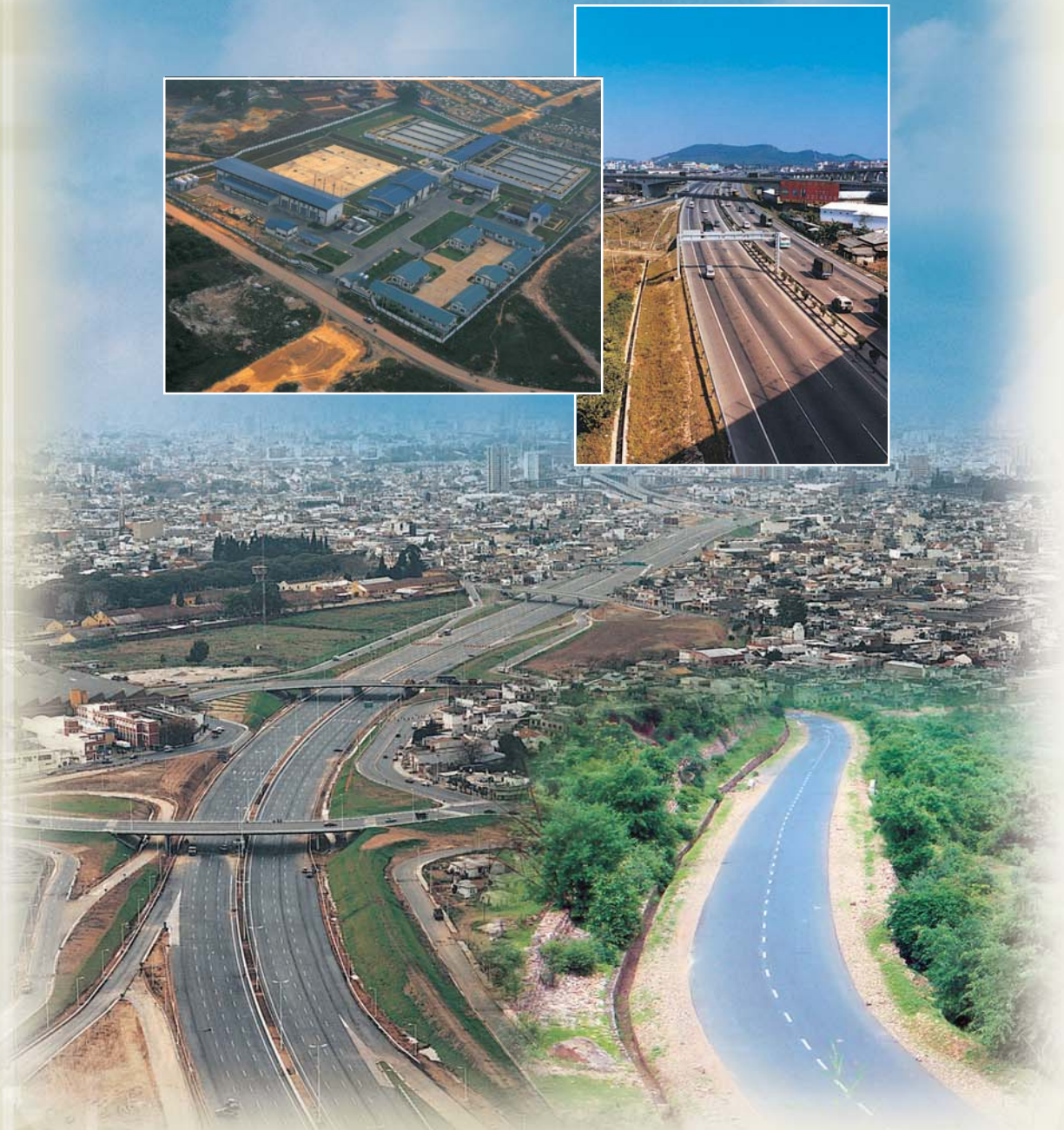
The construction division contributed about 45% of total earnings and was expected to continue to do so over the next two years, Tan said.

He added that the company was eyeing for infrastructure projects in Indonesia.



Minat Teguh Palm Oil Mill, Sabah

REVIEW OF OPERATIONS INFRASTRUCTURE





Rewa Tollway, India

For the financial year 2004/05, the Division reported a pre-tax loss of RM2.67 million against a pre-tax profit of RM4.53 million in 2003.

“...the privatised Indian Highways constructed under the BOT basis...were completed and commenced tolling operations.”

During 2004, the privatised Indian Highways constructed under the BOT basis by the Group's 35%-owned associate Swarna Tollway Pte Ltd and 100%-owned Rewa Tollway Pte Ltd were completed and commenced tolling operations. Due to the staggered opening of toll booths, low initial traffic volume and high interest costs, these investments reported a total pre-tax loss of RM9.78 million. With refinancing of the borrowings of these projects at much cheaper interest rates in progress and improving traffic counts, the performance of these investments would improve going forward.

The contribution of 20%-owned associate Grupo Concesionario del Oeste S.A. (“Grupo”) in Argentina remained minimal for the financial period under review. However, Grupo should see a better performance in financial year 2005/06 due to improving traffic volume and an expected upward revision of toll rates at its Western Access Tollway in Buenos Aires, following its success in renegotiating the concession terms with the Argentine government.

The Group's 36%-owned associate Binh An Water Corporation Ltd contributed higher pre-tax profit of RM5.68 million (2003: RM4.82 million) during the financial period. This is attributable to higher take-up rate of treated water and stable operating costs.

During the first half of 2004, 20%-owned associate Gautami Power Limited (“GPL”) and 33%-owned Second Vivekananda Bridge Tollway Company Pvt Ltd (SVBTC) commenced construction works after successfully securing financial close for their respective projects in India. The USD320 million 464-megawatt power plant under GPL and the USD140 million, 6.1km Kolkata's Second Vivekananda Bridge under SVBTC, would add to the Group's strategic long-term investments in infrastructure projects in India.

On 7 March 2005, the Company scored another success when it secured an award from National Highways Authority of India (NHAI) for the Improvement, Operation and Maintenance of the 108 km Mahua-Jaipur section of NH-11 in Rajasthan, India on Build-Operate-Transfer (BOT) basis. The concession period is 25 years, inclusive of a construction period of 30 months. The project development cost is estimated at Rs553 Crores (RM480 million) and a concession grant of Rs99 Crores (RM86 million) will be provided by NHAI.

On 9 April 2005, a Memorandum of Agreement was signed with Kaseh Lebuhraya Sdn Bhd for the Company to participate in the BOT concession, in respect of a dual three-lane highway between Kajang and Seremban, by way of management and equity participation in a new company to be incorporated, the first for IJM in Malaysia.

“The Group is selectively looking for further investments in long-term infrastructure projects in Malaysia and overseas and is well-positioned for further successes in 2005/06.”

The Group is selectively looking for further investments in long-term infrastructure projects in Malaysia and overseas and is well-positioned for further successes in 2005/06.

The Group is well positioned to sustain profitability in the coming years. A committed workforce, sound financial and process management and a program for succession planning will help ensure that the Group's continued growth is realised.

CORPORATE GOVERNANCE STATEMENT



The founders of the IJM Group recognised that high standards of corporate governance are imperative to safeguard the interests of all stakeholders and to enhance shareholders' value. In view of this, all companies within the Group have established the basic framework of good corporate governance practices within its organisation and operations long before the promulgation of the Malaysian Code of Corporate Governance.

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

I. BOARD OF DIRECTORS

1. Composition of the Board

Of the eleven (11) Board members, eight (8) are Non-executive Directors. Amongst the Non-executive Directors, four (4) are Independent Non-executive Directors. 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 Independent Non-executive Chairman and the Chief Executive Officer & Managing Director ("CEO & MD") are distinct and separate. The Independent Non-executive Chairman avails himself to provide clarifications on issues that are raised by the shareholders and investors to ensure the integrity and effectiveness of the governance process of the Board. The Independent Non-executive Chairman also maintains regular dialogues with the CEO & MD on all operational matters and acts as the facilitator at the Board meetings. The CEO & MD has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The CEO & MD is responsible to duly ensure execution of strategic goals, effective operation within the Group, and to explain, clarify and inform the Board on matters pertaining to the Group.

The profile of each Director is presented on pages 14 to 17.

CORPORATE GOVERNANCE STATEMENT *(Continued)*

2. Duties and Responsibilities of the Board

An effective Board leads, provides strategic direction and manages the IJM Group. The Directors are professionals in the field of engineering, finance, accounting, economics, legal or experienced senior civil administrators. Together, they bring a wide range of competencies, capabilities, technical skills and relevant business experiences 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 judgement on issues of strategy, business performance, resources and standards of conduct. The Independent Non-executive Directors provide independent and constructive views in ensuring that the strategies proposed by the management are fully studied and deliberated in the interest of the Group and also all stakeholders.

The Board is primarily responsible for the Group's overall strategic plans for business performance, 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 complements and 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 an effective representation for its stakeholders, and further ensures that issues of strategy, performance and resources are fully discussed and examined to take into account the long-term interest of the shareholders, employees, customers, suppliers and the many communities in which the Group conducts its business.

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

3. Board Meetings

The Board conducts at least four (4) regularly scheduled meetings annually, with additional meetings convened as and when necessary. During the financial period, seven (7) Board meetings were held.

The attendance record of each Director was as follows:

	Number of Meetings Attended	Percentage
Executive Directors		
Dato' Tan Boon Seng @ Krishnan	7 out of 7	100%
Dato' Goh Chye Koon	6 out of 7	86%
Soo Heng Chin	7 out of 7	100%
Independent Non-executive Directors		
Tan Sri Dato' Ir (Dr) Wan Abdul Rahman bin Wan Yaacob	6 out of 7	86%
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	7 out of 7	100%
Datuk Oh Chong Peng	6 out of 7	86%
Datuk Yahya bin Ya'acob	6 out of 7	86%
Non-executive Directors		
Dato' Goh Chye Keat	6 out of 7	86%
Dato' Ismail bin Shahudin	6 out of 7	86%
Dato' Abdullah bin Mohd Yusof	2 out of 2	100%
<i>(Appointed on 18 August 2004, resigned on 5 July 2005)</i>		
Abd Hamid bin Othman <i>(Appointed on 25 March 2004)</i>	4 out of 5	80%

Besides these Board meetings, the Directors also attend 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 annual senior management dialogue where operational strategies, performance progress and other issues are extensively presented, discussed and communicated to senior managers of the Group.

4. Supply of Information

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

Amongst others, the report provides information on major operational, financial and corporate issues, activities and performance of projects, divisional performance and reasons for significant diversions from the budgets and major changes in the Company structure and securities transactions (including the summary of dealings of securities of the Directors).

In addition to the quarterly Board meetings, briefings are conducted for the Board on various issues such as the changes to the companies and securities legislations, rules and regulations from time to time to inform them of the latest developments in these areas.

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

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

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

5. Committees established by the Board

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

A. Executive Committee

The Executive Committee was established on 31 March 1995 and its membership consists of the Executive Directors of the Board. The Executive Committee meets monthly to review the performance of the Group's operating Divisions. In attendance are the Finance Director, Head of Divisions, the Company Secretary and relevant Departmental Heads.

CORPORATE GOVERNANCE STATEMENT (Continued)

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

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

During the 2004/05 financial period, thirteen (13) Executive Committee meetings were held. The attendance record of each member of the Committee was as follows:

Executive Directors	Number of Meetings Attended	Percentage
Dato' Tan Boon Seng @ Krishnan	13 out of 13	100%
Dato' Goh Chye Koon	12 out of 13	92%
Soo Heng Chin	13 out of 13	100%

B. **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 62 to 65.

C. **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises four (4) members. Three (3) of the members are Independent Non-executive Directors, namely Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor (Chairman), Tan Sri Dato' Ir (Dr) Wan Abdul Rahman bin Wan Yaacob and Datuk Yahya bin Ya'acob. The other member is Dato' Goh Chye Keat.

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

- (i) to establish and review the terms and conditions of employment and remuneration of the Executive Directors and senior executives of the Group;
- (ii) to review and approve the annual salary increments and bonuses of the Executive Directors and senior executives of the Group;
- (iii) to review, recommend and consider candidates to the Board of the Company, subsidiaries and associates of the Group, including committees of the Board;
- (iv) to review and determine the mix of skills, experience and other qualities, including core competencies of Non-executive Directors on an annual basis; and
- (v) to assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director on an annual basis.

The Nomination and Remuneration Committee will meet as required. Three (3) meetings were held during the 2004/05 financial period. All recommendations of the Nomination and Remuneration Committee are subject to the ratification of the Board.

D. Share Committee

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

E. Employees Share Option Scheme (ESOS) Committee

A new ESOS Committee was established on 30 October 2003 and is responsible for the implementation and administration of the new Employee Share Option Scheme of the Company. The ESOS Committee comprises Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor (Chairman), Dato' Goh Chye Koon and Mr Soo Heng Chin.

6. Appointments to the Board

The Nomination and Remuneration Committee is responsible for making recommendations to the Board, including those of subsidiaries and associated companies. In making these recommendations, the Nomination and Remuneration Committee considers the required mix of skills and experience, which the Directors should bring to the Board. Directors are informed and aware that they may take independent advice, where necessary, in furtherance of their duties at the Group's expense.

7. Re-election

The Articles of Association provides that all Directors should submit themselves for re-election at least every three (3) years in compliance with the listing requirements of the BMSB. 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 Companies Act, 1965 (the Act).

8. Directors' Training

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

In 2005, 2 in-house seminars had been organised for the directors and senior management as follows:-

- i. Strategic and Operational Risk Management; and
- ii. Board Room Finance for Directors.

The Company will on a continuous basis, evaluate and determine the training needs of its 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.

CORPORATE GOVERNANCE STATEMENT *(Continued)*

II. REMUNERATION

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

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

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

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

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

Fees

Fees payable to Non-executive Directors are determined by the Board with the approval of the shareholders at the Annual General Meeting. Fees are payable based on attendances at meetings and the Directors level of responsibility within the Board and its Committees.

Basic Salary

The Nomination and 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.

Bonus and Incentive Scheme

The Group operates a bonus and incentive scheme for all its employees, including the Executive Directors. The criterion for the scheme is the financial performance of the Group based on an established formula. Bonus and incentives payable to the Executive Directors are reviewed by the Nomination and Remuneration Committee and is 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 and 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

The Group also rewards staff with a share option under its Employee Share Option Scheme.

The movement in Directors' share options during the financial period are set out on page 22.

Directors' Remuneration

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

- Aggregate remuneration of Directors categorised into appropriate components:

	Salaries RM'000	Fees RM'000	Bonus, Incentives & Others RM'000	Retirement Benefits RM'000	EPF RM'000	Benefits- in-kind RM'000	Total RM'000
Executive Directors	1,468	0	2,959	80	724	58	5,289
Non-executive Directors	0	287	0	0	0	41	328

- Aggregate remuneration of each Director:

Executive Directors

Name	RM'000
Dato' Tan Boon Seng @ Krishnan	2,092
Dato' Goh Chye Koon *	2,354
Soo Heng Chin	843

* Includes payment of retirement benefit at the age of 55.

Remunerations above include performance based incentives in respect of prior years.

Non-executive Directors

Name	RM'000
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	77
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	63
Datuk Oh Chong Peng	40
Datuk Yahya bin Ya'acob	48
Dato' Goh Chye Keat	42
Dato' Ismail bin Shahudin	4 *
Dato' Abdullah bin Mohd Yusof (Appointed on 18 August 2004, resigned on 5 July 2005)	0
Abdul Hamid bin Othman (Appointed on 25 March 2004)	0
Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin (resigned on 28 February 2003)	33
Lai Meng (resigned on 30 September 2003)	21

* The fee of RM4,000 was paid to Tronoh Mines Malaysia Berhad.

III. INVESTOR RELATIONS AND 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 BMSB made during the year, including the timely release of financial results on a quarterly basis, provide the shareholders and the investing public with an overview of the Group's performance and operations.



Regular briefings are held as part of the Group's IR programs

CORPORATE GOVERNANCE STATEMENT (Continued)

At every Annual General Meeting, a presentation is made 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 relationship. At least two scheduled analysts briefing are held each year, usually co-inciding with the release of the Group's second and final quarter results to explain the results achieved and the strategies going forward. A Press conference is normally held after the Annual General Meeting and/or Extraordinary General Meeting of the Company. The Company had also participated in several institutional investors forums during the financial year both locally and outside Malaysia.

A summary of the Group's Investor Relations activities during the financial period are as follows:-

	Number of meetings
Regular meetings with investors/fund managers/analysts, etc	
1. Company Briefings	4
2. Press Conferences	5
3. Meetings with visiting investors/fund managers/analysts	78
Participation at Local Road Shows/Exhibitions	
1. Conferences	4
Overseas Investors Conferences	
1. Hong Kong	4
2. London	1

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' communication, including their access to information about the Company and the Group. Among others, the website provides information on the daily movement of the securities of the Company, corporate announcements released to the Bursa Securities, what others say of the Company, annual reports, minutes of general meetings, distribution of dividends, unclaimed dividends, securities dealings of Directors and substantial shareholders, and profiles of the companies in 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 the 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 the re-election of Directors, the notice of meetings will state which Directors are standing for election or re-election.

Each item of special business included in the notice of the meeting is accompanied by an explanation for the proposed resolution. 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.

IV. ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly announcements to the shareholders, the Board aims to present a balanced and understandable assessment of the Group's position and prospects. This also applies to other price sensitive public reports and reports to regulators.

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 the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Directors have:

1. adopted 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 in the foreseeable future.

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

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

Internal Control

The Group's Internal Control Statement is set out on pages 66 and 67.

Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is set out on pages 62 to 65.

Signed on behalf of the Board of Directors in accordance with their resolution dated 27 June 2005.



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

AUDIT COMMITTEE REPORT

Membership and Meetings

The Audit Committee met on five (5) occasions during the period ended 31 March 2005 and the attendance of each member of the Audit Committee is as follows:

	No. of meetings attended
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor <i>Chairman of the Audit Committee</i> <i>(Senior Independent Non-executive Director)</i>	5
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob <i>Member (Independent Non-executive Director)</i>	3
Datuk Yahya bin Ya'acob <i>Member (Independent Non-executive Director)</i>	4
Datuk Oh Chong Peng <i>Member (Independent Non-executive Director)</i>	5

Summary of Activities for the Financial Period

During the period, the Audit Committee carried out its duties, which are set out in the terms of reference on page 63 to 65.

Aside from these duties, the main activities performed by the Audit Committee during the financial period ended 31 March 2005 were as follows:

- reviewed the quarterly financial result announcements and the year-end financial statements of the Group;
- reviewed the audit strategy and plan with the external auditors;
- reviewed the findings of the external auditors 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;
- reviewed the related party transactions that arose within the Company or Group;
- reviewed and approved the annual audit plan proposed by the Internal Auditors;
- reviewed the audit reports presented by the Internal Auditors on their findings and recommendations with respect to system and control weaknesses;
- reviewed the Risk Management Committee's reports and findings; and
- the verification of options' allocations conducted by the Internal Auditors in relation to the Employee Share Option Scheme ("ESOS") of the Company. The Audit Committee was satisfied that the allocation of options pursuant to ESOS during the financial period ended 31 March 2005, is consistent with the criteria set out in the Bye-Laws of the ESOS and by the ESOS Committee.

Internal Audit Function

The Group's internal audit function is carried out by the Internal Audit Department, which reports to the Audit Committee on its activities based on the approved annual Internal Audit Plan.

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

During the period, the system of internal controls that encompass the Group's governance, operations and information systems of major areas of the Group's operation, were evaluated by the Internal Audit Department.

The Audit Committee then deliberated on the internal audit reports and recommendations from the reports were duly acted upon by management.

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 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 (1) 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 three (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 (1) 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 three (3) years post qualification experience in accounting or finance; or
- (b) must have at least seven (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' (Dr) Haji Murad Bin Mohd Noor, Tan Sri Dato' Ir (Dr) Wan Abdul Rahman Bin Wan Yaacob and Datuk Yahya Bin Ya'acob

AUDIT COMMITTEE REPORT

(Continued)

Meetings and Minutes

Meetings are held at least four (4) times a year, and will normally be attended by the Finance Director and Head of Internal Audit, and if required, the external auditors. Other Board members may also 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 officer of the Group being present. The auditors, both internal and external, may request a meeting if they consider that one is necessary.

A quorum consists of two (2) members present and a majority of whom must be independent directors.

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

Authority

The Audit Committee shall have the following authority as empowered by the Board:

- to investigate any activity within its term of reference;
- full, free and unrestricted access to any information pertaining to the Group;
- direct communication channels with the external and internal auditors, as well as all employees of the Group; and
- to obtain external independent professional advice as necessary.

Duties

The following are the main duties and responsibilities of the committee collectively:

- 1) To review the quarterly results to Bursa Malaysia Securities Berhad ("BMSB") and year-end financial statements of the Group before submission to the Board, focusing particularly on:
 - (i) the going concern assumption;
 - (ii) any changes in accounting policies and practices;
 - (iii) significant issues arising from the audit;
 - (iv) compliance with accounting standards, regulatory and other legal requirements; and
 - (v) major 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 dismissal.
- 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 managements response.
- 6) To review the assistance given by the employees of the Company to the external auditors.

- 7) To review the following in respect of internal audit:
 - (i) the adequacy of the audit scope and resources of the internal audit function and that it has the necessary authority to carry out its functions;
 - (ii) the internal audit plan and programme;
 - (iii) the major findings of internal audit investigations and management's responses, and ensure appropriate actions are taken on the recommendations of the internal audit function;
 - (iv) assessment of the performance of the staff of the internal audit function;
 - (v) appointment or termination of senior staff members of the internal audit function; and
 - (vi) resignations of internal audit staff members and provide resigning staff member an opportunity to submit his/her reason for resignation.
- 8) To monitor any related party transactions and situations where a conflict of interest may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity. They are also required to ensure that Directors report such transactions annually to the shareholders via the annual report.
- 9) To review the reports of the Risk Management Committee in relation to the adequacy and integrity of the Group's internal control system.
- 10) To review all prospective financial information provided to the regulators and/or the public.
- 11) To report promptly to the BMSB on any matter reported by it to the Board of Directors, which has not been satisfactorily resolved resulting in the breach of the BMSB Listing Requirements.
- 12) To consider other matters as may be directed by the Board from time to time.



The internal auditors in discussion. They are (L-R) Su Cheong Ling, Susan Sim Yen Li, Tan Heng Meng and Lyndon Alfred Felix

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 the division. 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 (clockwise): Raw Koon Beng (Assistant Manager – Accounts), Khoo Kah Hock (Manager – Finance), Sivakumar s/o Rajappan (Senior Manager – Quality System), Tan Hock Chien (Manager – Accounts), Loy Boon Chen (Finance Director), Pang Sek Loh (Senior Manager – Technical), Khor Kiem Teoh (Chief Operating Officer – ICP Berhad), Low Hong Imm (Senior Manager – Accounts, MRP) and Purushothaman s/o Kumaran (Financial Controller – IJM Plantations Berhad)

STATEMENT ON QUALITY

Pursuit of Excellence Through Quality

Deeply rooted in its motto "Excellence Through Quality", the IJM Group has successfully created a reputation for providing quality products and services. It is the Group's objective to continuously seek superior standards in its quality to ensure that the Group's products and services gain strong recognition from its customers and continues to remain competitive in the business.

Policy on Quality

In its continuous pursuit for superior standards in the quality of its products and services, the IJM Group has adopted the following policies:

- all projects and services undertaken by the IJM Group will be implemented in such a manner that they exceed the customers' expectations;
- the standard of quality of the final products and services will be enhanced through continuous review and advancement of construction processes and quality assurance system; and
- the skills of qualified and dedicated employees at all levels will be nurtured and enhanced to deliver quality customer service.

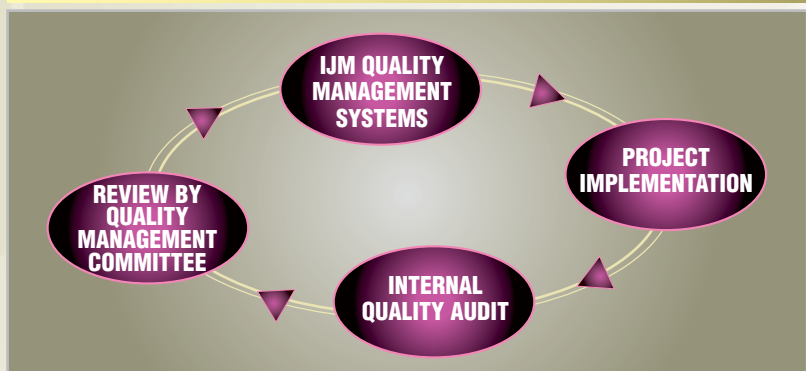
IJM Quality and Safety Assessment System (IQSAS)

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

The Group has developed a standard known as IJM Quality and Safety Assessment Assurance System ("IQSAS") to further improve the quality standards of its completed buildings. IQSAS is a self-regulated assessment system of procedures and testing methods in which standards are set out for the various quality and safety aspects of the building construction such as the structures, the architecture and the mechanical and engineering works.

Working with challenge of lesser-trained and transient migrant workforce, the introduction of IQSAS is intended to enable the Group to maintain further the quality and safety performance standards in its building projects.

CONTINUOUS QUALITY IMPROVEMENT CYCLE



Continuous Quality Improvement

The Group is committed to superior quality standards for its end products in keeping with its *Mark of Excellence* branding. Therefore, maintaining a culture of "Excellence Through Quality" is accorded high priority, as evident by the following continuous efforts:

1. enhancement of the Quality Manual by introducing flow charts to conceptualize the procedures;
2. introduction of the Quality System Department's ("QSD") manuals in the Group's server system for easy accessibility by all the staff;
3. incorporation of the Quality Policies and Procedures in the Project Manager Handbook;
4. IQSAS civil work assessment was carried out for all infrastructure projects;

Checking of door frame alignment



Checking of electrical switch position





Meter testing of concrete cover

5. staff development through regular training, which includes both in-house and external seminars; and
6. knowledge-sharing concept via a defects analysis database system.

IJM's project quality management systems are continuously assessed through internal quality audits conducted by the auditors from QSD. Each project and relevant head office department is normally audited twice a year.



...Butterworth Outer Ring Road 3 & 4 Project (Civil Works Category)

The results of all audits are tabled and presented to the Quality Management Committee ("QMC"), headed by the CEO & MD. The QMC in return, makes the necessary recommendations on the action to improve the IQSAS and the quality practices.

The Group also runs a Quality Award competition where the projects are assessed annually under the Civil and Building categories. The projects are assessed based on 10 major criteria, which include an independent

survey based on customers' feedback. The project that achieves the highest score in each of the Civil and Building categories is rewarded with the QMC Chairman's Trophy, prize money and enhanced bonuses for the project staff.

ISO Certification

The Group targets all its businesses to work towards the achievement of the ISO 9000 certification. To date, the companies within the Group which have attained the ISO certification are as follows:-

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

Winners of Quality Awards...



...Desa Pinang Project (Building Works Category)

Annual Survey

Annually, survey forms to invite feedback on IJM's performance are sent to clients or the clients' representatives. The feedback serves to chart the steps leading to the improvement of quality service to satisfy its customers.

STATEMENT ON SAFETY AND HEALTH

Pursuit of Excellence through Occupational Safety and Health Practices

The IJM Group is fully committed to perform its operations in an environmentally responsible manner while pursuing excellence through safe and healthy work practices. Its motto "Health, Safety and Environment is Everyone's Responsibility" has been the guiding principle to inculcate a high level of occupational safety and health practices and to create environmental awareness into its work culture. Concerted efforts are continually made to create awareness of the collective responsibility among its employees for the prevention of injuries and occupational health hazards, and the assurance of public safety when carrying out its business activities at all the locations of the Group's operations.

The IJM Group continually strives to prevent injury and occupational hazards to its employees and the public by placing high importance on the safety of its systems and processes in the conduct of its business activities. The systems and processes were tested and certified by SIRIM in November 2000. The OHSAS 18001:1999 certification was issued to IJM Corporation Berhad and IJM Construction Sdn Bhd. These two companies became the first Malaysian companies to be conferred the internationally recognised certification in the construction industry. The companies have successfully maintained this certification since.



Tan Sri Wan
presenting the
Best Safety
Practice Award to
Kg. Serantau's
Project Manager,
Tan Cho

Policy Statement on Health, Safety and Environment

The IJM Group continually strives to improve its environmental, safety and health practices with the objectives of achieving a healthy work environment and prevent accidents and occupational illnesses.

Guided by its motto, "Health, Safety and Environment is Everyone's Responsibility", the Group is committed to:

- comply with all the applicable safety, health and environmental legislations and other occupational health and safety requirements;
- familiarise all its employees and related parties on safety, health and environment by providing training, information and facilities;
- increase awareness and accountability at all levels of the organization; and
- monitor and regularly review the set objectives and its achievement.

Certificates are
awarded to
projects that
achieved targeted
manhours
without Lost
Time Injury



Safety and Health Management System

In its efforts to enhance safety and health in the working environment, various committees and practices were set up.

I. The Occupational Health and Safety Management Committee ("OHSMC")

The Group's Occupational Health and Safety Management Committee is headed by its Chief Executive Officer & Managing Director. The Committee comprises senior managers from the various operating units and representatives from the Safety and Health Committee. 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 practices at the work sites.

II. The Safety and Health Committee ("SHC")

The Safety and Health Committee is formed at the Head Office and for every project. The purpose of the Committee is to:

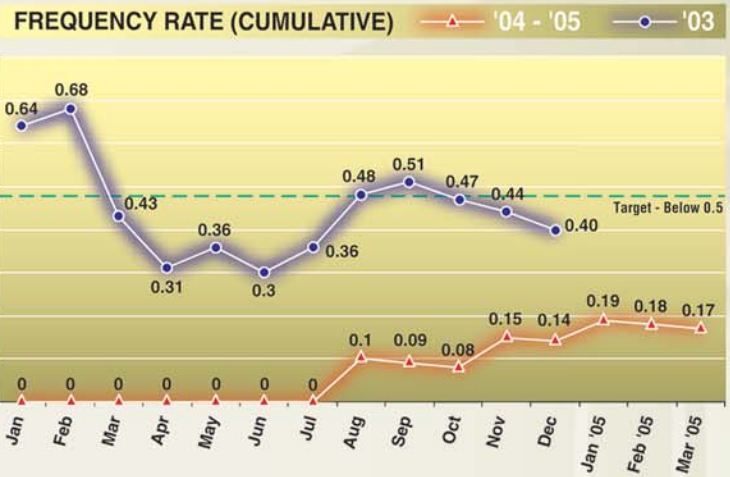
- assist the development of safety and health rules and a safe system of works;
- review the effectiveness of the existing safety and health program;
- carry out investigations on the trends of accidents, near-miss accidents, dangerous occurrences, occupational poisoning or occupational diseases, if any, which occurs at the work place and recommends immediate corrective actions; and
- review 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 also conducts regular inspection of work sites and holds meetings at least once a month to present and highlight possible improvement to the existing level of safety and health practices.

III. The Safety and Health Department ("SHD")

A manual "Occupational Health and Safety Manual and Procedure" was formulated by the Safety and Health Department and is endorsed by the Occupational Health and Safety Management Committee. A copy of this manual is given to every project site and department.

During the period 2004/05, the SHD carried out a total of 43 safety and health audits, covering all existing active projects at different stages of construction. Corrective and preventive actions, where necessary, were recommended and immediate actions taken to rectify any identified weaknesses and deficiencies.



The Group achieved improved safety performance during the period ended 31 March 2005, with the frequency rate achieved each month well below the targeted 0.5. Frequency rate is calculated by multiplying the number of Lost Time Injury cases in a month against 1,000,000/number of man-hours worked.

It is a self-regulated assessment system of procedures and testing methods in which standards are established for the various safety aspects of construction works undertaken, including foundation and piling, building and civil engineering.

IV. The Project Safety and Health Plan

Prior to the execution of construction works, every project is required to put up their respective Project Safety and Health Plan. The implementation of this plan is to ensure that the Group's operations adhere fully to the Occupational Safety and Health Act, 1994.

V. Performance Indicator

The Group has also put in place a performance indicator to monitor the level of safety and health at all its project sites and workplaces. This reactive monitoring system is carried out through the compilation and analysis of a number of identified key performance indicators, i.e. it records Occupational Health & Safety management system failures which includes accident, incident, man-hours worked without lost time injury ("LTI"), frequency rate and severity rate.

VI. IJM Health and Safety Assessment System ("IHSAS")

In line with its efforts to improve the safety aspects of all of its activities, the Group has developed the IJM Health and Safety Assessment Systems. IHSAS is developed 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.

Continuous Training and Awareness

In line with its efforts to achieve "Zero Accident" within the Group, IJM recognises the need to impart education and disseminate essential knowledge on safety and health. The Safety & Health Department and the Human Resource & Administration Department have developed a training matrix as the basis for the selection of IJM employees for training. IJM employees are regularly selected to attend the training sessions and courses organised by both internal and external trainers.



Safety trainings are held regularly

During the period, the departments have introduced new training courses on safety and health such as the Hazard Identification, Risk Assessment & Risk Control ("HIRARC") and the Chemical Handling courses, amongst others. These courses serve to provide guidance to the employees and enhance their standard of safety and health practices at the workplace.

STATEMENT ON ENVIRONMENT

Environment Policy

The Group is fully committed towards its social responsibility on the environmental issues in the conduct of its business. It would combine its social responsibility with its business objectives for long-term sustainable development.

Environmental Management

The Group recognises that the 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 to 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.

I. CONSTRUCTION DIVISION

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

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

An EMP incorporates the following components:

- **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 impact 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 programs to monitor the identified potential impacts and effects, thereby the effectiveness of proposed amelioration measures are assessed.

An awareness training program was conducted for the management staff of the Group during the financial period with the view to seek certification by SIRIM QAS for the ISO 14001:2004.



*Silt trap built at the
Bukit Cahaya Alam
project in Shah Alam,
Selangor*



Turfing to prevent slope failure

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 Report. The Report generally incorporates the following elements:

1. analysis of results derived from environmental studies;
2. evaluation of the anticipated environmental impact 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; and
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, which includes an assessment on effectiveness. Due recognition is given to its recommendation and necessary actions are immediately taken where non-compliance report has been filed.

STATEMENT ON ENVIRONMENT

(Continued)

II. PROPERTIES DIVISION

Environmental Practices

In line with the Group's motto "Excellence Through Quality", the Division is committed to create a holistic quality and creatively stimulating living environment in all its development and to safeguard our eco-system. Be they homes or offices, the Division's developments are thoughtfully planned and designed, integrating form and function for an optimal environment.

The Division's environmental-friendly initiatives includes the creation of green havens amidst the concrete cityscape through generous use of landscaping and lush open surrounds. The Division also incorporate energy efficient features in its development including natural lightings, cross ventilation and energy saving light bulbs.

In planning for our projects, the Division incorporates design features which embrace the environment. The projects along Jelutong Expressway shoreline were designed to maximise the views of the sea from every possible angle to allow panoramic views of the sea as well as Penang Bridge. Special consideration was paid to selection of species of trees and plants for their shape, size, flower, colour, character and tolerance to soil condition, sea breezes to ensure practical and visually pleasing landscaping features in all our development. Water features such as cascading pool, eco-pond and fountains complete the aural and visual experience.

Environment Monitoring

In all our projects, the Division is fully committed to the need to protect and safeguard our environment and ecosystem. It is our responsibility to ensure that we take adequate measures to preserve our environment in all our projects through proper planning implementation of an Environment Management System especially in project with fragile eco-system such as hill land projects in Bukit Jambul, Penang and Bukit Manda'rina, Kuala Lumpur and shore-line projects along Jelutong Expressway, Penang.

Mitigation measures adopted by the Division to preserve the environment includes the following:

- (i) phased development to help minimise the exposure of bare soil to rain. This will help reduce soil erosion as well as to implement measures such as turfing to be carried out;
- (ii) maintenance of vegetation strips to act as natural sediment traps;
- (iii) sedimentation ponds to trap the silt and to regulate the flow before discharging into the streams;
- (iv) turfing of all slopes to ensure they are kept to acceptable gradient to prevent slope failure;
- (v) controlled earthworks to prevent flooding of surrounding low-lying areas;
- (vi) detention ponds to regulate flow of rain water to avoid flooding;
- (vii) prevent open burning at all project sites;
- (viii) proper piling method during foundation works to mitigate noise pollution; and
- (ix) effective solid waste management i.e. to ensure regular and effective method of disposing all debris from the site regularly.

All aspects of environment monitoring are carefully planned and implemented during the construction of the projects. All staff involved in the project are briefed on the need to protect the environment and to take the necessary mitigating measures to ensure that there is no adverse impact on the environment. Regular monitoring is also done with the assistance of external independent consultants who are required to monitor and submit regular reports on the findings to the relevant authorities. The findings of the independent consultants are used to audit the effectiveness of the system assisting in improving the environment.

III. INDUSTRIES DIVISION

In all our operations, the Division has undertaken various environment practices to protect the environment. These include:

- 1) Adoption of noise reduction measures by using rubberised mesh in its screening operations and insulated noise protection materials in control rooms at our quarries. Independent consultants are also engaged to review the level of permissible noise whilst staff are required to wear noise protective equipments, where necessary.
- 2) Installation of sprinkler systems on all the crushers, conveyors and along quarry access and internal roads to reduce dust pollution generated from the crushing process.
- 3) Turfing of cut hillsides to prevent landslides and other adverse effects to the environment. Other preservation measures include garden landscaping and installation of fish pond and water fall system to create an aesthetic environment.
- 4) Building of proper water discharge drainage system on the quarry face including silt traps, bunkers and discharge ponds to prevent silt and wastes being discharge into rivers during heavy rainfalls.

IV. PLANTATIONS DIVISION

Sustainability of the business is about ensuring long-term economic success whilst caring for the environment. In line with this, the IJM Plantations Berhad Group ("IJMP Group") uses sound agronomic principles and implements the current best management practices throughout its operations. Following the signing of the Malaysian Palm Oil Association's Environmental Charter, the IJMP Group subsequently became a member of the **Roundtable on Sustainable Palm Oil (RSPO)** in 2004, recognising the importance of such global forum in providing a platform for multistakeholders to deliberate on the growth and use of sustainable palm oil.

Outlined below are some of IJMP Group's key policies and initiatives on sustainable agricultural practices and endeavours to manage the impact of the business activities on the environment in which the IJMP Group operates.

ZERO BURNING

The IJMP Group adopts a zero-burn policy for all the replantings. This policy is written into land clearing contracts where the services of third party contractors are used. In new plantation developments, zero-burn is the preferred policy, but where the situation warrants it, controlled burning is undertaken with prior approval from the relevant authorities.

OIL PALM CARBON SEQUESTRATION

There are over three (3) million oil palm trees in the planted areas of 24,401 hectares (as at March 2005) within the IJMP Group. Beside oil palm trees, the IJMP Group has sizeable portions of unplanted areas, which are either covered with timber trees left as conservation plots or planted with timber saplings. The total carbon fixed by the oil palm trees against their age groups was estimated using the methodology developed by Malaysian Palm Oil Board. The total carbon content of the standing biomass is calculated to be at 40% and 57.6% for the vegetative and reproductive portions respectively. Based on the age groups and total area covered, the oil palm trees in the IJMP Group had sequestered some 467,000 tons of carbon last year.



Carbon sequestering oil palm trees

STATEMENT ON ENVIRONMENT

(Continued)

BIODIVERSITY, RIPARIAN, CATCHMENT AND FOREST RESERVES

The IJMP Group implements a 'green' policy of minimal weeding in the estates. Blanket spraying of groundcover plants is prohibited. This contributes to the overall biodiversity of both the flora and fauna in the estate ecosystem. This also helps to keep the environment in the estates 'green' and moist, conserving water and help to moderate the effects of dry periods. In addition, it also minimises the amount of topsoil lost as a result of surface runoff following heavy rains.

Riparian reserves are maintained along rivers and major waterways or water-bodies while steep lands are set-aside. In some of these steep areas, tree planting has been carried out. Water catchments in all the estates are set aside to supply operational needs and for the consumption of the resident employees. The original vegetation is usually left intact in the catchment reserves, with minimal clearing for the necessary access and installation of infrastructures. Where possible, tree species are also planted. Pockets of natural forests have been set aside as conservation sites. The largest of these is a 127.5 hectares plot surrounding an oxbow lake in Sugut.



Oxbow lake 117 in Sugut

INTEGRATED PEST MANAGEMENT



IPM using predator-pest relationship

The IJMP Group has adopted and implemented integrated pest management ("IPM") in which the use of pesticides is only resorted to when all other measures fail. The integrated approach calls for an amalgam of different techniques to maintain a high level of biodiversity in the estates, which in turn serves to keep the level of pest population below the established thresholds.

In addition to the diverse natural vegetation already being preserved, specific beneficial plants acting as effective alternative food source that encourages the breeding of the predators of pests are being propagated and planted throughout the estates. A

census system is used to monitor the population levels of pests and the presence of their natural enemies in the estates. In incidences when the pest population exceeds the threshold hence necessitating pesticide application, the type of pesticide and method of its application are then carefully chosen to minimise the impact on the ecosystem.

LEGUMES, SOIL AND WATER CONSERVATION

Legume cover crops are established immediately after land clearing in all the new plantation developments and replanting areas to minimise soil loss. The cover crops also have other benefits including conversion of atmospheric nitrogen into a form usable by plants, addition of organic matter to the soil, improvement in both the soil physical and chemical properties and help to lower soil temperature and conserve moisture.

Additional measures are being practiced to conserve soil wherever there is the need. Soil surveys have been conducted in all estates to establish the physical characteristics of the soils and their fertility status. These surveys facilitate the formulation of development and management plans. In areas where the slope of the land exceeds 5°, contour terracing is done at various intensities appropriate for the particular situation. This helps minimise surface runoff and also helps to entrap moisture in the soil in areas where it is most needed. Rainfall readings are routinely captured in each estate. This database has many uses in plantation management, including irrigation planning.



Water catchment pond

Reservoirs are created in selected areas in the estates using natural water sources such as rivers and streams, and taking advantage of the natural contours of the land. These become the source of irrigation water for the surrounding fields during dry periods.

MILLS WASTE MANAGEMENT

The IJMP Group has set the goal of 'zero waste' for its palm oil mills. Palm oil mill effluent ("POME") is applied to the land principally as irrigation after going through the normal process of treatment. As a result of this practice, the pollution load on the land where the POME is applied is minimised. The areas in the estates where irrigation with the treated POME can be carried out are carefully selected, based on site suitability assessments conducted by qualified professional consultants.



Biocomposting

Empty fruit bunch ("EFB") is systematically applied as organic mulch in the estates where it promotes both soil and water conservation. As the EFB mulch decomposes, plant nutrients are returned to the soil. Rotary driers installed in the mills produce dried decanter cake. This has since been used as a soil amendment to improve the ultrabasic soils in Meliau estate. The biocomposting plant in Sabang was commissioned in April 2004. The plant converts the shredded EFB fibres and POME into organic compost for use in the Sugut estates.

RESEARCH & DEVELOPMENT, AND INNOVATION

The Business Environment

IJM recognises that it operates in a competitive business environment. Thus IJM has placed its focus on quality, and innovative products and services, which are produced at lower costs and greater speed to face the challenges of intense competition.

IJM's Business Culture

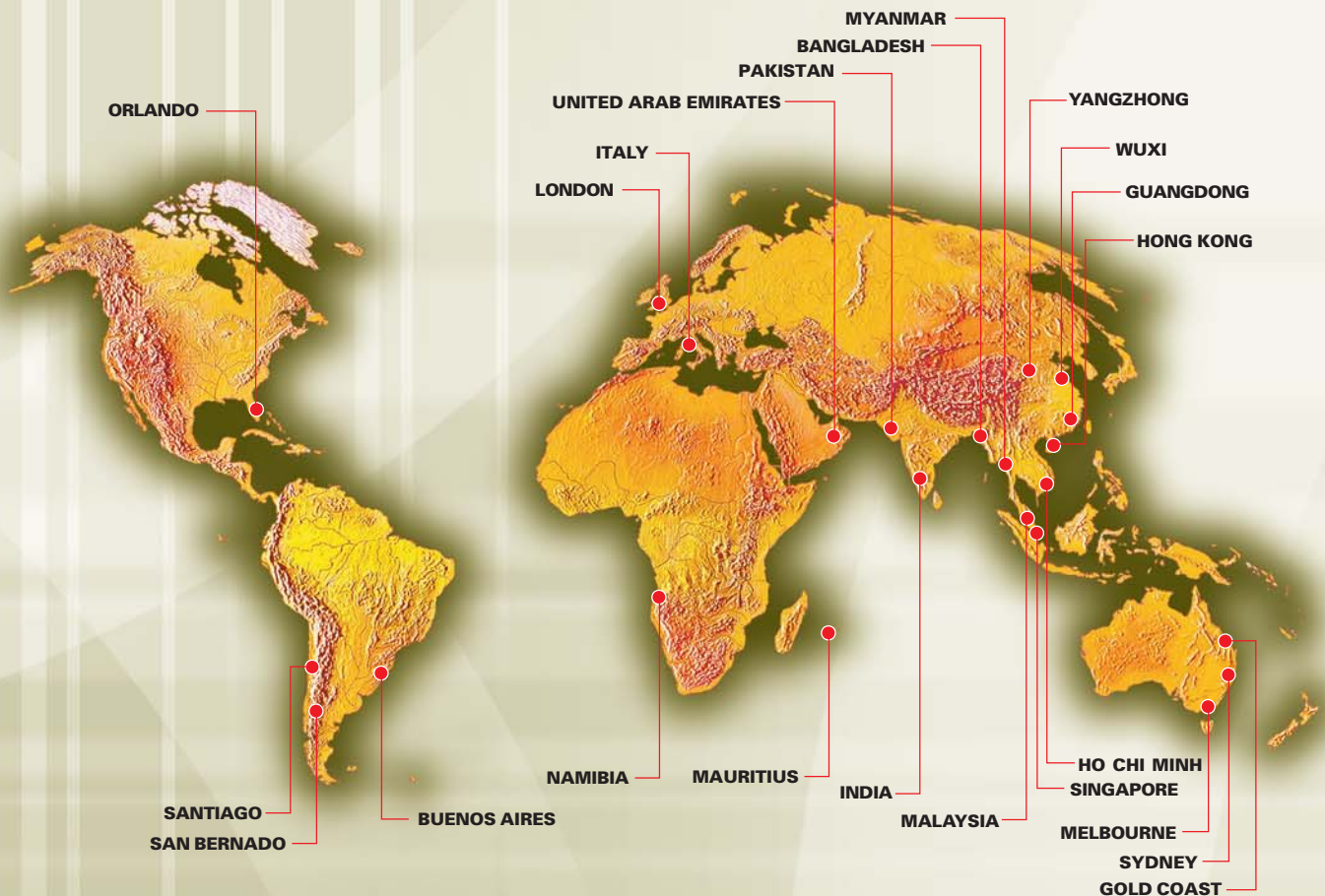
Our business culture of producing quality, innovative products and services will continue to be our foundation for growth. We will continue to allocate our resources in a synergistic manner to eliminate duplication, to benchmark our processes against the highest international standards and to embrace 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 a focus to shape and assure our future by practising the art of constant reengineering and invention, and producing the highest quality products through investment in research and development.

Pursuit of Excellence through Innovation

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

Examples of the Group's innovative works include the construction of the RM603 million Putrajaya Convention Centre (PCC) on a turnkey basis. It was completed within 22 months with strategic planning, coordination and execution. Sophisticated state-of-the-art equipment that required integration to function in a seamless fashion was applied. A world-class landmark, the PCC is a symbol of IJM's ability to harness its multi disciplinary skills and capabilities to produce world class buildings.

OUR FOOTPRINTS IN THE WORLD



We have established ourselves as an international player in the construction and construction-related industries. We were among the first Malaysian contractors to venture and succeed in the overseas markets such as Argentina, Australia, Bangladesh, Chile, China, Florida (USA), Hong Kong, India, Mauritius, Namibia, Pakistan and Singapore. We have secured the first BOT water treatment plant concession in Vietnam when few investors were venturing there. We also had the distinction of becoming the first Malaysian company to embark on a privatised housing scheme in India besides being 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 the local conditions, to cooperate effectively and to deliver on the promises expeditiously.

Innovative Products

The Group has also received acclaim for the development of innovative products and processes.

Through a joint-venture undertaken by IJM Building Systems Sdn Bhd, the production of the first lightweight oil palm fibre reinforced cement composite panels was accredited by the Malaysian Book of Records Award as the first of such product in Malaysia.

Its subsidiary Industrial Concrete Products Berhad was also accredited by the Malaysian Book of Records for the manufacture of the longest precast concrete pile of 46 metres. The piles are now widely used in ports and maritime terminals in Port Klang, Penang and Lumut.



R&D programs targeted at maintaining competitive edge

Research and Development

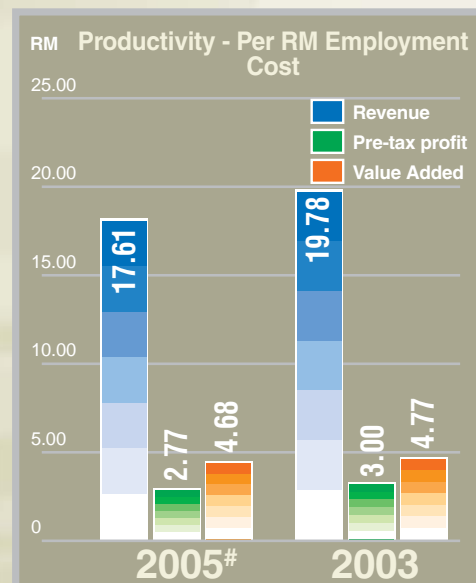
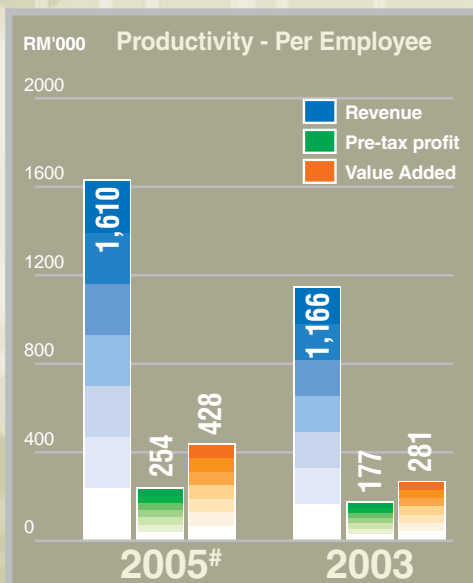
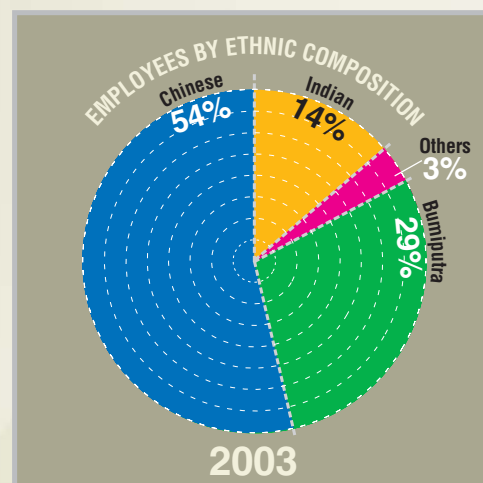
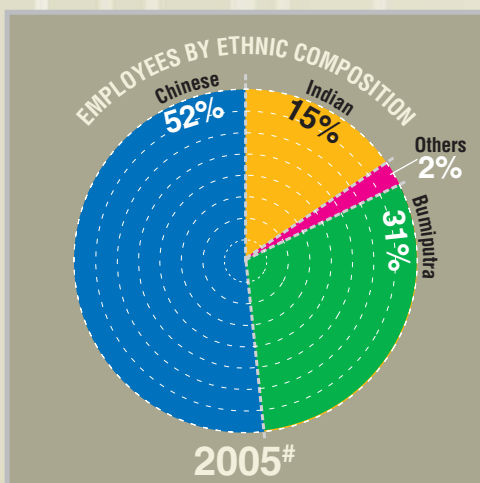
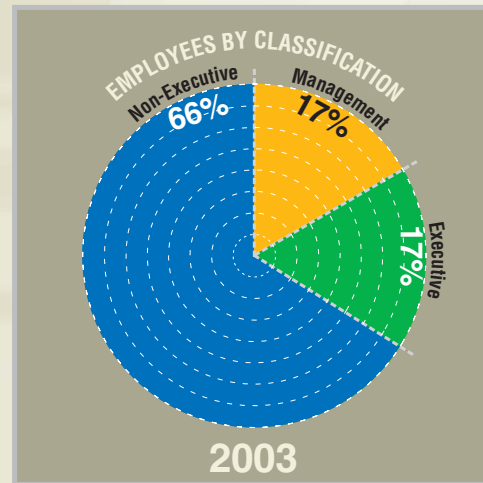
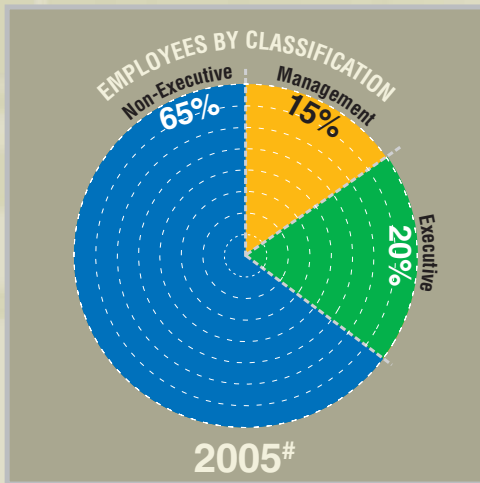
The Group continues to place high importance on research and development ("R&D") in its Plantations Division as it strives to maintain the business edge well into the future. Significant investments have been made in R&D and training as proven by the official opening of its Quality, Training and Research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

The main R&D activities are oil palm breeding and seed production. The positive result of the investment in R&D is that the division now produces its own quality hybrid seeds to meet the demands of its expansion.

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

The QTR centre continues to house various research and training activities and this is expected to further contribute towards the improvement of the productivity level of the division in the coming years.

EMPLOYEES & PRODUCTIVITY



Represents 15 months ended 31 March 2005

OUR PEOPLE

IJM recognises that its people are its most valuable resource. The Group takes great pride in investing in them by fostering in them a culture where they are empowered and self-motivated by a passion to excel. This pool of employees, competent in knowledge management, forms the building blocks to support the Groups long-term growth.

Training and Competency Skills Program

For the reported period ended 31 March 2005, a total of RM483,557 in third party costs was expended on a wide array of staff developmental activities to cater for the training, retraining and developmental needs of the Group's employees to further enhance their core competencies. These programs include on-the-job skills, information technology, safety and health management, soft skills such as management, supervisory development, accounts and finance, communication and interpersonal skills, presentation skills, project marketing, public relations and writing. In all, a total of 21,170 man-hours of training were provided to its employees.



Training programs are held regularly to hone employee skills & performance

Developing, managing and nurturing of the newly recruited talents continue to take precedence. Besides work place mentoring, orientation programs and induction courses are organised to ensure a smooth assimilation of new employees to the Group's core beliefs and values.

The period 2004/05 saw the Group's first in-house course being conducted on Project Management wherein a total of 20 participants successfully completed the program. The course covered 3 phases including an implementation stage where participants were assigned to a project and their progress is monitored. Besides working on a challenging budget and developing project plans, the participants had to identify irking issues, managing project resources and sustaining project communication and relationships throughout.

The IJM Toastmaster Club was formally chartered in July 2004. Establishment of this Club, with its sole aim to create platforms for improving one's communication skills, will increase employees effectiveness in presentation skills, leadership skills and ability to motivate and persuade.



The IJM Toastmaster Club was formally chartered in 2004

Staff Welfare

Staff welfare remains an integral part of the Group's commitment to its resources. Whilst the Group strives to create more wealth for its shareholders, it balances its commitment to its employees. Planned insurance coverage is provided for all employees thus ensuring peace of mind and security in the form of 24-hour worldwide personal accident coverage, term assurance with critical illness cover, hospitalisation and surgical insurance. In addition, the IJM Retirement Scheme provides a welcome lump sum of cash to employees who have attained retirement age. This Scheme has the added benefit of providing safety nets to employees who succumb to the misfortune of ill health or die while in the service of the Group.



Staff retiring at the age of 55 are recognised with a token of appreciation

OUR PEOPLE

(Continued)

Sports and Social Activities



At the summit of Mount Kinabalu

Staying in shape, both mentally, emotionally and physically is an integral aspect that empowers staff at IJM to excel both in the workplace and in social activities. Kelab Sukan IJM and its active committee members continue to organise a host of events, including sports competitions (IJM Regional Games, Friendship Games,



5th IJM Regional Games

bowling, golf, badminton and jazzercise, etc), social gatherings ("Deepa-Raya-X'Mas" get-together, CNY celebrations, IJM Family Day, etc) and outdoor activities (climbing trips up Mount Kinabalu and Gunung Tahan, visits to IJM Plantations Berhad, Paya Indah Wetlands and a night trip to Zoo Negara, etc). Encouraging participation in these social activities and sports competitions underline the enthusiasm, sense of belonging and *esprit de corps* of the IJM people.



Netball players in action at the IJM Regional Games



Jazzercise - to promote healthy lifestyle



Staff of IJM coming together to celebrate a festivity

Long Service Awards

The Group continues to applaud its people for their loyalty. During the Group's 21st Annual Dinner at the Putrajaya Convention Centre, 13 employees who have attained 20 years of service with the Group were presented with the Long Service Award.



Recipients of the 20-Year Service Award with Chairman and CEO & MD

COMMUNITY SERVICE

Caring for our Community

IJM takes great pride in its role as a socially responsible corporate citizen. As part of its philanthropic efforts, the Group continues to respond to the needs of several charitable organisations, contributing cash donations to Women's Aid Organisation, Malaysian AIDS Foundation, MAA-MEDICare Kidney Charity Fund, Selangor & FT Association for Retarded Children, Majlis Kebangsaan Orang-orang Buta, Persatuan Untuk Orang-orang Pekak Selangor & WP, amongst others.



Recipients of IJM donations with Dato' Krishnan Tan

Along with the rest of the world, the Group was deeply moved by the Asian tsunami devastation on Boxing Day 2004. Pitching in, the Group and its staff raised cash to assist the victims and the recovery efforts. The Group made significant donations to the recovery efforts in Penang as well as India and Sri Lanka.

Mindful of its social responsibility, the Group continues to organise community activities including blood donation drives to support University Hospital's call for blood supply, and collection drives for the Orang Asli at the Bera Settlement in Pahang and Kajang Women's Prison.



Making a difference... blood donation campaign by IJM



Four more recipients of the IJM Scholarship Awards in 2004



IJM continues to support sports development...

The Group continues to lend its support towards sports development in the country, especially at grass root level. IJM was the official sponsor of the Schools Rugby 10s Tournament, a side-event of the prestigious 35th TIME-COBRA Invitational Rugby 10s Tournament, featuring 8 top rugby schools from around the country. It is also actively involved in rugby development programs for schools in Peninsular Malaysia and Sabah.



...in rugby...

IJM was also the main sponsor for the inaugural Angel Cup, an international rhythmic gymnastic championship featuring young and upcoming gymnasts from Malaysia and countries across Asia-Pacific, Africa and Europe.



...& in gymnastics

The Group also, from time to time, sponsors other sporting events for the benefit of the community.

IJM Scholarship Award 2004

IJM continues its tradition of providing financial assistance to needy and meritorious students by awarding scholarships to 4 undergraduates to pursue local tertiary education in 2004. It is the Groups belief that these awards will provide a stream of bright young professionals to sustain and reinvigorate the Group's long-term growth.

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DIRECTORS' REPORT AND STATEMENT

For the period ended 31 March 2005

The Directors have pleasure in submitting their 21st annual report together with the audited financial statements of the Group and of the Company for the financial period ended 31 March 2005.

PRINCIPAL ACTIVITIES

2. The Company is principally engaged in construction and investment holding. The Group's principal activities are in construction, property development, manufacturing and quarrying, tollway operations and investment holding.

The Group also has significant investment in the plantation business vide its 49% plantation associate, IJM Plantations Berhad.

There have been no significant changes in these principal activities during the financial period except for the commencement of tollway operations during the period.

CHANGE IN REPORTING PERIOD

3. The financial year end of the Company has been changed from 31 December to 31 March.

FINANCIAL RESULTS

	THE GROUP RM'000	THE COMPANY RM'000
4. Profit from ordinary activities after taxation	204,475	188,585
Minority interest	(18,989)	-
Net profit for the period	185,486	188,585

DIVIDENDS

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

	RM'000
(a) In respect of the financial year ended 31 December 2003 as shown in the Directors' Report and Statement for that financial year:-	
Second interim dividend of 10% less 28% tax paid on 21 May 2004	30,775
(b) In respect of the financial period ended 31 March 2005:-	
First interim dividend of 5% less 28% tax paid on 12 November 2004	16,313
Second interim dividend of 10% less 28% tax paid on 12 May 2005	33,166

The Directors do not recommend the payment of any final dividend for the financial period ended 31 March 2005.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT AND STATEMENT

For the period ended 31 March 2005

(Continued)

SHARE CAPITAL

7. During the financial period, the issued and paid up ordinary share capital of the Company was increased from RM382,276,059 to RM458,654,780 by way of the issuance of:-
- (a) 59,290,021 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; and
 - (b) 15,897,200 new ordinary shares of RM1 each at an issue price of RM3.99 and 1,191,500 new ordinary shares of RM1 each at an issue price of RM4.39 arising from the exercise of options under Employee Share Option Scheme.

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

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

8. 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) At an Extraordinary General Meeting on 19 May 2004, the Bye-Laws of the ESOS were amended to approve the grant of options to Non-Executive Directors. On that date, the Directors were authorised to offer and grant options to the following Non-Executive Directors:-
 - (i) Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob
 - (ii) Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor
 - (iii) Datuk Oh Chong Peng
 - (iv) Datuk Yahya bin Ya'acob
 - (v) Dato' Goh Chye Keat
 - (vi) Dato' Ismail bin Shahudin
- (d) 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.
- (e) The Option Price shall be the weighted average market price of the Company's shares as shown in the Daily Official List of the Bursa Malaysia Securities Berhad for the 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 higher.

- (f) The exercise price of the ESOS had been adjusted on 30 April 2005, pursuant to Bye-Law 14 of the ESOS Bye-Laws, which states that the option prices may be adjusted in the event of a capital distribution which may involve the declaration or provision of a dividend unless the aggregate gross dividends declared in respect of the financial period is less than ten percent (10%) of the nominal value of the shares of the Company. The adjusted option prices on 30 April 2005 are as follows:-

Offer Date	Before Adjustment	After Adjustment
8 January 2004	RM3.99	RM3.96
7 April 2004	RM4.47	RM4.44
30 April 2004	RM4.39	RM4.36
20 May 2004	RM4.21	RM4.18

- (g) The Company has been granted an exemption by the Companies Commission of Malaysia from having to disclose the names of the option holders who have been granted options in aggregate of less than 510,000 options. The list of employees of the Company and its subsidiaries who were granted options of 510,000 options and above during the period are as follows:-

<u>IJM Corporation Berhad</u>	<u>Number of Options Over Ordinary Shares of RM1 each</u>			
	<u>Balance at</u>			<u>Balance at</u>
<u>Name of Employee</u>	<u>1.1.2004</u>	<u>Granted</u>	<u>Exercised</u>	<u>31.3.2005</u>
Debojit Chowdhury A/L N.G.Chowdhury	-	510,000	50,000	460,000
How See Hock	-	510,000	210,000	300,000
Loy Boon Chen	-	510,000	-	510,000
Mah Teck Oon	-	510,000	75,000	435,000
Ng Chin Meng	-	510,000	210,000	300,000
Tan Gim Foo	-	510,000	168,000	342,000
Teh Kean Ming	-	510,000	-	510,000
Ting Keng Fui	-	510,000	10,000	500,000
Velaigam A/L Doraisamy	-	510,000	100,000	410,000
Yeo Poh Meng	-	510,000	80,000	430,000

The details of the options granted but not exercised are set out in Note 10(c) to the financial statements.

WARRANTS

9. 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.

The warrants expired on 28 August 2004. Except for 757,504 warrants which were unexercised and lapsed, all outstanding warrants have been converted.

DIRECTORS' REPORT AND STATEMENT

For the period ended 31 March 2005

(Continued)

DIRECTORS

10. The Directors in office since the date of the last report and statement are:-

Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob, *Independent Non-Executive Chairman*
 Dato' Tan Boon Seng @ Krishnan, *Chief Executive Officer & Managing Director*
 Dato' 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*
 Dato' Goh Chye Keat, *Non-Executive Director*
 Abd Hamid bin Othman, *Non-Executive Director (appointed on 25 March 2004)*
 Dato' Abdullah bin Mohd Yusof, *Non-Executive Director (appointed on 18 August 2004)*

11. According to the Register of Directors' Shareholdings, particulars of Directors' interests in shares and options over ordinary shares of the Company and its related corporations during the financial period are as follows:-

IJM Corporation Berhad	Number of Ordinary Shares of RM1 each			
	Balance at 1.1.2004	Acquired	Disposed	Balance at 31.3.2005
Name of Directors				
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob Direct interest	-	33,400	-	33,400
Dato' Tan Boon Seng @ Krishnan Direct interest	920,698	1,447,000	-	2,367,698
Indirect interest	344,698	234,000	-	578,698
Dato' Goh Chye Koon Direct interest	377,412	715,300	100,000	992,712
Soo Heng Chin Direct interest	50,000	582,000	220,000	412,000
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor Direct interest	10,333	-	-	10,333
Dato' Goh Chye Keat Direct interest	426,362	11,000	158,900	278,462
Indirect interest	180,132	111,000	121,000	170,132

IJM Corporation Berhad

Name of Directors	Number of Options Over Ordinary Shares of RM1 each			Balance at 31.3.2005
	Balance at 1.1.2004	Granted	Exercised	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	-	100,000	-	100,000
Dato' Tan Boon Seng @ Krishnan	-	1,360,000	-	1,360,000
Dato' Goh Chye Koon	-	1,360,000	-	1,360,000
Soo Heng Chin	-	1,020,000	-	1,020,000
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	-	100,000	-	100,000
Datuk Oh Chong Peng	-	100,000	-	100,000
Datuk Yahya bin Ya'acob	-	100,000	-	100,000
Dato' Ismail bin Shahudin	-	100,000	-	100,000
Dato' Goh Chye Keat	-	100,000	-	100,000

**Industrial Concrete Products Berhad
(a subsidiary)**

Name of Directors	Number of Ordinary Shares of RM1 each			Balance at 31.3.2005
	Balance at date of acquisition	Acquired	Disposed	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob Direct interest	10,000	-	10,000	-
Dato' Tan Boon Seng @ Krishnan Direct interest	105,000	-	-	105,000
Indirect interest	170,500	13,000	-	183,500
Dato' Goh Chye Koon Direct interest	107,500	-	107,500	-
Dato' Goh Chye Keat Direct interest	129,500	-	-	129,500
Indirect interest	12,005,020	2,240,000	10,080,000	4,165,020

DIRECTORS' REPORT AND STATEMENT

For the period ended 31 March 2005

(Continued)

DIRECTORS (continued)

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

IJM Corporation Berhad		Number of Warrants			
Name of Directors	Balance at 1.1.2004	Acquired	Disposed / Exercised	Lapsed	Balance at 28.8.2004*
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob Direct interest	33,400	-	33,400	-	-
Dato' Tan Boon Seng @ Krishnan Direct interest	1,447,000	-	1,447,000	-	-
Indirect interest	234,000	-	234,000	-	-
Dato' Goh Chye Koon Direct interest	765,300	-	765,300	-	-
Soo Heng Chin Direct interest	527,000	55,000	582,000	-	-
Dato' Goh Chye Keat Direct interest	90,000	-	90,000	-	-
Indirect interest	4,000	111,000	115,000	-	-

* The warrants expired on 28 August 2004.

13. According to the Register of Directors' Shareholdings, none of the other Directors in office at the end of the financial period has any direct or indirect interests in the shares, warrants and options over ordinary shares of the Company and its related corporations during the financial period.
14. Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the fees and other emoluments shown in the financial statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than Dato' Goh Chye Keat who has substantial financial interest in Industrial Concrete Products Berhad, a subsidiary 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 interest 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.
15. Except as disclosed above, neither during nor at the end of the financial period was the Company or any of its subsidiaries a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate other than the Company's ESOS (See Note 4 to the financial statements).

OTHER STATUTORY INFORMATION

16. Before the financial statements of the Group and of the 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, other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

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

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

18. In the interval between the end of the financial period and the date of this report and statement:-

- (a) no item, transaction or other events of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the operations of the Group and of the Company for the current financial period; or
- (b) no charge has arisen on the assets of any company in the Group which secures the liability of any other person nor has any contingent liability arisen in any company in the Group.

19. No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period 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.

20. In the opinion of the Directors:-

- (a) other than as disclosed in the financial statements, the results of the operations of the Group and of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) the financial statements of the Group and of the Company set out on pages 92 to 174 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2005 and of the results and cash flows of the Group and of the Company for the financial period ended on that date in accordance with the MASB approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

AUDITORS

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

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



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



DATO' TAN BOON SENG @ KRISHNAN

Petaling Jaya
18 May 2005

INCOME STATEMENTS

For the period ended 31 March 2005

		THE GROUP		THE COMPANY	
		15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000
Note					
OPERATING REVENUE	3	1,802,291	1,363,895	183,897	238,203
COST OF SALES		(1,421,690)	(1,117,441)	(85,212)	(148,157)
GROSS PROFIT		380,601	246,454	98,685	90,046
OTHER OPERATING INCOME		49,025	54,658	163,370	46,370
TENDERING, SELLING AND DISTRIBUTION EXPENSES		(45,840)	(10,069)	-	-
ADMINISTRATIVE EXPENSES		(58,766)	(50,978)	(10,841)	(11,398)
OTHER OPERATING EXPENSES		(48,453)	(45,890)	(15,161)	(6,834)
OPERATING PROFIT BEFORE FINANCE COST	4	276,567	194,175	236,053	118,184
FINANCE COST	5	(41,245)	(23,161)	(19,177)	(13,606)
OPERATING PROFIT AFTER FINANCE COST		235,322	171,014	216,876	104,578
SHARE OF RESULTS OF ASSOCIATES		46,167	35,225	-	-
SHARE OF RESULTS OF JOINTLY CONTROLLED ENTITIES		2,320	561	-	-
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION		283,809	206,800	216,876	104,578
TAXATION					
Company and subsidiaries		(68,347)	(50,130)	(28,291)	(24,657)
Associates		(10,520)	(5,452)	-	-
Jointly controlled entities		(467)	(557)	-	-
	6	(79,334)	(56,139)	(28,291)	(24,657)
PROFIT FROM ORDINARY ACTIVITIES AFTER TAXATION		204,475	150,661	188,585	79,921
MINORITY INTEREST		(18,989)	(4,937)	-	-
NET PROFIT FOR THE PERIOD/YEAR		185,486	145,724	188,585	79,921
EARNINGS PER SHARE:-					
Basic	7(a)	43.0 Sen	39.2 Sen		
Fully diluted	7(b)	42.5 Sen	36.7 Sen		
DIVIDENDS PER SHARE	8			15.0 Sen	15.0 Sen

BALANCE SHEETS

As at 31 March 2005

		THE GROUP		THE COMPANY	
		31.3.2005	31.12.2003	31.3.2005	31.12.2003
		RM'000	RM'000	RM'000	RM'000
	Note		Restated		
CAPITAL AND RESERVES					
Share capital	10	458,654	382,276	458,654	382,276
Share premium		349,796	193,873	349,796	193,873
Revaluation reserve		26,357	26,357	-	-
Exchange translation reserve		22,301	18,885	20,702	17,602
Capital reserves	11	49,592	56,415	-	-
Retained profits	12	931,879	826,647	418,565	310,234
SHAREHOLDERS' EQUITY		1,838,579	1,504,453	1,247,717	903,985
MINORITY INTEREST		135,033	18,482	-	-
		1,973,612	1,522,935	1,247,717	903,985
NON-CURRENT LIABILITIES					
Bonds	13	97,781	247,164	-	150,000
Medium term notes	14	150,000	-	150,000	-
Term loans	15	173,671	68,909	-	-
Hire purchase and lease creditors	16	742	1,244	-	-
Deferred tax liabilities	17	24,299	4,956	-	-
Trade payable	18	6,000	6,000	-	-
Retirement benefits	19	2,588	2,886	891	924
		455,081	331,159	150,891	150,924
DEFERRED INCOME	20	68,399	27,423	-	-
		2,497,092	1,881,517	1,398,608	1,054,909
NON-CURRENT ASSETS					
Property, plant and equipment	21	348,744	250,450	8,720	18,437
Concession assets	22	159,190	-	-	-
Subsidiaries	23	-	-	652,163	260,779
Associates	24	730,636	676,935	135,901	293,252
Jointly controlled entities	25	22,384	12,045	-	-
Long term investments	26	140,029	96,221	58,382	50,961
Long term receivables	27	94,372	43,466	-	-
Intangible assets	28	57,586	5,811	-	-
Deferred tax assets	17	12,442	14,068	2,499	2,867
Land held for property development	29	154,467	72,331	281	281
		1,719,850	1,171,327	857,946	626,577
CURRENT ASSETS					
Property development costs	29	332,692	332,492	-	-
Inventories	30	100,272	29,730	4,814	6,766
Trade and other receivables	31	1,131,840	752,617	804,427	611,047
Short term investments	32	84,927	91,323	10,525	16,453
Deposits with licensed banks	33	38,673	137,356	4,009	108,901
Cash and bank balances	34	41,201	47,639	2,019	1,648
		1,729,605	1,391,157	825,794	744,815
LESS:					
CURRENT LIABILITIES					
Trade and other payables	35	748,778	614,819	240,907	275,964
Interest bearing bank borrowings	36	167,349	45,581	35,988	35,075
Bank overdrafts	37	25,350	9,203	174	-
Current tax liabilities		10,886	11,364	8,063	5,444
		952,363	680,967	285,132	316,483
NET CURRENT ASSETS		777,242	710,190	540,662	428,332
		2,497,092	1,881,517	1,398,608	1,054,909

STATEMENTS OF CHANGES IN EQUITY

For the period ended 31 March 2005

THE GROUP	Note	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 2004		382,276	193,873	26,357	18,885	56,415	826,647	1,504,453
Reserves arising from translation of net investment in foreign subsidiaries, associates and branch		-	-	-	3,416	-	-	3,416
Dilution arising from deemed disposal of a subsidiary	11	-	-	-	-	(6,823)	-	(6,823)
Net gain / (loss) not recognised in income statement		-	-	-	3,416	(6,823)	-	(3,407)
Net profit for the period		-	-	-	-	-	185,486	185,486
Dividends:-								
- Year ended 31 December 2003	8	-	-	-	-	-	(30,775)	(30,775)
- Period ended 31 March 2005	8	-	-	-	-	-	(49,479)	(49,479)
Issue of shares under ESOS	10	17,088	51,573	-	-	-	-	68,661
Issue of shares on conversion of warrants	10	59,290	104,350	-	-	-	-	163,640
At 31 March 2005		458,654	349,796	26,357	22,301	49,592	931,879	1,838,579

THE GROUP	Note	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Capital reserves RM'000 Restated	Retained profits RM'000	Total RM'000
At 1 January 2003		363,937	241,880	53,335	5,402	34,118	769,452	1,468,124
Inflationary adjustment on opening balances on equity of a foreign associate		-	-	-	-	-	(5,448)	(5,448)
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 not recognised in income statement		-	-	-	13,483	-	-	13,483
Capital distribution in conjunction with listing of a subsidiary	40(A)	-	(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		-	-	-	-	-	(18,512)	(18,512)
31 December 2003	8	-	-	-	-	-	(13,693)	(13,693)
Issue of shares on conversion of warrants	10	18,339	33,926	-	-	-	-	52,265
At 31 December 2003		382,276	193,873	26,357	18,885	56,415	826,647	1,504,453

STATEMENTS OF CHANGES IN EQUITY

For the period ended 31 March 2005

(Continued)

THE COMPANY	Note	Non-distributable			Distributable	Total RM'000
		Share capital RM'000	Share premium RM'000	Exchange translation reserve RM'000	Retained profits RM'000	
At 1 January 2004		382,276	193,873	17,602	310,234	903,985
Foreign exchange reserve arising from a foreign branch		-	-	493	-	493
Reserves arising from translation of net investment in a foreign subsidiary		-	-	2,607	-	2,607
Net gain not recognised in income statement		-	-	3,100	-	3,100
Net profit for the period		-	-	-	188,585	188,585
Dividends:-						
- Year ended 31 December 2003	8	-	-	-	(30,775)	(30,775)
- Period ended 31 March 2005	8	-	-	-	(49,479)	(49,479)
Issue of shares under ESOS	10	17,088	51,573	-	-	68,661
Issue of shares on conversion of warrants	10	59,290	104,350	-	-	163,640
As at 31 March 2005		458,654	349,796	20,702	418,565	1,247,717
At 1 January 2003		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 not recognised in income statement		-	-	16,326	-	16,326
Capital distribution in conjunction with listing of a subsidiary	40(A)	-	(81,933)	-	-	(81,933)
Net profit for the year		-	-	-	79,921	79,921
Dividends for the year ended:-						
31 December 2002		-	-	-	(18,512)	(18,512)
31 December 2003	8	-	-	-	(13,693)	(13,693)
Issue of shares on conversion of warrants	10	18,339	33,926	-	-	52,265
At 31 December 2003		382,276	193,873	17,602	310,234	903,985

CONSOLIDATED CASH FLOW STATEMENT

For the period ended 31 March 2005

		THE GROUP	
		15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000 Restated
Note			
OPERATING ACTIVITIES			
	Receipts from customers	1,554,922	1,322,408
	Payments to contractors, suppliers and employees	(1,622,549)	(1,132,816)
	Interest received	24,598	20,363
	Interest paid	(22,444)	(7,661)
	Income tax refunded	-	1,042
	Income tax paid	(59,697)	(61,446)
	Net cash flow (used in)/from operating activities	(125,170)	141,890
INVESTING ACTIVITIES			
	Acquisition of subsidiaries	39 (97,412)	(675)
	Acquisition of shares from minority shareholders in subsidiaries	(69,132)	(125)
	Disposal of a subsidiary	40(B) -	1,198
	Disposal of shares in a subsidiary	20,937	-
	Capital distribution in conjunction with listing of a subsidiary	40(A) -	(11,102)
	Investments in associates	(62,658)	(31,796)
	Acquisition of investments	(40,062)	(17,639)
	Purchase of development land held for property development	(35,427)	(16,029)
	Acquisition of concession assets	(87,963)	-
	Government grants received	42,539	27,423
	Redemption of preference shares in an associate	6,600	3,400
	Purchase of property, plant and equipment	(65,729)	(136,730)
	Disposal of property, plant and equipment	19,698	6,210
	Disposal of investments	7,596	1,365
	Dividends received from associates	6,028	2,796
	Dividends received from other investments	5,188	4,370
	Advances to associates	(47,615)	(26,237)
	Repayment of advances from associates	39,034	75,924
	Advances to jointly controlled entities	(13,169)	(23,615)
	Repayment of advances from jointly controlled entities	16,758	5,479
	Net cash flow used in investing activities	(354,789)	(135,783)
FINANCING ACTIVITIES			
	Issue of shares by the Company:-		
	- Employee Share Option Scheme	68,661	-
	- Conversion of warrants	163,640	52,265
	Issue of shares by subsidiaries to minority interest in subsidiaries	4,586	1,510
	Proceeds from issuance of Medium Term Notes	150,000	-
	Repayment of bonds	(150,000)	-
	Proceeds from bank borrowings	302,151	191,926
	Repayments of bank borrowings	(106,472)	(146,670)
	Repayments to hire purchase and lease creditors	(139)	(12,577)
	Payment of bond interest	(18,801)	(15,500)
	Dividends paid by subsidiaries to minority shareholders	(7,974)	(5,667)
	Dividends paid by the Company	(47,122)	(32,272)
	Redemption/(placement) of bank deposits assigned to trustees	42 4,916	(10,323)
	Net cash flow from financing activities	363,446	22,692
	Net (decrease)/increase in cash and cash equivalents during the financial period/year	(116,513)	28,799
	Cash and cash equivalents at beginning of the financial period/year	152,857	123,785
	Foreign exchange differences on opening balances	161	273
	Cash and cash equivalents at end of the financial period/year	36,505	152,857

COMPANY CASH FLOW STATEMENT

For the period ended 31 March 2005

		THE COMPANY	
		15 months ended	Year ended
	Note	31.3.2005 RM'000	31.12.2003 RM'000
OPERATING ACTIVITIES			
Receipts from customers		82,753	238,167
Payments to contractors, suppliers and employees		(142,401)	(157,106)
Interest received		8,812	6,305
Interest paid		(4,856)	(8,271)
Income tax refunded		-	93
Income tax paid		(11,530)	(21,784)
Net cash flow (used in)/from operating activities		(67,222)	57,404
INVESTING ACTIVITIES			
Cash consideration for listing of a subsidiary	40(A)(d)	-	(25,000)
Acquisition of subsidiaries/additional shares in subsidiaries		(163,797)	-
Investment in associates		(1,203)	(4,830)
Acquisition of investments		(7,420)	(778)
Redemption of preference shares in an associate		6,600	3,400
Purchase of property, plant and equipment		(1,286)	(600)
Disposal of property, plant and equipment		10,484	154
Disposal of shares in subsidiaries		20,937	-
Disposal of investments		983	-
Dividends received from subsidiaries		13,453	8,676
Dividends received from associates		7,296	2,213
Dividends received from other investments		2,745	1,321
Advances to subsidiaries		(126,903)	(12,562)
Advances to associates		(5,054)	(8,602)
Repayment of advances from associates		27,704	40,254
Advances to jointly controlled entities		-	(995)
Repayment of advances from jointly controlled entities		697	3,100
Net cash flow (used in)/from investing activities		(214,764)	5,751
FINANCING ACTIVITIES			
Issue of shares by the Company:-			
- Employee Share Option Scheme		68,661	-
- Conversion of warrants		163,640	52,265
Proceeds from issuance of Medium Term Notes		150,000	-
Repayment of bonds		(150,000)	-
Proceeds from bank borrowings		20,000	94,031
Repayment of bank borrowings		(19,087)	(125,402)
Payment of bond interest		(8,801)	(7,500)
Dividends paid by the Company		(47,122)	(32,272)
Net cash flow from/(used in) financing activities		177,291	(18,878)
Net (decrease)/increase in cash and cash equivalents during the financial period/year		(104,695)	44,277
Cash and cash equivalents at beginning of the financial period/year		110,549	66,272
Cash and cash equivalents at end of the financial period/year	42	5,854	110,549

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the period ended 31 March 2005

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

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 of the Company have been prepared in accordance with the MASB approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

The preparation of financial statements in conformity with the MASB approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the use of 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. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may 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 period.

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 period are included from the date of acquisition or up to the date of disposal. The cost of an acquisition is the amount of cash paid and the fair value at the date of acquisition of other purchase consideration given by the acquirer, together with directly attributable expenses of the acquisition (other than costs of issuing shares and other capital instruments – see accounting policy W). 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. The difference between the costs of acquisition over the Group's share of fair value of the identifiable net assets of the subsidiary acquired at the date of acquisition is reflected as goodwill or negative goodwill – see accounting policy F.

In a piecemeal acquisition, the fair value adjustment attributable to previously held equity interests is accounted for as post-acquisition revaluation.

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.

When the Group's and the minorities' interest in a subsidiary change substantially as a result of a group reorganisation or restructuring where the consideration is not on a cash basis, the accretion or dilution of the Group's interest is treated as an equity transaction between the subsidiary and its shareholders. Any difference between the Group's share of net assets immediately before and immediately after the change in shareholding and any consideration received or paid is adjusted to or against the Group's reserve.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the period ended 31 March 2005

(Continued)

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. See accounting policy Note Z on impairment of assets.

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. See accounting policy Note Z on impairment of assets.

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 presented in the same balance sheet classification as goodwill. 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. All other negative goodwill is amortised using the straight-line method over a period of 20 years.

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 period 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 the financial period 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 at the balance sheet date are as follows:-

Foreign currency	31.3.2005 RM	31.12.2003 RM
1 United States Dollar	3.800	3.800
1 Australian Dollar	2.932	2.845
1 Singapore Dollar	2.306	2.232
1 Hongkong Dollar	0.487	0.489
1 Chinese Renminbi	0.459	0.459
1 Indian Rupee	0.087	0.083
1 New Zealand Dollar	2.694	2.492
1 Euro	4.917	4.769
1 Argentine Peso	1.303	1.297
1 Pound Sterling	7.145	6.756

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the period ended 31 March 2005

(Continued)

I. Property, Plant and Equipment and Depreciation

All property, plant and equipment are stated at cost or at valuation less accumulated depreciation and accumulated 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 land 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 provisions of International Accounting Standards (“IAS”) 16 on Property, Plant and Equipment, which has been adopted by the MASB, 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. See accounting policy Note Z on impairment of assets.

J. Concession Assets

Concession assets are measured at cost less accumulated amortisation and accumulated impairment losses. Cost represents the cost of construction (inclusive of the cost of reconstruction, widening and rehabilitation) of the concession assets.

Upon completion of construction works and commencement of tolling operations, the concession assets are amortised over the concession period based on the following formula:-

$$\frac{\text{Cumulative traffic volume to date}}{\text{Projected total traffic volume for the entire concession period}} \times \text{Cost of concession assets}$$

The projected total traffic volume for the entire concession period is determined by a traffic survey carried out annually by a firm of independent traffic consultants.

All interests and fees incurred during the period of construction are capitalised to the cost of the concession assets which in turn are amortised to the income statement in accordance with the formula above. Interests and fees incurred after completion of construction are charged to the income statement.

K. Revenue and Profit Recognition

(i) Construction Contracts

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

When the outcome of 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

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

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

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

(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) Toll Concession Revenue

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

(v) 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the period ended 31 March 2005

(Continued)

L. Capitalisation of Finance Cost

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

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

All other borrowing costs are charged to the income statement.

M. 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.

Costs associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by 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. See accounting policy Note Z on impairment of assets.

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

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

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

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

N. 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, Quarry Products, 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 and quarry products, it consists of direct materials, direct labour, direct charges and production overheads.

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

O. 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.

P. 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.

Q. Leases

(i) Accounting as Lessee

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the lower of the fair value of the leased assets 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.

Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement over the lease period.

(ii) Accounting as Lessor

Finance leases

Leases of assets where the lessee assumes substantially all the benefits and risks of ownership are classified as finance leases.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of interest on the balance outstanding.

Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their useful lives on bases consistent with similar owned property, plant and equipment. Rental income is recognised as it accrues unless collectibility is in doubt, in which case it is recognised on a cash receipt basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the period ended 31 March 2005

(Continued)

R. Quarry Development

Expenses incurred on the development of quarry face are capitalised and written off based on actual production volume over the estimated reserves available from the quarry face developed.

Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note Z on impairment of assets.

S. 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.

T. Income Taxes

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

U. Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, 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 employee benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

(a) Defined Contribution Plans

The Group's contributions to defined contribution plans 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 contributions to the national pension scheme, the Employees Provident Fund ("EPF"), a defined contribution plan).

(b) 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 with sufficient regularity by a qualified actuary.

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.

V. 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the period ended 31 March 2005

(Continued)

W. 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.

X. 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.

Y. 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.

Z. Impairment of Assets

Property, plant and equipment and other non-current assets, including intangible assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment loss is recognised for the amount by which the carrying value of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

AA. Segmental Information

Segment reporting is presented for enhanced assessment of the Group's risks and returns as each business or geographical segment is subject to risks and returns that are different from the other business or geographical segments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

1. GENERAL INFORMATION

The Company is principally engaged in construction and investment holding. The Group's principal activities consist of construction, property development, manufacturing and quarrying, tollway operations and investment holding. The principal activities of the subsidiaries and associates are described in Note 48 to the financial statements.

The Group also has significant investment in the plantation business vide its 49% plantation associate, IJM Plantations Berhad.

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

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

The financial year end of the Company was changed from 31 December to 31 March. Accordingly, comparative amounts for the income statement, changes in equity, cash flows and related notes are not comparable.

The number of employees in the Group and Company as at 31 March 2005 amounted to 2,059 (31.12.2003: 1,212) and 98 (31.12.2003: 89) respectively.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 18 May 2005.

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 currency forward 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 foreign currency forward contracts.

Interest rate risk

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

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 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	
	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000
Construction contract revenue	898,259	961,563	149,960	219,147
Property development revenue	436,688	167,122	-	-
Sale of quarry and manufactured products	451,820	150,517	-	-
Sale of crude palm oil and by-products	-	75,450	-	-
Management services	3,181	2,972	129	-
Toll concession revenue	4,792	-	-	-
Dividend income	5,725	4,519	32,442	16,054
Rental of properties	1,826	1,752	1,366	3,002
	1,802,291	1,363,895	183,897	238,203

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

3. OPERATING REVENUE (continued)

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

	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000
Operating revenue of the Group	1,802,291	1,363,895
Share of operating revenue of:-		
Associates	465,861	319,360
Jointly controlled entities	157,887	94,314
	2,426,039	1,777,569

4. OPERATING PROFIT BEFORE FINANCE COST

	THE GROUP		THE COMPANY	
	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000
Operating profit before finance cost is stated after charging:-				
Hire of plant and equipment	1,869	840	-	-
Property, plant and equipment:-				
- depreciation	43,797	25,839	907	919
- written off	78	107	-	-
- loss on disposal	-	15	-	-
Rental of land and buildings	2,789	908	871	-
Auditors' remuneration:-				
- fees for statutory audits	931	830	230	210
- fees for other services				
- PricewaterhouseCoopers, Malaysia	527	594	360	325
- Firms of PricewaterhouseCoopers International Limited other than PricewaterhouseCoopers, Malaysia	40	43	-	-
- other auditors of subsidiaries	77	73	-	-
Foreign exchange loss:-				
- unrealised	-	178	-	-
- realised	-	29	-	-
Allowance for diminution in value of investments:-				
- quoted investments	6,787	261	4,945	-
- unquoted investments	-	278	-	-
Impairment losses on investment in:-				
- subsidiaries	-	-	5,898	-
- associates	499	254	-	-
Amortisation of concession assets	3,841	-	-	-
Amortisation of quarry development expenditure	2,625	2,478	-	-
Amortisation of premium paid on quarry rights	88	70	-	-
Amortisation of goodwill	311	561	-	-
Amortisation of discount on bond issue	617	493	-	-
Amortisation of premium on acquisition of marketable securities	416	303	-	-
Allowance for doubtful debts	3,234	10,039	2,572	-
Building stocks written down	1,755	-	1,315	-
Construction contract costs	745,527	823,154	85,211	148,157
Property development costs	305,845	110,616	-	-
Cost of quarry and manufactured products sold	342,355	122,512	-	-
Staff cost*	102,353	68,963	14,687	10,258

	THE GROUP		THE COMPANY	
	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000
and crediting:-				
Gross dividends received from:-				
- subsidiaries (unquoted)	-	-	21,653	11,854
- associates				
(quoted)	-	-	7,048	2,565
(unquoted)	-	-	996	97
- other investments				
(quoted)	6,046	2,524	2,745	1,538
(unquoted)	-	2,063	-	-
Interest income	24,598	26,492	40,348	25,488
Foreign exchange gain:-				
- unrealised	1,504	9,679	1,404	9,256
- realised	363	4,224	-	3,967
Gain on disposal of property, plant and equipment	2,021	1,041	18,113	92
Rental income from properties	3,623	2,522	1,366	3,002
Write back of allowance for doubtful debts	2,910	912	-	-
Write back of allowance for diminution in value of investments	292	5,982	-	5,621
Amortisation of negative goodwill	150	80	-	-
Amortisation of deferred income	1,563	-	-	-
Gain on disposal of shares in subsidiaries	2,762	-	105,912	-
Gain on disposal of an associate	84	-	-	-
Gain on disposal/liquidation of investments	2,852	17	2,177	-

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

	THE GROUP		THE COMPANY	
	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000
Directors of the Company:-				
Fees				
- Current period/year	312	316	312	316
- Under/(over) provision in respect of prior year	40	(10)	40	(10)
Defined contribution retirement plan	724	449	596	332
Defined benefit retirement plan	80	79	58	63
Other emoluments	4,427	2,477	3,755	1,789
Directors of subsidiaries:-				
Fees	75	60	-	-
Defined contribution retirement plan	411	297	-	-
Defined benefit retirement plan	130	199	-	-
Other emoluments	3,944	2,652	-	-

The estimated monetary value of benefits-in-kind provided to the Directors of the Group and of the Company by way of usage of the Group's and of the Company's assets and the provision of other benefits amounted to RM191,000 (Year ended 31.12.2003: RM191,000) and RM77,000 (Year ended 31.12.2003: RM82,000) respectively.

Details of the defined contribution and defined benefit plans of the Group and of the Company are set out in Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

4. OPERATING PROFIT BEFORE FINANCE COST (continued)

Executive Directors and certain Non-Executive Directors of the Company have been granted options under the Employee Share Option Scheme ("ESOS") on the same terms and conditions as those offered to other employees of the Group (see Note 10(c)) as follows:-

Grant Date	Expiry Date	Exercise Price RM/share	Number of options over ordinary shares				At end of period '000
			At start of the period '000	Granted '000	Exercised '000	Terminated '000	
8 January 2004	10 November 2008	3.99/3.96*	-	1,540	-	-	1,540
7 April 2004	10 November 2008	4.47/4.44*	-	660	-	-	660
30 April 2004	10 November 2008	4.39/4.36*	-	1,540	-	-	1,540
20 May 2004	10 November 2008	4.21/4.18*	-	600	-	-	600
			-	4,340	-	-	4,340

* The exercise price of the ESOS had been adjusted on 30 April 2005 pursuant to Bye-Law 14 of the ESOS Bye-Laws (See Note 10(c)).

5. FINANCE COST

	THE GROUP		THE COMPANY	
	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000
Interest expense arising from:-				
- Interest bearing bank borrowings	16,336	7,040	1,515	1,574
- Advances from subsidiaries	-	-	5,521	3,334
- Hire purchase and leasing	227	1,032	-	-
- Bonds	18,801	15,500	8,800	7,500
- Medium Term Notes ("MTN")	810	-	810	-
- Others	5,374	2,796	2,531	1,198
	41,548	26,368	19,177	13,606
Less interest capitalised into:				
- Property, plant and equipment	-	(2,995)	-	-
- Property development costs (Note 29)	(303)	-	-	-
- Construction contract work-in-progress (Note 38)	-	(212)	-	-
	41,245	23,161	19,177	13,606

6. TAXATION

	THE GROUP		THE COMPANY	
	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000
Current tax:-				
- Malaysian income tax	(65,993)	(64,995)	(27,923)	(27,166)
- Overseas taxation	(3,408)	(2,563)	-	-
Deferred taxation (Note 17)	(69,401) (9,933)	(67,558) 11,419	(27,923) (368)	(27,166) 2,509
	(79,334)	(56,139)	(28,291)	(24,657)
Current tax:-				
- Current period/year	(70,141)	(69,564)	(28,056)	(26,889)
- Benefits from previously unrecognised temporary differences	1,420	2,484	-	-
- (Under) / Over accrual in prior years (net)	(680)	(478)	133	(277)
	(69,401)	(67,558)	(27,923)	(27,166)
Deferred taxation:-				
- Origination and reversal of temporary differences	(9,356)	11,419	(368)	2,509
- (Under) / Over accrual in prior years (net)	(577)	-	-	-
	(9,933)	11,419	(368)	2,509
	(79,334)	(56,139)	(28,291)	(24,657)

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

	THE GROUP		THE COMPANY	
	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000
Profit from ordinary activities before taxation	283,809	206,800	216,876	104,578
Tax calculated at the Malaysian tax rate of 28% (2003: 28%)	79,467	57,904	60,725	29,282
Tax effects of:-				
- Different tax rates in other countries	(1,283)	(1,439)	-	-
- Lower tax rates for small and medium companies	(487)	(217)	-	-
- Expenses not deductible for tax purposes	5,923	12,515	3,239	1,017
- Income not subject to tax	(4,489)	(9,332)	(35,540)	(5,919)
- Utilisation of tax incentives	(5,465)	(1,753)	-	-
- Current year's deferred tax assets not recognised	8,565	467	-	-
- Utilisation of previously unrecognised tax losses	(1,420)	(2,484)	-	-
- Others	(1,477)	478	(133)	277
Taxation	79,334	56,139	28,291	24,657

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

6. TAXATION (continued)

Included in taxation of the Group are tax savings from utilisation of tax losses as follows:-

	THE GROUP	
	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000
Tax losses:-		
Tax savings as a result of the utilisation of current year tax losses for which credit is recognised during the period/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 period/year	1,420	2,484

7. EARNINGS PER SHARE

(a) Basic

The basic earnings per share for the financial period has been calculated based on the Group's net profit for the financial period of RM185,486,000 (Year ended 31.12.2003: RM145,724,000) and on the weighted average number of ordinary shares in issue during the financial period of 431,708,000 (Year ended 31.12.2003: 371,846,000) 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 Employee Share Option Scheme ("ESOS") and from the conversion of Warrants 2000/2004.

(b) Fully diluted

The fully diluted earnings per share of the Group is calculated by dividing the Group's net profit for the period of RM185,486,000 (Year ended 31.12.2003: RM145,724,000) by the weighted average number of ordinary shares in issue adjusted to assume the conversion of all dilutive potential ordinary shares, i.e. the ESOS and Warrants 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 ESOS or 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 calculation.

	THE GROUP	
	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000
Net profit for the period/year	185,486	145,724
	'000	'000
Weighted average number of ordinary shares in issue	431,708	371,846
Adjustments for Warrants	-	25,303
Adjustments for ESOS	4,827	-
Weighted average number of ordinary shares for diluted earnings per share	436,535	397,149
Diluted earnings per share	42.5 Sen	36.7 Sen

8. DIVIDENDS

	THE COMPANY			
	15 months ended 31.3.2005		Year ended 31.12.2003	
	Gross dividend per share Sen	Amount of dividend, net of 28% tax RM'000	Gross dividend per share Sen	Amount of dividend, net of 28% tax RM'000
First interim dividend	5	16,313	5	13,693
Second interim dividend	10	33,166	10	30,775
	15	49,479	15	44,468

The Directors do not recommend the payment of any final dividend for the financial period ended 31 March 2005 (Year ended 31.12.2003: NIL).

9. SEGMENTAL REPORTING

The Group has the following principal business segments:-

- | | |
|---------------------------------|---|
| (a) Construction | - Construction activities |
| (b) Property development | - Development of land into vacant lots, residential, commercial and/or industrial buildings |
| (c) Manufacturing and quarrying | - Production and sale of concrete products, and quarrying activities |
| (d) Infrastructure | - Tollway operations |

Other operations of the Group comprise mainly investment holding.

The Group also has significant investment in the plantation business vide its 49% plantation associate, IJM Plantations Berhad.

Intersegment revenue comprises rendering of construction services to the property development and infrastructure segments and the sale of manufacturing and quarrying products to the construction segment. These transactions are transacted on agreed terms between the segments.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

9. SEGMENTAL REPORTING (continued)

(a) Primary reporting – Business segments

	Construction RM'000	Property Development RM'000
15 months ended 31.3.2005		
<u>REVENUE:</u>		
Total sales	1,030,586	440,617
Less: Inter-segment sales	(132,327)	-
Total segment revenue	898,259	440,617
<u>RESULT:</u>		
Segment result	101,211	85,905
Share of results of associates and jointly controlled entities		
- a plantation associate		
- other associates and jointly controlled entities	9,573	2,096
Taxation		
Profit from ordinary activities after taxation		
Minority interest		
Net profit for the period		
<u>OTHER INFORMATION:</u>		
Segment assets	983,002	834,165
Investment in associates		
- a plantation associate		
- other associates	32,755	23,440
Investment in jointly controlled entities	11,945	10,439
Unallocated corporate assets		
Consolidated total assets		
Segment liabilities	695,863	181,475
Unallocated corporate liabilities		
Consolidated total liabilities		
<u>Incurred for the period:-</u>		
Capital expenditure	37,981	7,436
Depreciation charged to income statement	21,524	643
Amortisation of concession rights	-	-
Amortisation of goodwill	91	28
Amortisation of quarry development expenditure	-	-
Amortisation of premium paid on quarry rights	-	-

Manufacturing & Quarrying RM'000	Infrastructure RM'000	Investment & Others RM'000	Group RM'000
481,050	4,921	29,492	1,986,666
(29,230)	-	(22,818)	(184,375)
451,820	4,921	6,674	1,802,291
53,609	(9,185)	3,782	235,322
3,882	6,517	(5,653)	32,072
			16,415
			283,809
			(79,334)
			204,475
			(18,989)
			185,486
582,890	201,167	82,769	2,683,993
15,589	261,276	80,989	316,587
-	-	-	414,049
			22,384
			3,437,013
			12,442
			3,449,455
126,666	324,581	112,073	1,440,658
			35,185
			1,475,843
251,517	88,312	-	385,246
21,568	62	-	43,797
-	3,841	-	3,841
101	-	91	311
2,625	-	-	2,625
88	-	-	88

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

9. SEGMENTAL REPORTING (continued)

(a) Primary reporting – Business segments (continued)

	Construction RM'000	Property Development RM'000
Year ended 31.12.2003		
<u>REVENUE:-</u>		
Total sales	1,098,271	170,094
Less: Inter-segment sales	(136,708)	-
Total segment revenue	961,563	170,094
<u>RESULT:-</u>		
Segment result	94,075	34,014
Share of results of associates and jointly controlled entities	7,521	1,760
Taxation		
Profit from ordinary activities after taxation		
Minority interest		
Net profit for the year		
<u>OTHER INFORMATION:-</u>		
Segment assets	934,374	618,825
Investment in associates	80,134	22,356
Investment in jointly controlled entities	9,963	2,082
Unallocated corporate assets		
Consolidated total assets		
Total segment liabilities	801,324	93,335
Unallocated corporate liabilities		
<u>Incurred for the year:-</u>		
Capital expenditure	99,166	9,937
Depreciation charged to income statement	11,518	629
Amortisation of goodwill	73	34
Amortisation of quarry development expenditure	-	-
Amortisation of premium paid on quarry rights	-	-
Other significant non-cash expenses:-		
- Allowance for doubtful debts	9,000	220
Supplementary information on segmental reporting on revenue of the Group inclusive of the Group's share of revenue of associates and jointly controlled entities are as follows:-		
Period ended 31.3.2005		
Revenue of the Group	898,259	440,617
Share of operating revenue of associates and jointly controlled entities	273,898	38,225
	1,172,157	478,842
Year ended 31.12.2003		
Revenue of the Group	961,563	170,094
Share of operating revenue of associates and jointly controlled entities	170,711	34,284
	1,132,274	204,378

Manufacturing & Quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & Others RM'000	Group RM'000
181,963 (31,446)	75,450 -	- -	19,375 (13,104)	1,545,153 (181,258)
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
				206,800 (56,139)
				150,661 (4,937)
				145,724
143,454 57,103 -	2,744 298,113 -	17,525 137,593 -	142,514 81,636 -	1,859,436 676,935 12,045
				2,548,416 14,068
				2,562,484
45,037	80,000	1,184	2,349	1,023,229 16,320
				1,039,549
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
451,820	-	4,921	6,674	1,802,291
61,775	157,030	55,572	37,248	623,748
513,595	157,030	60,493	43,922	2,426,039
150,517	75,450	-	6,271	1,363,895
72,330	76,933	34,675	24,741	413,674
222,847	152,383	34,675	31,012	1,777,569

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

9. 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 period/year RM'000
15 months ended 31.3.2005:-			
Malaysia	1,533,480	2,198,051	276,937
India	240,781	361,353	108,309
Australia	27,901	48,238	-
Other countries	129	88,793	-
	1,802,291	2,696,435	385,246
Associates and jointly controlled entities			
- Malaysia	-	345,637	-
- Singapore	-	32,266	-
- Vietnam	-	37,001	-
- China	-	9,937	-
- India	-	154,200	-
- Australia	-	93,444	-
- Argentina	-	68,797	-
- Other countries	-	11,738	-
	1,802,291	3,449,455	385,246
Year ended 31.12.2003:-			
Malaysia	1,229,895	1,488,609	40,946
India	134,000	256,100	95,784
Australia	-	45,704	-
Other countries	-	83,091	-
	1,363,895	1,873,504	136,730
Associates and jointly controlled entities			
- Malaysia	-	402,296	-
- Singapore	-	26,929	-
- Vietnam	-	39,073	-
- China	-	10,814	-
- India	-	38,056	-
- Australia	-	92,773	-
- Argentina	-	67,912	-
- Other countries	-	11,127	-
	1,363,895	2,562,484	136,730

In determining the geographical segments of the Group, revenue is based on the country in which the customers are located. Total segment assets and capital expenditure incurred during the period/year are determined according to the country where these assets are located.

10. SHARE CAPITAL

	THE COMPANY			
	31.3.2005		31.12.2003	
	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	382,276	382,276	363,937	363,937
Issue of shares under the Employee Share Option Scheme ("ESOS")	17,088	17,088	-	-
Issue of shares on conversion of Warrants	59,290	59,290	18,339	18,339
At 31 March / At 31 December	458,654	458,654	382,276	382,276

(a) During the financial period, the issued and paid up ordinary share capital of the Company was increased from RM382,276,059 to RM458,654,780 by way of:-

- (i) The issuance of 59,290,021 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.
- (ii) The issuance of 15,897,200 new ordinary shares of RM1 each at an issue price of RM3.99 and 1,191,500 new ordinary shares of RM1 each at an issue price of RM4.39 arising from the exercise of options under the ESOS.

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, no Warrants 2000/2004 remained unexercised (31.12.2003: 60,047,525) as the Warrants expired on 28 August 2004. Except for 757,504 Warrants which were unexercised and lapsed, all outstanding Warrants have been converted.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

10. SHARE CAPITAL (continued)

- (c) As at the balance sheet date, 45,365,100 options under the ESOS remained unexercised (31.12.2003: Nil). The details of options over ordinary shares of the Company granted but not exercised under the ESOS are as follows:-

Grant Date	Expiry Date	Exercise Price RM/share	Number of options over ordinary shares				At 31.3.2005 '000
			At 1.1.2004 '000	Granted '000	Exercised '000	Terminated '000	
8 January 2004	10 November 2008	3.99/3.96*	-	36,756	15,897	242	20,617
7 April 2004	10 November 2008	4.47/4.44*	-	1,650	-	-	1,650
30 April 2004	10 November 2008	4.39/4.36*	-	24,149	1,191	460	22,498
20 May 2004	10 November 2008	4.21/4.18*	-	600	-	-	600
			-	63,155	17,088	702	45,365

- * The exercise price of the ESOS had been adjusted on 30 April 2005 pursuant to Bye-Law 14 of the ESOS Bye-Laws, which states that the option prices may be adjusted in the event of a capital distribution which may involve the declaration or provision of a dividend unless the aggregate gross dividends declared in respect of the financial period is less than ten percent (10%) of the nominal value of the shares of the Company. The adjusted option prices on 30 April 2005 is as follows:-

Offer Date	Before Adjustment	After Adjustment
8 January 2004	RM3.99	RM3.96
7 April 2004	RM4.47	RM4.44
30 April 2004	RM4.39	RM4.36
20 May 2004	RM4.21	RM4.18

Number of share options vested at balance sheet date amounted to 40,800,900 (31.12.2003: Not applicable).

The quoted prices of shares of the Company at the time when the options were exercised ranged from RM4.54 to RM4.98.

Details relating to options exercised during the financial period are as follows:-

Exercise date	Quoted price of shares at share issue date RM/share	Exercise price RM/share	Number of shares issued
February - March 2004	4.56 – 4.98	3.99	1,632,900
April - May 2004	4.66 – 4.98	3.99	5,140,200
April - May 2004	4.66 – 4.98	4.39	31,000
June - July 2004	4.64 – 4.82	3.99	1,971,200
June - July 2004	4.64 – 4.82	4.39	220,500
August - September 2004	4.54 – 4.80	3.99	1,508,700
August - September 2004	4.54 – 4.80	4.39	153,000
October - November 2004	4.62 – 4.74	3.99	1,648,850
October - November 2004	4.62 – 4.74	4.39	52,000
December - January 2005	4.54 – 4.88	3.99	1,336,500
December - January 2005	4.54 – 4.88	4.39	134,500
February - March 2005	4.78 – 4.84	3.99	2,658,850
February - March 2005	4.78 – 4.84	4.39	600,500
			17,088,700

11. CAPITAL RESERVES

	THE GROUP	
	31.3.2005 RM'000	31.12.2003 RM'000 Restated
(a) Capitalisation of post acquisition reserves in subsidiaries and associates:-		
At 1 January	12,563	12,563
Dilution arising from deemed disposal of a subsidiary	(6,823)	-
At 31 March / At 31 December	5,740	12,563
(b) Share of capital reserves of associates:-		
At 1 January	43,852	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 March / At 31 December	43,852	43,852
Total	49,592	56,415

The dilution arising from the deemed disposal of a subsidiary as stated in (a) above represents the difference between the Group's share of net assets immediately before and immediately after the disposal of the Company's entire equity in a wholly-owned subsidiary, Malaysian Rock Products Sdn. Bhd., for a sale consideration of RM110,000,000 satisfied by the issuance of 39,285,714 ordinary shares of RM1.00 each in Industrial Concrete Products Berhad (See Note 39(a)(i)).

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

12. RETAINED PROFITS

Subject to the agreement by the tax authorities, as at 31 March 2005, the Company has sufficient tax credits under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends of up to RM147,919,000 (31.12.2003: RM163,384,000) and also tax exempt income to declare exempt dividends of up to RM147,302,000 (31.12.2003: RM146,078,000). The extent of retained earnings not covered at that date amounted to RM123,344,000 (31.12.2003: RM772,000).

13. BONDS

	THE GROUP		THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 RM'000
(a) 8% Secured Fixed Rate Bond 1999/2009	100,000	100,000	-	-
Less:				
Discount on issuance	4,932	4,932	-	-
Amortisation	(2,713)	(2,096)	-	-
	2,219	2,836	-	-
	97,781	97,164	-	-
(b) 5% Redeemable Unsecured Bond 2000/2005	-	150,000	-	150,000
	97,781	247,164	-	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 27(b) 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. The bond was fully redeemed at 100% nominal value together with interest accrued to the date of maturity on 28 February 2005.

Each warrant entitled 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.

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 were recognised in the financial statements when they were converted into ordinary shares of the Company. The warrants expired on 28 August 2004. Except for 757,504 warrants which remained unexercised and lapsed, all outstanding warrants have been converted.

14. MEDIUM TERM NOTES ("MTN") - UNSECURED

	THE GROUP AND THE COMPANY	
	31.3.2005	31.12.2003
	RM'000	RM'000
5.5% MTN 2005/2010	150,000	-

The MTN was issued under a RM300 million nominal value Commercial Papers ("CP") and MTN Programme (CP/MTN Programme) which was implemented during the financial period. The CP/MTN Programme can be utilised by the Company during the 7-year tenure commencing from the date of the first issue under the CP/MTN Programme on 24 February 2005 for a total amount of up to RM300 million nominal value subject to:-

- (i) the aggregate nominal value of outstanding CPs shall not exceed RM150 million at any time; and
- (ii) the aggregate nominal value of outstanding MTNs shall not exceed RM300 million at any time;

provided always that the outstanding nominal value of the CPs and MTNs issued under the CP/MTN Programme should not exceed RM300 million.

The MTN 2005/2010 is unsecured, carries a coupon rate of 5.5% per annum payable semi-annually, and is repayable in full on 24 February 2010.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

15. TERM LOANS

	THE GROUP	
	31.3.2005 RM'000	31.12.2003 RM'000
Secured	96,367	48,015
Unsecured	102,600	22,800
	198,967	70,815
Payable within 1 year (Note 36)	25,296	1,906
Payable between 1 and 5 years	139,615	41,627
Payable after 5 years	34,056	27,282
Payable after 1 year (included in non-current liabilities)	173,671	68,909
	198,967	70,815
The currency exposure profile of term loans is as follows:-		
Indian Rupee	96,367	48,015
United States Dollar	102,600	22,800
	198,967	70,815

During the period, the interest rates for term loans denominated in United States Dollar ranged from 2.36% to 4.47% (Year ended 31.12.2003: 4.47%) per annum while the interest rates for the other term loans ranged from 7.25% to 9.00% (Year ended 31.12.2003: 9.75% to 13.00%) per annum. As at 31 March 2005, the effective interest rates for the term loans denominated in United States Dollar ranged from 2.36% to 4.47% (31.12.2003: 4.47%) per annum while the effective interest rate of the other term loans was 9.00% (31.12.2003: 9.75% to 13.00%) per annum.

The secured term loans are secured by fixed and floating charges over certain subsidiaries' property, plant and equipment (Note 21), concession assets (Note 22) and receivables.

16. HIRE PURCHASE AND LEASE CREDITORS

	THE GROUP	
	31.3.2005 RM'000	31.12.2003 RM'000
Minimum payments:-		
- payable within 1 year	629	204
- payable between 1 and 5 years	777	1,348
	1,406	1,552
Less: Future finance charges	(97)	(104)
Present value of liabilities	1,309	1,448
Present value of liabilities:-		
- payable within 1 year (Note 35)	567	204
- payable between 1 and 5 years (included in non-current liabilities)	742	1,244
	1,309	1,448

Hire purchase and lease liabilities are effectively secured as the rights to the leased assets revert to the financier in the event of default.

17. DEFERRED TAXATION

	THE GROUP		THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 RM'000
Deferred tax assets	12,442	14,068	2,499	2,867
Deferred tax liabilities	(24,299)	(4,956)	-	-
	(11,857)	9,112	2,499	2,867
At 1 January	9,112	(1,624)	2,867	358
(Charged)/credited to income statement (Note 6)				
- Property, plant and equipment	(3,484)	(1,279)	23	49
- Concession assets	3,602	-	-	-
- Post-employment benefit	66	404	160	(155)
- Intangible assets	(322)	(234)	-	-
- Inventories	419	(100)	368	-
- Tax losses	(161)	2,977	-	-
- Payables	(4,078)	3,187	(1,142)	577
- Development properties	1,505	4,765	-	-
- Foreseeable loss	155	-	-	-
- Finance lease receivables	(8,989)	-	-	-
- Others	1,354	1,699	223	2,038
	(9,933)	11,419	(368)	2,509
Acquisition of subsidiary (Note 39)	(11,012)	-	-	-
Dilution of interest in a subsidiary to an associate (Note 40(A))	-	(620)	-	-
Currency translation differences	(24)	(63)	-	-
At 31 March / 31 December	(11,857)	9,112	2,499	2,867

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

17. DEFERRED TAXATION (continued)

	THE GROUP		THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 RM'000
Subject to income tax				
Deferred tax assets (before offsetting)				
- Property, plant and equipment	2,572	1,271	-	-
- Concession assets	3,602	-	-	-
- Development properties	6,288	4,678	-	-
- Post-employment benefit	652	718	249	89
- Inventories	1,511	1,092	368	-
- Payables	5,203	8,477	1,956	3,098
- Tax losses	4,485	4,646	-	-
- Foreseeable loss	155	-	-	-
- Others	2,045	494	223	-
Offsetting	26,513 (14,071)	21,376 (7,308)	2,796 (297)	3,187 (320)
Deferred tax assets (after offsetting)	12,442	14,068	2,499	2,867
Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	(25,024)	(8,531)	(297)	(320)
- Development properties	(1,823)	(1,718)	-	-
- Intangible assets	(1,865)	(1,543)	-	-
- Finance lease receivables	(8,989)	-	-	-
- Others	(669)	(472)	-	-
Offsetting	(38,370) 14,071	(12,264) 7,308	(297) 297	(320) 320
Deferred tax liabilities (after offsetting)	(24,299)	(4,956)	-	-

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	
	31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 RM'000
Unutilised capital allowances	11,159	8,476	-	-
Tax losses	31,123	3,217	-	-
Deferred tax assets not recognised at 28%	11,839	3,274	-	-

18. TRADE PAYABLE

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

	THE GROUP	
	31.3.2005 RM'000	31.12.2003 RM'000
Total balance outstanding	8,072	12,000
Amount payable within 12 months (Note 35)	(2,072)	(6,000)
Amount payable after 12 months	6,000	6,000

19. RETIREMENT BENEFITS**(a) Defined contribution plan**

The Company and its subsidiaries in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

(b) 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 with sufficient regularity by a qualified actuary.

	THE GROUP		THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 RM'000
At 1 January	2,886	2,262	924	871
Charged to the income statement	2,922	3,203	543	642
Contributions and benefits paid	(3,220)	(2,579)	(576)	(589)
At 31 March / At 31 December	2,588	2,886	891	924

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

19. RETIREMENT BENEFITS (continued)

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

At 31 March / At 31 December

	THE GROUP		THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 RM'000
Present value of funded obligations	21,057	20,048	2,780	3,101
Fair value of plan assets	(19,962)	(15,576)	(2,294)	(2,234)
Status of funded plan	1,095	4,472	486	867
Unrecognised actuarial gains	3,142	813	447	119
Unrecognised transitional liability	(1,649)	(2,399)	(42)	(62)
Liability in the balance sheets	2,588	2,886	891	924

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

	THE GROUP		THE COMPANY	
	31.3.2005 %	31.12.2003 %	31.3.2005 %	31.12.2003 %
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	2,860	1,216	402	178

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

	THE GROUP		THE COMPANY	
	31.3.2005	31.12.2003	31.3.2005	31.12.2003
	RM'000	RM'000	RM'000	RM'000
Current service cost	1,592	1,592	426	533
Interest cost	1,275	1,206	197	187
Expected return on plan assets	(695)	(624)	(100)	(93)
Past service cost	-	430	-	-
Amortisation of transitional liability	750	599	20	15
Total defined benefit retirement plan	2,922	3,203	543	642
Defined contribution retirement plan	8,383	7,241	1,488	1,486
Total included in staff cost (Note 4)	11,305	10,444	2,031	2,128
The charges to the income statements were included in the following line items:-				
- cost of sales	4,152	5,308	724	960
- administrative expenses	7,153	5,136	1,307	1,168
Total included in staff cost (Note 4)	11,305	10,444	2,031	2,128

20. DEFERRED INCOME

	THE GROUP	
	31.3.2005	31.12.2003
	RM'000	RM'000
At cost:-		
Government Grants	69,962	27,423
Less: Amortisation during the period / year	(1,563)	-
	68,399	27,423

The Government Grants represent grants received from the Indian Government for certain toll road concessions awarded to the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

21. PROPERTY, PLANT AND EQUIPMENT

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

THE GROUP

	Land			
	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
Net book value				
At 1 January 2004	8,855	19,933	1,308	-
Acquisition of subsidiaries	30,177	42,009	-	7,690
Additions	4,254	651	-	1,843
Disposals	-	(9,002)	-	-
Written off	-	-	-	-
Transferred to concession assets (Note 22)	-	-	-	-
Depreciation charges for the period	-	(446)	-	(242)
Exchange differences arising from translation of assets of a foreign entity	-	-	-	-
Reclassifications	10,450	-	-	-
Transferred to property development cost (Note 29)	-	-	-	-
At 31 March 2005	53,736	53,145	1,308	9,291
At 31 March 2005				
Cost	53,736	55,998	-	10,542
Valuation	-	-	1,308	-
Accumulated depreciation	-	(2,853)	-	(1,251)
Net book value	53,736	53,145	1,308	9,291
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	-

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
36,145	660	91,329	3,638	88,582	250,450
27,836	-	56,204	417	9,108	173,441
15,226	-	40,043	2,330	1,382	65,729
(3,876)	-	(4,743)	(56)	-	(17,677)
-	-	(52)	(26)	-	(78)
-	-	-	-	(75,068)	(75,068)
(4,382)	(17)	(38,962)	(1,673)	-	(45,722)
34	-	610	21	-	665
-	-	6,066	-	(16,516)	-
-	-	-	-	(2,996)	(2,996)
70,983	643	150,495	4,651	4,492	348,744
95,216	-	439,715	15,650	4,492	675,349
-	660	-	-	-	1,968
(24,233)	(17)	(289,220)	(10,999)	-	(328,573)
70,983	643	150,495	4,651	4,492	348,744
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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

21. PROPERTY, PLANT AND EQUIPMENT (continued)

THE COMPANY

	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 2004	9,036	7,495	1,305	601	18,437
Additions	-	-	777	509	1,286
Disposals	(9,002)	(1,007)	(84)	(3)	(10,096)
Depreciation charges for the period	(34)	(180)	(311)	(382)	(907)
At 31 March 2005	-	6,308	1,687	725	8,720
At 31 March 2005					
Cost	-	7,034	8,330	3,402	18,766
Accumulated depreciation	-	(726)	(6,643)	(2,677)	(10,046)
Net book value	-	6,308	1,687	725	8,720
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

(a) Valuation

Property, plant and equipment include long term leasehold land and buildings of certain subsidiaries which were last revalued in 1982 and 1993 based on an open market value basis by a firm of independent professional valuers.

Had the revalued land and buildings been carried at cost less accumulated depreciation, the net book values would have been as follows:-

	THE GROUP	
	31.3.2005 RM'000	31.12.2003 RM'000
Long term leasehold land	408	415
Buildings	48	50
	456	465

(b) Assets acquired under finance lease agreements

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

	THE GROUP	
	31.3.2005 RM'000	31.12.2003 RM'000
Plant, machinery, equipment and vehicles	1,659	10,039

(c) During the financial period, interest expense of NIL (Year ended 31.12.2003: RM2,995,000) has been capitalised in capital work-in-progress.

(d) Net book values of assets pledged as security for term loans of certain subsidiaries (Note 15):-

	THE GROUP	
	31.3.2005 RM'000	31.12.2003 RM'000
Freehold land	159	-
Plant, machinery, equipment and vehicles	303	52
Office equipment, furniture & fittings & renovations	16	4
Capital work-in-progress	-	136
	478	192

22. CONCESSION ASSETS

	THE GROUP	
	31.3.2005 RM'000	31.12.2003 RM'000
At cost:-		
At 1 January	-	-
Transferred from property, plant and equipment (Note 21)	75,068	-
Additions during the financial period/year	87,963	-
At 31 March / At 31 December	163,031	-
Less : Accumulated amortisation		
At 1 January	-	-
Current amortisation	3,841	-
At 31 March / At 31 December	3,841	-
	159,190	-

The concession assets are pledged as security for term loan of certain subsidiaries (Note 15).

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

23. SUBSIDIARIES

	THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000
At cost:-		
Quoted shares:-		
- in Malaysia	267,647	-
Unquoted shares:-		
- in Malaysia	297,915	172,406
- outside Malaysia	5,401	5,363
	570,963	177,769
Less: Accumulated impairment losses	(6,071)	(173)
	564,892	177,596
Amount owing by a subsidiary (b)	87,271	83,183
	652,163	260,779
Market value of:-		
Quoted shares:-		
- in Malaysia	293,028	N/A

- (a) The Group's effective equity interest in the subsidiaries and their respective principal activities and countries of incorporation are set out in Note 48 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 period end of RM2,607,000 (31.12.2003: 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.

24. ASSOCIATES

	THE GROUP		THE COMPANY	
	31.3.2005	31.12.2003	31.3.2005	31.12.2003
	RM'000	RM'000	RM'000	RM'000
(a) Associates other than Grupo Concesionario del Oeste S.A. ("Grupo")	585,755	536,033	91,607	248,958
(b) Grupo	68,797	67,912	44,294	44,294
	654,552	603,945	135,901	293,252
(c) Amount owing by an associate	76,084	72,990	-	-
	730,636	676,935	135,901	293,252
Represented by:-				
Group's share of net assets	638,740	587,503		
Group's share of goodwill	(538)	206		
Goodwill on acquisition	16,350	16,236		
	654,552	603,945		
Market value of:-				
Quoted shares:-				
- in Malaysia	274,659	337,419	5,282	337,419
- outside Malaysia (Grupo)	13,919	12,343	13,919	12,343
	288,578	349,762	19,201	349,762

The Group's effective equity interest in the associates and their respective principal activities and countries of incorporation are set out in Note 48 to the financial statements.

	THE GROUP		THE COMPANY	
	31.3.2005	31.12.2003	31.3.2005	31.12.2003
	RM'000	RM'000	RM'000	RM'000
(a) Associates other than Grupo				
At cost:-				
Quoted shares:-				
- in Malaysia	153,683	182,880	17,219	182,880
Unquoted shares:-				
- in Malaysia	60,870	54,888	40,058	35,283
- outside Malaysia	163,433	103,378	2,800	1,765
	377,986	341,146	60,077	219,928
Unquoted Redeemable Convertible Unsecured Loan Stocks (RCULS)*	50,000	50,000	50,000	50,000
Share of post-acquisition retained profits	121,251	111,818	-	-
Share of post-acquisition reserves	61,721	61,721	-	-
	610,958	564,685	110,077	269,928
Less: Accumulated impairment losses	(25,203)	(28,652)	(18,470)	(20,970)
	585,755	536,033	91,607	248,958

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For the period ended 31 March 2005

(Continued)

24. ASSOCIATES (continued)

- * The RCULS were issued by an associate, IJM Plantations Berhad ("IJMP") and bear interest at 5% per annum from 2 July 2003 until the date of redemption or maturity, whichever is 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.

During the financial period, the Company disposed its 247,135,172 ordinary shares of RM0.50 each in IJMP with a cost of investment of RM136,397,000 to Styrobilt Sdn. Bhd. ("SSB"), a wholly-owned subsidiary, for a total consideration of RM299,034,000, satisfied by the issuance of 299,034 SSB Redeemable Preference Shares, issued at an issue price of RM1,000 per SSB Redeemable Preference Share. As this transaction represents the exchange of assets of a similar nature and value, the exchange is not a transaction which generates revenue and accordingly, the gain on disposal of IJMP shares to SSB is not recognised.

	THE GROUP		THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 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	26,503	25,618	-	-
Less: Accumulated impairment losses	(47,000)	(47,000)	(45,000)	(45,000)
	68,797	67,912	44,294	44,294

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 in the financial statements in the preceding financial year could result in the debts and guarantees granted being claimable if the banks notify Grupo of that non-compliance. However, during the financial period, Grupo has completed its renegotiation of the credit facilities contract with its creditor banks and there was no material financial impact on Grupo's financial results and financial position in the current financial period.

The renegotiation of the Concession Agreement with the Argentine Government has yet to be concluded and the impact of the outcome on the financial statements could only be determined when the renegotiation is concluded.

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

- (c) The amount owing by an associate is unsecured, interest free and is not repayable within the next 12 months.
- (d) Certain losses of associates of the Group are not recognised when they exceed the Group's cost of investment and advances as the Group has no further obligation beyond these amounts. The Group's share of such losses is as follows:-

	THE GROUP	
	31.3.2005 RM'000	31.12.2003 RM'000
Current period/year share of losses	-	(199)
Cumulative share of losses	(16,690)	(16,832)

25. JOINTLY CONTROLLED ENTITIES

	THE GROUP	
	31.3.2005 RM'000	31.12.2003 RM'000 Restated
Share of net assets of jointly controlled entities	22,384	12,045

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

	Group's effective interest in jointly controlled entities		Principal activity
	31.3.2005	31.12.2003	
Astaka Tegas Sdn Bhd	50%	-	Property development
Elegan Pesona Sdn Bhd	50%	-	Property development
Ambang Usaha Sdn Bhd	50%	-	Construction
IJM-Peremba Joint Venture	50%	-	Construction
LCL-IJMII International Interiors Private Limited	50%	-	Manufacturing custom-made furniture, interior design, advisory, consultancy and fit-out works for buildings, offices and homes
Dywidag-IJM Joint Venture	49%	49%	Dormant
IJM-IT&T Joint Venture	51%	51%	Dormant
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%	50%	Construction

(b) The Group's share of assets and liabilities of the jointly controlled entities is as follows:-

	THE GROUP	
	31.3.2005 RM'000	31.12.2003 RM'000
Non-current assets	300,363	5,716
Current assets	203,196	63,724
Non-current liabilities	(264,330)	-
Current liabilities	(216,845)	(57,395)
	22,384	12,045

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

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25. JOINTLY CONTROLLED ENTITIES (continued)

The Group's share of the revenue and expenses of the jointly controlled entities are as follows:-

	THE GROUP	
	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000
Revenue	157,887	94,314
Expenses excluding tax	(155,567)	(93,753)
Profit from ordinary activities before taxation	2,320	561
Taxation	(467)	(557)
Profit from ordinary activities after taxation	1,853	4

The Group's share of capital commitments in relation to interest in jointly controlled entities is NIL (31.12.2003: RM3,052,809).

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

26. LONG TERM INVESTMENTS

	THE GROUP		THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000 Restated	31.3.2005 RM'000	31.12.2003 RM'000
At cost:-				
Quoted shares:-				
- in Malaysia	64,781	48,911	56,332	48,911
- outside Malaysia	239	365	-	-
	65,020	49,276	56,332	48,911
Unquoted shares:-				
- in Malaysia	48,579	36,959	6,500	6,500
- outside Malaysia	264	265	260	260
	48,843	37,224	6,760	6,760
Quoted corporate bonds:-				
- in Malaysia	36,686	16,426	-	-
	150,549	102,926	63,092	55,671
Less: Allowance for diminution in value:-				
- quoted shares	(4,119)	(107)	-	-
- unquoted shares	(5,585)	(5,922)	(4,710)	(4,710)
- quoted corporate bonds	(816)	(676)	-	-
	(10,520)	(6,705)	(4,710)	(4,710)
	140,029	96,221	58,382	50,961

	THE GROUP		THE COMPANY	
	31.3.2005	31.12.2003	31.3.2005	31.12.2003
	RM'000	RM'000	RM'000	RM'000
		Restated		
Market value of:-				
Quoted shares:-				
- in Malaysia	60,874	50,088	56,544	50,088
- outside Malaysia	239	295	-	-
Quoted corporate bonds:-				
- in Malaysia	36,320	15,750	-	-
	97,433	66,133	56,544	50,088

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

	THE GROUP		THE COMPANY	
	31.3.2005	31.12.2003	31.3.2005	31.12.2003
	RM'000	RM'000	RM'000	RM'000
Australian Dollar	-	249	-	-
Indian Rupee	243	14	-	-
	243	263	-	-

27. LONG TERM RECEIVABLES

	THE GROUP	
	31.3.2005	31.12.2003
	RM'000	RM'000
Lease receivable (a)	60,476	-
Receivable for construction of the Kementerian Kerja Raya Office Blocks (b)	41,552	51,122
Less: Amount receivable within 12 months (included in trade receivables - Note 31)	(7,656)	(7,656)
	33,896	43,466
Amount receivable after 12 months	94,372	43,466

(a) Lease receivable

	THE GROUP
	RM'000
Lease receivable	238,806
Less: Unearned interest income	(178,330)
	60,476

The lease receivable, which is due after 5 years, arises from the finance lease arrangement entered into by a subsidiary to develop and construct a special purpose building pursuant to a 30-year-lease agreement with a third party. The construction of the special purpose building was completed in 2004.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

27. LONG TERM RECEIVABLES (continued)

- (b) 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 13(a) to the financial statements.

28. INTANGIBLE ASSETS

	THE GROUP	
	31.3.2005 RM'000	31.12.2003 RM'000 Restated
(a) Goodwill on consolidation	50,471	79
(b) Quarry development expenditure	6,927	5,456
(c) Premium paid on quarry rights	188	276
	57,586	5,811
(a) (i) Goodwill on consolidation		
At cost:-		
At 1 January	11,540	13,932
Arising from the acquisition of subsidiaries / additional equity interest in subsidiaries	53,921	688
Written off	-	(615)
Dilution of interest in a subsidiary to an associate (Note 40(A))	-	(2,465)
Disposal of subsidiary	(182)	-
At 31 March / At 31 December	65,279	11,540
Less: Accumulated amortisation		
At 1 January	(6,425)	(7,084)
Current amortisation	(311)	(561)
Dilution of interest in a subsidiary to an associate (Note 40(A))	-	1,220
Disposal of a subsidiary	85	-
At 31 March / At 31 December	(6,651)	(6,425)
	58,628	5,115

	THE GROUP	
	31.3.2005	31.12.2003
	RM'000	RM'000
(ii) Negative goodwill:-		
At 1 January	5,727	876
Arising from acquisition of additional shares in subsidiaries	3,271	4,851
At 31 March / At 31 December	8,998	5,727
Less: Accumulated amortisation		
At 1 January	(691)	(611)
Current amortisation	(150)	(80)
At 31 March / At 31 December	(841)	(691)
At 31 March / At 31 December	8,157	5,036
	50,471	79
(b) Quarry development expenditure		
At cost:-		
At 1 January	17,324	14,786
Additions	4,192	3,466
Written off	(96)	(928)
Quarry development expenditure fully amortised	(5,689)	-
At 31 March / At 31 December	15,731	17,324
Less: Accumulated amortisation		
At 1 January	(11,868)	(10,262)
Current amortisation	(2,625)	(2,478)
Written off	-	872
Quarry development expenditure fully amortised	5,689	-
At 31 March / At 31 December	(8,804)	(11,868)
	6,927	5,456
(c) Premium paid on quarry rights		
At cost:-		
At 31 March / At 31 December	364	364
Less: Accumulated amortisation		
At 1 January	(88)	(18)
Current amortisation	(88)	(70)
At 31 March / At 31 December	(176)	(88)
	188	276

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

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29. PROPERTY DEVELOPMENT

(a) Land held for property development

	THE GROUP		THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 RM'000
Freehold land, at cost	89,151	58,541	281	281
Leasehold land, at cost	50,237	8,588	-	-
Development cost	15,079	5,202	-	-
	154,467	72,331	281	281
At 1 January	72,331	29,288	281	281
Additions during the period/year	35,427	16,029	-	-
Transferred from property development costs (Note 29(b)):-				
Land cost	51,124	22,937	-	-
Development cost	9,877	4,322	-	-
	61,001	27,259	-	-
Disposals during the period/year	(14,292)	(245)	-	-
At 31 March / At 31 December	154,467	72,331	281	281

(b) Property development costs

	THE GROUP	
	31.3.2005 RM'000	31.12.2003 RM'000
At 1 January		
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
Cost incurred during the period/year		
- purchase of land	27,797	33,249
- development costs	326,362	129,834
	354,159	163,083
Disposal of land	-	(15,921)
Transferred to land held for property development (Note 29(a)):		
Land cost	(51,124)	(22,937)
Development cost	(9,877)	(4,322)
	(61,001)	(27,259)

	THE GROUP	
	31.3.2005	31.12.2003
	RM'000	RM'000
Costs charged to income statement	(305,845)	(110,616)
Completed units transferred to inventories	(8,691)	(3,861)
Exchange differences	926	5,341
Acquisition of subsidiary - land	21,751	-
Transferred from capital work-in-progress in property, plant and equipment (Note 21)	2,996	-
Land transferred to property, plant and equipment (Note 21)	(4,095)	-
At 31 March / At 31 December	332,692	332,492
At 31 March / At 31 December		
Freehold land - at cost	87,595	114,173
Freehold land - at valuation	7,169	6,794
Leasehold land - at cost	125,803	105,272
Development costs	722,374	410,657
Accumulated costs charged to income statement	(610,249)	(304,404)
	332,692	332,492

During the financial period, interest expense of RM303,000 (Year ended 31.12.2003: NIL) (Note 5) has been capitalised and included in cost incurred during the financial period/year.

30. INVENTORIES

	THE GROUP		THE COMPANY	
	31.3.2005	31.12.2003	31.3.2005	31.12.2003
	RM'000	RM'000	RM'000	RM'000
At cost:-				
Raw materials:-				
- Construction materials	5,921	1,293	28	665
- Other raw materials	36,222	523	-	-
Finished goods:-				
- Completed buildings	12,917	9,348	-	6,101
- Quarry and manufactured products	32,687	6,955	-	-
Stores, spares & consumables	3,394	1,742	-	-
Work-in-progress	1,051	135	-	-
	92,192	19,996	28	6,766
At net realisable value:-				
Finished goods:-				
- Completed buildings	8,080	9,734	4,786	-
	100,272	29,730	4,814	6,766

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

31. TRADE AND OTHER RECEIVABLES

	Note	THE GROUP		THE COMPANY	
		31.3.2005 RM'000	31.12.2003 RM'000 Restated	31.3.2005 RM'000	31.12.2003 RM'000
Trade receivables		792,247	506,794	83,712	78,959
Less: Allowance for doubtful debts		(29,997)	(21,337)	(12,908)	(11,692)
		762,250	485,457	70,804	67,267
Trade and tender deposits		1,155	1,032	940	1,032
Trade advances		27,587	26,570	27,587	26,570
Less: Allowance for doubtful debts		(5,010)	(3,654)	(5,010)	(3,654)
		22,577	22,916	22,577	22,916
Other debtors, deposits and prepayments		129,937	50,142	22,891	6,748
Less: Allowance for doubtful debts		(406)	(6,574)	-	-
		129,531	43,568	22,891	6,748
Amounts due from customers on construction contracts	38	10,131	11,912	11	-
Amounts owing by subsidiaries		-	-	596,777	399,705
Amounts owing by associates		101,380	108,762	64,044	86,166
Less: Allowance for doubtful debts		(7,015)	(7,414)	(4,013)	(4,412)
		94,365	101,348	60,031	81,754
Amounts owing by jointly controlled entities		120,831	95,384	30,396	31,625
Less: Allowance for doubtful debts		(9,000)	(9,000)	-	-
		111,831	86,384	30,396	31,625
		1,131,840	752,617	804,427	611,047

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

	THE GROUP		THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 RM'000
Ringgit Malaysia	977,051	639,561	778,329	585,417
Indian Rupee	61,773	67,763	26,098	25,630
Hongkong Dollar	-	16,571	-	-
Australian Dollar	37,246	9,307	-	-
United States Dollar	52,255	18,916	-	-
Pound Sterling	-	499	-	-
Chinese Renminbi	3,515	-	-	-
	1,131,840	752,617	804,427	611,047

Credit terms of trade receivables range from payment in advance to 90 days (Year ended 31.12.2003: from payment in advance to 90 days).

The amounts owing by subsidiaries and associates are unsecured, bear interest at rates ranging from 4.0% to 6.0% (Year ended 31.12.2003: 3.0% to 8.4%) per annum and have no fixed terms of repayment.

Included in trade receivables is the current portion of the amount due for construction of the Kementerian Kerja Raya Office Blocks (Note 27(b)) of RM7,656,000 (Year ended 31.12.2003: RM7,656,000).

32. SHORT TERM INVESTMENTS

	THE GROUP		THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000 Restated	31.3.2005 RM'000	31.12.2003 RM'000
At cost:-				
Quoted shares:-				
- in Malaysia	20,573	22,148	19,754	20,737
- outside Malaysia*	73,579	73,579	-	-
	94,152	95,727	19,754	20,737
Quoted warrants in Malaysia	6	55	2	2
Quoted debentures in Malaysia	218	218	218	218
	94,376	96,000	19,974	20,957
Less: Allowance for diminution in value of investments:-				
- Quoted shares	(9,449)	(4,667)	(9,449)	(4,504)
- Quoted warrants	-	(10)	-	-
	(9,449)	(4,677)	(9,449)	(4,504)
	84,927	91,323	10,525	16,453

* The short term investments quoted outside Malaysia represent the Group's investment in Guangdong Provincial Expressway Development Co. Ltd ("GPED").

	THE GROUP		THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000 Restated	31.3.2005 RM'000	31.12.2003 RM'000
Market value:-				
Quoted shares:-				
- in Malaysia	11,294	14,032	10,391	12,776
- outside Malaysia	109,371	109,753	-	-
	120,665	123,785	10,391	12,776
Quoted warrants in Malaysia	76	3,644	57	3,601
Quoted debentures in Malaysia	77	76	77	76
	120,818	127,505	10,525	16,453

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

	THE GROUP		THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 RM'000
Hongkong Dollar	73,579	73,579	-	-

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For the period ended 31 March 2005

(Continued)

33. DEPOSITS WITH LICENSED BANKS

	THE GROUP		THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 RM'000
Short term deposits with licensed banks	33,689	128,040	-	99,585
Fixed deposits with licensed banks	4,984	9,316	4,009	9,316
	38,673	137,356	4,009	108,901

Included in short term deposits with licensed banks are the deposits of a subsidiary amounting to RM18,019,000 (31.12.2003: RM22,935,000) 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 13(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	
	31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 RM'000
Ringgit Malaysia	37,605	132,836	4,009	108,901
Australian Dollar	194	4,520	-	-
United States Dollar	874	-	-	-
	38,673	137,356	4,009	108,901

During the period, the deposits with licensed banks bear interest at rates ranging from 1.50% to 4.50% (Year ended 31.12.2003: 2.15% to 4.29%) per annum. As at 31 March 2005, the effective interest rates for the deposits with licensed banks ranged from 1.50% to 4.50% (31.12.2003: 2.15% to 4.29%) per annum.

Deposits with licensed banks have a maturity ranging between 1 to 365 days (31.12.2003: 1 to 365 days).

34. CASH AND BANK BALANCES

Cash and bank balances include balances amounting to RM7,116,631 (31.12.2003: RM5,104,133) 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	
	31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 RM'000
Ringgit Malaysia	24,538	41,272	1,855	1,217
Indian Rupee	5,221	4,032	-	-
Hongkong Dollar	19	9	-	-
Singapore Dollar	164	431	164	431
Australian Dollar	230	755	-	-
United States Dollar	7,973	1,140	-	-
Chinese Renminbi	3,056	-	-	-
	41,201	47,639	2,019	1,648

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

35. TRADE AND OTHER PAYABLES

	Note	THE GROUP		THE COMPANY	
		31.3.2005 RM'000	31.12.2003 RM'000 Restated	31.3.2005 RM'000	31.12.2003 RM'000
Trade payables		459,747	387,896	30,340	46,675
Amounts due to customers on construction contracts	38	48,953	95,766	16,832	79,607
Progress billings in respect of property development		54,240	19,845	-	-
Amounts owing to subsidiaries		-	-	110,282	100,802
Amounts owing to associates		17,883	6,197	16,943	3,779
Amounts owing to jointly controlled entities		32,174	22,123	8,709	9,128
Hire purchase and lease creditors	16	567	204	-	-
Trade accruals		17,231	17,072	17,231	17,071
Other payables and accruals		84,817	65,679	7,404	18,865
Dividend payable		33,166	37	33,166	37
		748,778	614,819	240,907	275,964

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

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35. TRADE AND OTHER PAYABLES (continued)

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

	THE GROUP		THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 RM'000
Ringgit Malaysia	665,372	565,840	226,697	269,258
Indian Rupee	70,491	41,525	6,335	6,339
Hongkong Dollar	116	919	-	-
Singapore Dollar	8,348	452	7,875	367
Australian Dollar	729	5,603	-	-
United States Dollar	1,817	323	-	-
Pound Sterling	270	157	-	-
New Zealand Dollar	646	-	-	-
Euro	46	-	-	-
Chinese Renminbi	943	-	-	-
	748,778	614,819	240,907	275,964

Credit terms of trade and other payables range from payment in advance to 90 days (Year ended 31.12.2003: 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 4.0% to 6.0% (31.12.2003: 3.0% to 8.4%) per annum and have no fixed terms of repayment.

Included in trade payables is the current portion of the outstanding purchase consideration arising from acquisition of land for property development by a subsidiary of RM2,072,000 (31.12.2003: RM6,000,000).

36. INTEREST BEARING BANK BORROWINGS

	Note	THE GROUP		THE COMPANY	
		31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 RM'000
Secured:-					
Term loans	15	25,296	1,906	-	-
Unsecured:-					
Bankers' acceptances		66,706	36,075	15,988	35,075
Bills payables		7,562	-	-	-
Revolving credits		67,785	7,600	20,000	-
		142,053	43,675	35,988	35,075
		167,349	45,581	35,988	35,075

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

	THE GROUP		THE COMPANY	
	31.3.2005	31.12.2003	31.3.2005	31.12.2003
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	86,706	36,075	35,988	35,075
Indian Rupee	25,296	1,906	-	-
United States Dollar	55,347	7,600	-	-
	167,349	45,581	35,988	35,075

The bankers' acceptances and revolving credits are unsecured and bear interest at rates ranging from 2.33% to 4.92% (Year ended 31.12.2003: 2.4% to 3.05%) per annum during the period. As at 31 March 2005, the effective interest rates for the bankers' acceptances ranged from 2.86% to 3.05% (31.12.2003: 3.00% to 3.02%) per annum and the effective interest rates for the revolving credits ranged from 2.33% to 4.92% (31.12.2003: 2.41%) per annum.

37. BANK OVERDRAFTS

	THE GROUP		THE COMPANY	
	31.3.2005	31.12.2003	31.3.2005	31.12.2003
	RM'000	RM'000	RM'000	RM'000
Secured	21,846	7,228	-	-
Unsecured	3,504	1,975	174	-
	25,350	9,203	174	-

The secured bank overdraft is secured by fixed and floating charges over inventories (Note 30) and receivables (Note 31) of a subsidiary.

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

	THE GROUP		THE COMPANY	
	31.3.2005	31.12.2003	31.3.2005	31.12.2003
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	3,504	299	174	-
Indian Rupee	21,846	7,228	-	-
United States Dollar	-	1,676	-	-
	25,350	9,203	174	-

The bank overdrafts bear interest at rates ranging from 6.10% to 9.50% (Year ended 31.12.2003: 6.50% to 11.00%) per annum during the period. As at 31 March 2005, the effective interest rates ranged from 6.10% to 9.50% (31.12.2003: 6.50% to 11.00%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

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

	THE GROUP		THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 RM'000
Aggregate costs incurred to-date	3,539,301	2,621,673	690,440	600,142
Attributable profits less recognised losses	395,253	279,635	195,456	136,770
	3,934,554	2,901,308	885,896	736,912
Less: Progress billings on contracts	(3,973,376)	(2,985,162)	(902,717)	(816,519)
	(38,822)	(83,854)	(16,821)	(79,607)
Amounts due from customers on construction contracts (included in trade and other receivables - Note 31)	10,131	11,912	11	-
Amounts due to customers on construction contracts (included in trade and other payables - Note 35)	(48,953)	(95,766)	(16,832)	(79,607)
	(38,822)	(83,854)	(16,821)	(79,607)
Advances received on contracts (included in trade payables)	28,009	25,453	1,031	9,016
Retention sums on contracts (included in trade receivables)	47,614	39,418	1,549	3,430

During the period, depreciation charge amounting to RM1,925,000 (Year ended 31.12.2003: RM3,367,000) (Note 21) and interest expense of NIL (Year ended 31.12.2003: RM212,000) (Note 5) has been included in the aggregate costs incurred to-date.

39. ACQUISITION OF SUBSIDIARIES

(a) During the financial period, the Group/Company acquired the following new subsidiaries:-

(i) The Company acquired additional equity interests in Industrial Concrete Products Berhad ("ICP"), formerly a 20.1% associate, resulting in ICP becoming a subsidiary of the Company. The details of the acquisition are as follows:-

- On 12 May 2004, the Company acquired an additional 33,955,080 ordinary shares representing 32.4% equity interest in ICP, raising the Company's equity interest from 20.4% to 52.8%. Following that, on 10 June 2004, the Company made a mandatory general offer ("MGO") for the remaining ordinary shares in ICP not held by the Company. At the close of the MGO period, the Company secured acceptances for 23,776,000 ordinary shares in ICP, thereby raising the Company's equity interest in ICP to 73.8%.
- On 7 January 2005, the Company disposed 7,500,000 ordinary shares in ICP, reducing the Company's equity interest in ICP to 66.8%.
- On 18 January 2005, the Company disposed its entire equity in a wholly-owned subsidiary, Malaysian Rock Products Sdn. Bhd., to ICP for a sale consideration of RM110,000,000 satisfied by the issuance of 39,285,714 ordinary shares of RM1.00 each in ICP, increasing the Company's equity interest in ICP to 75.7%.
- On 29 March 2005, the Company disposed 6,200,000 ordinary shares in ICP, reducing the Company's equity interest in ICP to 71.5%. The Company's equity interest in ICP as at 31 March 2005 is 71.5%.

The effect of the acquisition on the financial results of the Group during the financial period is shown below. For ease of comparability, the Group's share of results of ICP during the period it was an associate, is also disclosed.

	15 months ended 31.3.2005 RM'000	Year ended 31.12.2003 RM'000
Operating revenue	279,760	-
Cost of sales	(200,208)	-
Gross profit	79,552	-
Other operating income	1,265	-
Administrative expenses	(45,213)	-
Operating profit before finance cost	35,604	-
Finance cost	(903)	-
Operating profit after finance cost	34,701	-
Share of results of associates	-	3,031
Profit from ordinary activities before taxation	34,701	3,031
Taxation		
Company and subsidiaries	(5,622)	722
Profit from ordinary activities after taxation	29,072	3,753
Minority interest	(8,874)	(2)
	20,205	3,751
Less: Group's share of profit had the Group not acquired the additional equity interest	(5,946)	-
Net profit for the period/year	14,259	3,751

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

39. ACQUISITION OF SUBSIDIARIES (continued)

The effect of the acquisition on the Group's financial position at the financial period end was as follows:-

	31.3.2005 RM'000
Non-current assets (including goodwill)	173,632
Non-current liabilities	(19,099)
Current assets	156,114
Current liabilities	(82,015)
Net assets	228,632
Minority interest	(4,645)
Group's share of net assets	223,987
Less:-	
- Amount accounted for as an associate	(46,394)
- Group's share of profit had the Group not acquired the additional equity interests	(5,946)
Increase in Group's net assets	171,647

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

	At date of acquisition RM'000
Non-current assets (including goodwill)	181,593
Non-current liabilities	(45,244)
Current assets	125,178
Current liabilities	(51,346)
Fair value of total net assets	210,181
Minority interest	(100,510)
Less: Amount accounted for as an associate	(46,394)
Fair value of net assets acquired	63,277
Goodwill	32,015
Cost of acquisition	95,292
Total purchase consideration	95,292
Cash and cash equivalents of subsidiaries acquired	365
Cash outflow on acquisition	95,657

- (ii) A wholly-owned subsidiary, IJM Properties Sdn Bhd, acquired 80% equity interest in Aqua Aspect Sdn Bhd by subscribing 8,000,000 new ordinary shares in Aqua Aspect Sdn Bhd for a total consideration of RM8,000,000. The effect of this acquisition on the financial results of the Group is insignificant while the net assets of the Group at the end of the financial period was increased by RM9,994,000. The cash outflow arising from the acquisition was RM1,755,000.

- (b) During the preceding 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 in the preceding financial year.

Details of net assets acquired, goodwill and cash flow arising from the acquisition in the preceding financial year were 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 / Cash outflow on acquisition	675

40. DISPOSAL OF/DILUTION OF INTEREST IN SUBSIDIARIES

- (A) 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 in the preceding financial year were 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 interest in Minat Teguh Sdn Bhd and the remaining 40% equity interest 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.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

40. DISPOSAL OF/DILUTION OF INTEREST IN SUBSIDIARIES (continued)

The listing of IJMP on the Main Board of the Bursa Malaysia Securities 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 in the preceding financial year is detailed below.

Details of net assets disposed and cash flow arising from the dilution were as follows:-

	At date of disposal RM'000
Cash and bank balances	11,102
Property, plant and equipment	526,754
Intangibles	1,245
Associates	24,963
Deferred tax	620
Deferred income	(2,296)
Inventories	16,729
Receivables	14,593
Amount owing by associates	7,784
Payables	(22,663)
Amount owing to holding company	(51,408)
Amount owing to associates	(37,394)
Borrowings	465
Hire purchase and leasing	(8,340)
Unquoted Redeemable Convertible Unsecured Loan Stocks	(50,000)
	432,154
Minority interest	(73,219)
Group's share of net assets	358,935
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)

The effect of the dilution on the financial results of the Group in the preceding financial year is as follows:-

	6 months ended 30.6.2003 RM'000
Operating revenue	75,450
Cost of sales	(50,695)
Gross profits	24,755
Other income	1,516
Expenses	(9,786)
Finance cost	(2,405)
Operating profit	14,080
Share of results of associates	1,766
Profit before taxation	15,846
Taxation	(4,587)
Profit after taxation	11,259
Minority interests	(1,686)
Net profit	9,573
Less: Group's share of profit attributable to investments retained as associates	(4,729)
	4,844

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

The effect of disposal on the financial position of the Group in the preceding financial year was 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	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 had no significant effect on the financial results of the Group in the preceding financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

41. NON-CASH TRANSACTIONS

- (a) There are no significant non-cash transactions during the financial period.
- (b) The principal non-cash transactions during the preceding financial year were transactions implemented as part of the listing exercise of IJM Plantations Berhad ("IJMP") on the Main Board of the Bursa Malaysia Securities Berhad, as detailed in Note 40(A).
- (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 the Company's cash flow statements comprise the following:-

	THE GROUP		THE COMPANY	
	31.3.2005 RM'000	31.12.2003 RM'000	31.3.2005 RM'000	31.12.2003 RM'000
Deposits with licensed banks (Note 33)	38,673	137,356	4,009	108,901
Cash and bank balances (Note 34)	41,201	47,639	2,019	1,648
Bank overdrafts (Note 37)				
- Secured	(21,846)	(7,228)	-	-
- Unsecured	(3,504)	(1,975)	(174)	-
	(25,350)	(9,203)	(174)	-
Less:	54,524	175,792	5,854	110,549
Restricted deposits with licensed banks (Note 33)	(18,019)	(22,935)	-	-
	36,505	152,857	5,854	110,549

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.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

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

Quoted market prices, when available, are used as a measure of fair values. However, for a significant portion of the Group's and of the Company's financial instruments, quoted market prices do not exist. For such financial instruments, fair values presented are estimates derived using the 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 March 2005, the settlement dates on open forward contracts ranged between 3 - 6 months (Year ended 31.12.2003: NIL). The foreign currency amounts to be received and contractual exchange rates of the Group's outstanding contracts as at 31 March 2005, for the purpose of certain business ventures in India, are as follows:-

Duration	Currency to be received	Amount in foreign currency to be paid USD'000	Contractual rate	RM'000 Equivalents	Unrecognised gain RM'000
28.3.05 – 28.6.05	Indian Rupees	3,000	43.800	11,425	-
28.3.05 – 27.9.05	Indian Rupees	7,000	44.050	26,811	-
28.3.05 – 27.9.05	Indian Rupees	10,000	44.105	38,349	-
31.3.05 – 3.10.05	Indian Rupees	5,000	44.000	19,129	-

Any difference arising from the movement in the currencies of the above forward contracts would be deferred until the related receipts or payments. However if such receipts or payments do not occur, the difference at the maturity of these contracts would be recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

43. FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES (continued)

(b) On balance sheet financial instruments

Except as stated below, the carrying values of other financial assets and financial liabilities of the Group and of the Company at the balance sheet date approximated their fair values.

		THE GROUP		THE COMPANY	
		Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
Note					
<u>Financial Assets</u>					
As at 31 March 2005					
(i)	Long term investments	26			
	- Quoted shares		60,901	61,113	56,332
	- Quoted corporate bonds		35,870	36,320	-
	- Unquoted shares		43,258	Note (aa)	2,050
			140,029	58,382	
(ii)	Short term investments	32			
	- Quoted shares		84,703	120,665	10,305
	- Quoted debentures		218	77	218
	- Quoted warrants		6	76	2
			84,927	10,525	
(iii)	Long term receivables	27			
	- Receivables for construction of the Kementerian Kerja Raya Office Block		41,552	47,710	-
					-
As at 31 December 2003					
(i)	Long term investments	26			
	- Quoted shares		49,169	50,383	48,911
	- Quoted corporate bonds		15,750	15,750	-
	- Unquoted shares		31,302	Note (aa)	2,050
			96,221	50,961	
(ii)	Short term investments	32			
	- Quoted shares		91,060	123,785	16,233
	- Quoted debentures		218	76	218
	- Quoted warrants		45	3,644	2
			91,323	16,453	
(iii)	Long term receivables	27			
	- Receivables for construction of the Kementerian Kerja Raya Office Block		43,466	53,303	-
					-

- (aa) It is not practicable to estimate the fair value of the Group's unquoted investments because of the lack of reference market prices and the inability to estimate fair value without incurring excessive costs. However, the Directors believe that the carrying values represent the recoverable amounts.

		THE GROUP		THE COMPANY		
		Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000	
		Note				
<u>Financial liabilities</u>						
As at 31 March 2005						
(i)	Bonds	13	97,781	103,427	-	-
(ii)	Trade payable (Non-current)	18	6,000	4,577	-	-
As at 31 December 2003						
(i)	Bonds	13	247,164	259,301	150,000	147,212
(ii)	Trade payable (Non-current)	18	6,000	3,998	-	-

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 27 April 2004 for Recurrent Related Party Transactions with the following related parties:-

- (i) Tronoh Consolidated Malaysia Berhad (formerly known as Tronoh Mines Malaysia Berhad) ("TMMB") and its subsidiaries ("TMMB Group")
- (ii) MMC Corporation Berhad (formerly known as Malaysia Mining Corporation Berhad) ("MMC") and its subsidiaries ("MMC Group")
- (iii) Industrial Concrete Products Berhad ("ICP") and its subsidiaries ("ICP Group")
- (iv) IJM Management Services-Giat Bernas Joint Venture ("IJMGBJV")
- (v) Minconsult Sdn Bhd ("MSB")
- (vi) IJM Plantations Berhad ("IJMP") and its subsidiaries ("IJMP Group")

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

44. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

The Group (Continued)

- (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.

	31.3.2005 RM'000	31.12.2003 RM'000
(aa) Associates:-		
(i) Sales / progress billings in respect of:-		
<u>Construction contract</u>		
- Worldwide Ventures Sdn Bhd	1,864	1,050
- Swarna Tollway Pte Ltd	6,319	50,484
<u>Quarry products</u>		
- ICP Group (as associate up to 12 May 2004)	-	1,631
(ii) Purchases in respect of:-		
<u>Building materials</u>		
- ICP Group (as associate up to 12 May 2004)	8,293	8,406
<u>Agricultural fertilisers and chemicals</u>		
- Loongsyn Sdn Bhd	-	4,143
(iii) Interest charged to:-		
- Worldwide Ventures Sdn Bhd	5,442	4,552
- IJM Plantations Berhad	-	2,793
(iv) Advances / repayments to:-		
- OSW Properties Pty Ltd	40,972	4,275
- Reliance - OSW Investment Trust	849	11,955
- Worldwide Ventures Sdn Bhd	3,546	5,755
- MASSCORP - Chile Sdn Bhd	1,639	-
- Emas Utilities Corporation Sdn Bhd	-	3,441
(v) Advances / repayments from:-		
- Quay Link Enterprises	-	18,859
- Gautami Power Limited	2,407	7,049
- JWS Projects Sdn Bhd	-	2,561
- MASSCORP - Chile Sdn Bhd	3,216	-
- Emas Utilities Corporation Sdn Bhd	2,972	-
- CIDB Inventures Sdn Bhd	10,924	-
- Worldwide Ventures Sdn Bhd	16,709	-
- OSW Properties Pty Ltd	-	9,325
- IJM Plantations Berhad	2,624	37,693
(vi) Interest on RCULS received/receivable from:-		
- IJM Plantations Berhad	3,132	1,250

	31.3.2005 RM'000	31.12.2003 RM'000
(bb) Jointly controlled entities:-		
(i) Progress billings in respect of construction contract by:-		
- IJM Construction - Perkasa Sutera Joint Venture	33,068	14,051
(ii) Sales and marketing fees charged to:-		
- IJM Properties - Danau Lumayan Joint Venture	9	1,112
(iii) Interests charged to:-		
- IJM Properties - JA Manan Joint Venture	1,208	-
(iv) Advances to:-		
- IJM-SCL Joint Venture	241	3,435
- IJM-Gayatri Joint Venture	12,559	20,180
(v) Repayment / advances from:-		
- IJM-SCL Joint Venture	206	5,479
- IJM-Gayatri Joint Venture	16,001	20,180
(cc) IJM Retirement Scheme:-		
- contribution to the Scheme	3,221	2,579
(dd) Professional fees paid to companies in which Directors of the Company have interests, which are based on commercial terms and conditions mutually agreed by the parties, are as follows:-		
(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	376	1,769
(ee) Progress billings to companies in which Dato' Ismail bin Yusof, a brother of Dato' Abdullah bin Mohd Yusof who is a Director of the Company, has interests:-		
(i) Totalap Sdn Bhd	14,432	-
(ii) Tuah Mentari Sdn Bhd	1,745	-
(ff) Progress billings in relation to a construction contract to a company in which Dato' Ismail bin Yusof, a brother of Dato' Abdullah bin Mohd Yusof who is a Director of the Company, is a director:-		
(i) Senai Airport Terminal Services Sdn Bhd	4,395	-
(gg) Progress billings in relation to a construction contract to an entity in which Dato' Ismail bin Yusof, a brother of Dato' Abdullah bin Mohd Yusof who is a Director of the Company, and Tan Sri Dato' Syed Mokhtar Shah bin Syed Nor, are directors:-		
(i) Yayasan Albhukhary	4,709	9,421

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44. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

The Group (Continued)

Tan Sri Dato' Syed Mokhtar Shah bin Syed Nor who, by virtue of his interest in Seaport Terminal (Johore) Sdn Bhd, is deemed a substantial shareholder of MMC Corporation Berhad (formerly known as Malaysia Mining Corporation Berhad), a substantial shareholder of Tronoh Consolidated Malaysia Berhad (formerly known as Tronoh Mines Malaysia Berhad), which is in turn a substantial shareholder of the Company.

(b) Significant outstanding balances arising from the non-trade transactions during the financial period:-

<u>Related party</u>	<u>Type of transaction</u>	31.3.2005 RM'000	31.12.2003 RM'000
Receivables:-			
- OSW Properties Pty Ltd	Advances	31,869	-
- Reliance - OSW Investment Trust	Advances	849	11,955
- Worldwide Ventures Sdn Bhd	Advances	16,709	5,755
- IJM-SCL Joint Venture	Advances	241	3,435
- IJM-Gayatri Joint Venture	Advances	12,559	20,180
Payables:-			
- Emas Utilities Corporation Sdn Bhd	Advances	2,885	-

45. CAPITAL COMMITMENTS

	THE GROUP	
	31.3.2005 RM'000	31.12.2003 RM'000
Approved and contracted for	59,073	22,437
Approved but not contracted for	466	-
	59,539	22,437
Analysed as follows:-		
Purchases of property, plant and equipment	7,807	-
Development land	16,205	22,437
Investment in associates	35,527	-
	59,539	22,437

46. CONTINGENT LIABILITIES (UNSECURED)

	THE GROUP		THE COMPANY	
	31.3.2005	31.12.2003	31.3.2005	31.12.2003
	RM'000	RM'000	RM'000	RM'000
Bank borrowings of subsidiaries guaranteed by the Company	-	-	108,680	24,725
Bank borrowings of associates guaranteed by the Company/Group	142,239	90,613	104,239	90,613
Share certificates pledged for term loan facility granted to an associate	48,864	-	48,864	-
	191,103	90,613	261,783	115,338

47. COMPARATIVES

During the financial period:-

- Negative goodwill has been reclassified from capital reserves in the same balance sheet classification as goodwill.
- A subsidiary's investment in quoted debentures in Malaysia has been reclassified from short term investments to long term investments as it is the intention of the Directors to hold the investments in the quoted debentures in Malaysia until their respective maturity dates.
- The share of net assets of jointly controlled entities has been reclassified from amount owing by jointly controlled entities under trade and other receivables and amount owing to jointly controlled entities under trade and other payables to jointly controlled entities under non-current assets.
- The cash paid for purchase of land held for property development has been reclassified from cash flow from operating activities to cash flow from investing activities to reflect the long term nature of the land acquired.
- The cash received from government grant was reclassified from cash flow from operating activities to cash flow from investing activities in line with the classification of concession assets for which the government grant was obtained.

For comparative purposes, the balances as at 31 December 2003 have been reclassified in the current financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

47. COMPARATIVES (continued)

The effect of the reclassifications on the Group's and of the Company's financial statements as at 31 December 2003 are as follows:-

Group	Note	As previously reported RM'000	Effects of reclassification RM'000	As restated RM'000
<u>As at 31 December 2003</u>				
(i) CONSOLIDATED BALANCE SHEET				
CAPITAL AND RESERVES				
Capital reserves	11	(61,451)	5,036	(56,415)
NON-CURRENT ASSETS				
Jointly controlled entities	25	-	12,045	12,045
Long term investments	26	80,471	15,750	96,221
Intangible assets	28	10,847	(5,036)	5,811
CURRENT ASSETS				
Trade and other receivables	31	760,762	(8,145)	752,617
Short term investments	32	107,073	(15,750)	91,323
CURRENT LIABILITIES				
Trade and other payable	35	(610,834)	(3,985)	(614,819)
(ii) CONSOLIDATED CASH FLOW STATEMENT				
OPERATING ACTIVITIES				
Receipts from customers		1,349,831	(27,423)	1,322,408
Payment to contractors, suppliers and employees		(1,148,845)	16,029	(1,132,816)
INVESTING ACTIVITIES				
Purchase of development land held for property development		-	(16,029)	(16,029)
Government grant received		-	27,423	27,423

48. LIST OF SUBSIDIARIES AND ASSOCIATES*as at 31 March 2005*

Name	Country of incorporation	Effective equity interest		Principal activities
		31.3.2005 %	31.12.2003 %	
<u>SUBSIDIARIES</u>				
Held by the Company				
GR Commerce Sdn Bhd	Malaysia	100	72	Trading of building materials and insurance agent services
Industrial Concrete Products Berhad *	Malaysia	72	21	Manufacture of precast concrete products
IJM Construction Sdn Bhd	Malaysia	100	100	Civil and building construction and investment holding
IJM Properties Sdn Bhd	Malaysia	100	100	Property development and investment holding
IJM Argentina Sociedad Anomina *	Argentina	100	100	Investment holding
IJM Australia Pty Limited #	Australia	80	80	Engineering and construction consultancy and property development
IJM Investments (M) Limited #	Republic of Mauritius	100	100	Investment holding
IJM International (BVI) Pty Ltd *	British Virgin Islands	100	100	Investment holding
IJM International Limited #	Hong Kong	100	100	Investment holding
IJM Investments (L) Ltd *	Federal Territory of Labuan	100	100	Investment holding
IJM Overseas Ventures Sdn Bhd	Malaysia	100	100	Investment holding
Kamad Quarry Sdn Bhd	Malaysia	100	100	Quarrying, manufacture and sale of premix products and road pavement construction
Kemena Industries Sdn Bhd * @@	Malaysia	55	55	Manufacture of ready-mixed concrete and reinforced concrete products
Nilai Cipta Sdn Bhd *	Malaysia	70	70	Office complex concession holder
Styrobilt Sdn Bhd	Malaysia	100	100	Investment holding
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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

48. LIST OF SUBSIDIARIES AND ASSOCIATES (continued)

as at 31 March 2005

Name	Country of incorporation	Effective equity interest		Principal activities
		31.3.2005 %	31.12.2003 %	
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	80	80	Piling, engineering and other construction works
Held by IJM Properties Sdn Bhd				
Aqua Aspect Sdn Bhd	Malaysia	80	-	Property development
BDA-Kidurong Development Sdn Bhd *	Malaysia	-	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
Jelutong Development Sdn Bhd^^	Malaysia	80	80	Civil construction and 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
Manda'rina Sdn Bhd (formerly known as Xylocorp (M) Sdn Bhd)	Malaysia	100	100	Property development
Held by Industrial Concrete Products Berhad				
Arca Permata (M) Sdn Bhd	Malaysia	72	21	Investment holding
Cosmic Centre Sdn Bhd	Malaysia	72	21	Dormant
Concrete Mould Engineering Sdn Bhd	Malaysia	47	-	Engineering works and mould making
Durabon Sdn Bhd	Malaysia	72	21	Processing of steel bars
Glamour Development Sdn Bhd	Malaysia	72	21	Dormant
Expedient Resources Sdn Bhd	Malaysia	52	15	Manufacture of rubber underlays and other rubber products
ICP Investment (L) Limited	Malaysia	72	-	Dormant
ICP Jiangmen Co. Ltd	People's Republic of China	53	-	Dormant

Name	Country of incorporation	Effective equity interest		Principal activities
		31.3.2005 %	31.12.2003 %	
ICP Marketing Sdn Bhd	Malaysia	72	21	Trading of pretensioned spun concrete piles, building materials and plant and machinery and investment holding
Malaysian Rock Products Sdn Bhd^^	Malaysia	72	100	Quarrying, sale of rock products and investment holding
Ubon Steel Sdn Bhd	Malaysia	72	21	Marketing of steel bars
Held by Expedient Resources Sdn Bhd				
Tadmansori Rubber Industries Sdn Bhd	Malaysia	52	15	Trading of rubber products
Held by Malaysian Rock Products Sdn Bhd				
Aggregate Marketing Sdn Bhd	Malaysia	72	100	Sale of rock products
Azam Ekuiti Sdn Bhd	Malaysia	72	100	Quarry owner
Bohayan Industries Sdn Bhd	Malaysia	51	70	Dormant
Damansara Rock Products Sdn Bhd	Malaysia	72	100	Quarrying, road pavement construction, manufacture and sale of premix products
Global Rock Marketing Sdn Bhd	Malaysia	72	100	Sale of rock products
Kuang Rock Products Sdn Bhd	Malaysia	72	100	Quarrying and sale of rock products
Oriental Empire Sdn Bhd	Malaysia	72	100	Quarry owner
Scaffold Master Sdn Bhd	Malaysia	72	100	Sale and rental of steel scaffolding
Strong Mixed Concrete Sdn Bhd	Malaysia	72	100	Production and supply of ready-mixed concrete
Warga Sepakat Sdn Bhd	Malaysia	72	100	Leaseholder of quarry land
Held by IJM Investments (M) Limited				
IEMCEE Infra (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJMII (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Rewa (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
Held by IJMII (Mauritius) Limited				
IJM (India) Infrastructure Limited *	India	97	95	Construction
Held by IJM Rewa (Mauritius) Limited				
Rewa Tollway Private Limited #	India	100	100	Infrastructure development

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2005

(Continued)

48. LIST OF SUBSIDIARIES AND ASSOCIATES (continued)

as at 31 March 2005

Name	Country of incorporation	Effective equity interest		Principal activities
		31.3.2005 %	31.12.2003 %	
Held by IJM (India) Infrastructure Limited				
Swarnandhra-IJMII Integrated Township Development Company Private Limited #	India	50	49	Property development
IJM Concrete Products Private Limited	India	97	-	Supply of ready mixed concrete
Swarnandhra Road Care Private Limited	India	97	-	Road maintenance
Jaipur-Mahua Tollway Private Limited	India	97	-	Highway development
Roadstar (India) Infrastructure Private Limited	India	97	-	Development of infrastructure projects and construction & operation of toll gates
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
<u>ASSOCIATES</u>				
Held by the Company				
CIDB Inventures Sdn Bhd	Malaysia	34	34	Infrastructure investment
Cofreth (M) Sdn Bhd *	Malaysia	25	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	20	Construction, renovation, repair, conservation and operation of Acceso Oeste highway
IJM-Yorkville (BVI) Pty Ltd *	British Virgin Islands	50	50	Special purpose vehicle for financing
IJM Construction (Middle East) Limited Liability Company	Dubai, United Arab Emirates	49	-	Construction

Name	Country of incorporation	Effective equity interest		Principal activities
		31.3.2005 %	31.12.2003 %	
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	32	32	Investment holding
Precast Property Sdn Bhd *	Malaysia	50	50	Dormant
Precast Technology Sdn Bhd *	Malaysia	50	50	Dormant
Sin Kean Boon Group Berhad *	Malaysia	20	20	Manufacture of roller shutters and aluminium extrusions and investment holding
Spirolite (M) Sdn Bhd *	Malaysia	38	38	Manufacture of straight extruded pipes and "spiral" pipes, tubes, tanks and containers
Held by IJM Australia Pty Limited				
Quay Link Enterprises Pty Limited #	Australia	40	40	Property development
Held by Torsco Berhad				
IMPSA (Malaysia) Sdn Bhd	Malaysia	40	-	Manufacture and marketing of hydropower generation equipments, cranes and, heavy duty pressure vessels
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

For the period ended 31 March 2005

(Continued)

48. LIST OF SUBSIDIARIES AND ASSOCIATES (continued)

as at 31 March 2005

Name	Country of incorporation	Effective equity interest		Principal activities
		31.3.2005 %	31.12.2003 %	
Held by IJM International Limited				
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	20	36	Power generation
Held by IJMII (Mauritius) Limited				
Swarna Tollway Pte Ltd *	India	35	35	Infrastructure development
Pacific Alliance-Stradec Group Infrastructure Company LLC	Republic of Mauritius	48	-	Project management, investment holding and supply of toll equipments.
Held by IJM Overseas Ventures Sdn Bhd				
Earning Edge Sdn Bhd	Malaysia	22	22	Property development
MASSCORP-Namibia Sdn Bhd	Malaysia	40	40	Investment holding
Held by IJM Properties Sdn Bhd				
Ever Mark (M) Sdn Bhd	Malaysia	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	29	40	In members' voluntary liquidation
DML-MRP Resources (M) Sdn Bhd	Malaysia	36	50	Dormant
Pulai Maju Sdn Bhd	Malaysia	-	50	Leaseholder of quarry land
Held by Styrobilt Sdn Bhd				
IJM Plantations Berhad * ^^	Malaysia	49	49	Cultivation of oil palm and investment holding

Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers, Malaysia

* Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers, Malaysia

^^ Held by the Company on 31.12.2003

@@ Held by Malaysian Rock Products Sdn Bhd on 31.12.2003

STATUTORY DECLARATION

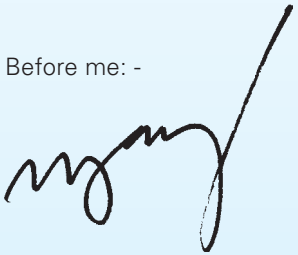
I, Loy Boon Chen, being the officer primarily responsible for the financial management of IJM Corporation Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements set out on pages 92 to 174 are correct and I make this solemn declaration conscientiously 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 18 May, 2005.



LOY BOON CHEN

Before me: -



G. VIJAYAN BASKARAN PPN
Commissioner for Oaths
Petaling Jaya

REPORT OF THE AUDITORS TO THE MEMBERS



Report of the auditors to the members of IJM Corporation Berhad

Company No: 104131-A

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

We have audited the financial statements set out on pages 92 to 174. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purposes. We do not assume responsibility to any other person for the content of this report.

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 MASB 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 of the Company as at 31 March 2005 and of the results and cash flows of the Group and of the Company for the financial period 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 48 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
18 May 2005

Eric Ooi Lip Aun
(1517/06/06(J))
Partner

LIST OF PROPERTIES

as at 31 March 2005

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 March 2005 RM'000
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PROPERTY, PLANT & EQUIPMENT

JOHOR

Unit No.13-A, Unit 08 Level 5, Unit 02 Level 6, City Plaza, Jalan Tebrau 80250 Johor Bahru	Commercial	0.135	Freehold	Office space	-	5	A:2000	4,753
Lot 1704 & 1705, City Plaza, Jalan Tebrau 80250 Johor Bahru	Commercial	0.048	Freehold	Office space	-	9	A:1996	1,466
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.)	-	8	A:1996	2,118
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	-	6	A:1999	221
E-2-6, 3-2, 3-5 Block Mawar, Anjung Seri Condominium Jalan Persiaran Seri Alam 81750 Masai	Condominium	0.027	Freehold	Residential (Vacant)	-	6	A:1999	469

LIST OF PROPERTIES

as at 31 March 2005

(Continued)

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revaluation (R) / Acquisition (A)	Net Book Valueas at 31 March 2005 RM'000
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NEGERI SEMBILAN

Lot No. M45 Unit M45-2A & 2B Block 6 Seremban	Land & building	0.013	Freehold	Vacant	-	5	A:1999	123
H.S. (D) 77335, P.T. 6322 Mukim Labu, Daerah Seremban	Industrial land	14.164	Leasehold	Quarrying	2053	-	A:1993	1,055
H.S. (D) 75235, P.T. 6054 Mukim Labu, Daerah Seremban	Industrial land	16.997	Leasehold	Quarrying	2053	-	A:1993	3,055
H.S. (D) 151681, P.T. 23506 Mukim Labu, Daerah Seremban	Industrial land	4.047	Leasehold	Quarrying	2063	-	A:2003	640

PENANG

9-0-5, Taman Seri Damai, Lebuhraya Batu Lancang, 11600	Residential	0.01	Leasehold	Office & staff quarters	2088	16	A:1989	90
Parcel No. M/0/05/20 & M/0/05/21, Pusat Perdagangan Tanjung	Office	0.05	Leasehold	Office (548 sq.m.)	2089	9	A:1994	637
PT 35, No HS (D) 11743, Seksyen 4, Daerah Timur Laut, Bandar Jelutong	Industrial land	6.423	Freehold	Vacant; for future development	-	-	A:2001	14,545
9th Floor, Wisma Penang Garden, 42, Jalan Sultan Ahmad Shah, 10050	Office	0.082	Freehold	Office (8,833sq. ft.)	-	12	A:2004	1,865

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revaluation (R) / Acquisition (A)	Net Book Values at 31 March 2005 RM'000
PERAK								
Lot 11004, 4-3/4 Miles, Jalan Lahat, Mukim Ulu Kinta	Industrial land & building	2.718	Leasehold	Plant 1, Office building & workshop (8,757 sq.m.)	2053	26	R:1981	1,534
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	11	R:1993	3,523
Lot 11, Mukim Lumut, Daerah Manjung	Industrial land & building	2.497	Leasehold	Plant 2B, Workshop (3,600 sq.m.)	2094	5	A:1995	3,475
				Plant 2E (1,800 sq.m.)	2094	3	A:2002	1,066
Lot D-2, Mukim Lumut, Daerah Manjung	Industrial land & building	5.075	Leasehold	Plant 3, Office building, workshop & jetty (4,480 sq.m.)	2093	4	A:1996	10,938
SARAWAK								
Lot 1176 Block 32, Kemena Crossing, Bintulu	Industrial land & building	3.710	Leasehold	Office & workshop (1,734 sq. m.)	2050	18	A:1987	1,658
Lot 2945, Block 32 Kemena Land District Bintulu	Industrial land & building	2.676	Title yet to be issued	Vacant for future development	-	9	A:1996	903
Lot 1402, Block 31, Kemena Land District Jalan Tanjung Batu 97000 Bintulu	Commercial land & building	0.016	Leasehold	Shop-office (154 sq.m.)	2048	15	A:1996	248
Lot 3822, Block 31, Kemena Land District Jalan Tanjung Batu 97000 Bintulu	Building	0.003	Leasehold	Residential (333 sq.m.)	2056	9	A:1995	157

LIST OF PROPERTIES

as at 31 March 2005

(Continued)

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revaluation (R) / Acquisition (A)	Net Book Values at 31 March 2005 RM'000
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	27,569
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	10	A:1996	644
21D Jalan BRP 6/10, Seksyen U20, Bukit Rahman Putra, 47000 Sungai Buluh	Building	0.018	Freehold	Kuang Rock Products Shop-office (181 sq.m.)	-	5	A:2004	156
Workshop 3.5KM, Jalan Kampung Jawa Klang	Workshop	0.020	Leasehold	Workshop	-	4	A:2000	21
EMR 5364, Lot 2775 District of Klang	Workshop	0.037	Rented	For repair & maintenance of steel scaffolding	-	5	A:1999	46
Lot No. 197, Mukim Rawang, Daerah Gombak, Kundang Industrial Park	Industrial land	0.185	Freehold	Vacant; for future development	-	-	A:2000	459
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	-	4	A:2001	2,884
Lot No 52177, Mukim Batu Daerah Gombak, KM 15 Jalan Rawang	Land & Building	0.013	Leasehold	Store	2089	12	A:1992	105

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 March 2005 RM'000
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WILAYAH PERSEKUTUAN KUALA LUMPUR

Part of Lot 2787 & 2789 (original lot), Lot 25547-25560, 25778-25929, 26003-26039, 26078-26120, Part of Lot 26311-26313, 26314, Part of Lot 26315-26317, 26318-26321, Part of Lot 26322, 26328-26341 (new lot), Mukim Petaling	Residential & commercial	0.391	Leasehold	Sales office	2078	1	A:2003	831
Unit No. K2/01/05 & K1/02/01 (23-1 & 1-2, Desa Seri Puteri, Jalan 2/125G, 57100)	Commercial	0.034	Leasehold	Commercial office	2093	2	A:2002	291
Unit No. K1/02/04, Desa Seri Puteri, Jalan 2/125G, 57100	Commercial	0.015	Leasehold	Commercial office	2093	3	A:2003	172
B7-6 Puncak Prima Condo Sri Hartamas	Condominium	0.009	Freehold	Residential	-	7	A:2001	324
Golden City Condominium No. 19-05, 19th Floor Jalan Ipoh, 51200	Condominium	0.010	Freehold	Residential	-	9	A:1995	187

LIST OF PROPERTIES

as at 31 March 2005

(Continued)

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 March 2005 RM'000
INDIA								
Village & Post Bodhanam, Chillakur Mandal, Kadivedu Sub-post, Nellore District, Andhra Pradesh 524410	Commercial land & building	19.18	Freehold	For installing plants, quarrying & office	-	-	A:2002	1,050
Plot No-21, S.V. Cooperative Industrial Estate, Quthbullapur Mandal, Bachupally Revenue Village, R.R. District Hyderabad 500062	Industrial land & building	1.06	Freehold	For setting up concrete plant	-	-	A:2004	1,132
Survey No. 1009/1 (1 Part), KPHB Colony, Kukatpally Village, Ranga Reddy District, Hyderabad, Andhra Pradesh	Residential building	34.05	Freehold	Under development	-	-	A:2003	214
Niripak Mandal Rampur Naikin Panchayat Budgaon Tehsil, Rampur Naikin District	Commercial	0.17	Freehold	Bhagwar Toll plaza	-	-	A:2004	21
Grampanchayat Baruka Block Sohagpur Mouza Rohaniya	Commercial	0.204	Freehold	Rohaniya Toll plaza	-	-	A:2004	12
Gram Kirar, Panchayat Kirar Tehsil Annupur	Commercial	0.639	Freehold	Amarkantak Toll plaza	-	-	A:2004	6
Sonvari Saralangar	Commercial	0.648	Freehold	Sonvari Toll plaza	-	-	A:2004	37
Survey No. 806/1 Katni District	Commercial	0.63	Freehold	Barhi Toll plaza	-	-	A:2004	39
Plot No. 58 Gate No. 227 of Village Devghar	Commercial	0.056	Freehold	Under development	-	-	A:2003	44

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 March 2005 RM'000
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DEVELOPMENT PROPERTIES & LAND HELD FOR PROPERTY DEVELOPMENT**JOHOR**

Lot 13904-13980, 14007-14060 and 14067 & 19215 Kampung Muafakat Jalan Tun Abdul Razak	Commercial & residential	10.24	Title yet to be issued	Under development	-	-	A:1992	24,905
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PN 10938 Lot 25076 , PN 10939 Lot 25077, PN 10940 Lot 25078, (H.S. (D) 330192 PTB 21114 to H.S. (D) 330201 PTB 21123, Bandar & Daerah Johor Bahru	Commercial & residential	8.45	Leasehold	Under development	2101	-	A:1992	37,461
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NEGERI SEMBILAN

H.S. (D) 109551, P.T. 888, Commercial Pekan Bukit Kepayang, Daerah Seremban	Commercial	1.902	Leasehold	Under development	2096	-	A:2001	25,504
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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	10,763
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	9,849

LIST OF PROPERTIES

as at 31 March 2005

(Continued)

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revaluation (R) / Acquisition (A)	Net Book Values at 31 March 2005 RM'000
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	1,227
Holding No. 299, 300 & 304, Mukim 14, Seberang Prai Selatan	Commercial & residential land	10.918	Freehold	Under development	-	-	A:1994	8,378
Lot No. 501, Mukim 14, Seberang Prai Selatan (comprised in Geran No. 38943)	Commercial & residential land	3.567	Freehold	Under development	-	-	A:1994	2,737
Lot No. 862, Mukim 14, Seberang Prai Selatan (comprised in No. Pendaftaran 3754)	Commercial & residential land	1.806	Freehold	Vacant; for future development	-	-	A:1994	1,386
Lot No. 583, Mukim 14, Seberang Prai Tengah (comprised in Geran Mukim No. 381)	Commercial & residential land	1.453	Freehold	Vacant; for future development	-	-	A:1994	1,115
Lot No. 590, Mukim 14, Seberang Prai Tengah (comprised in No. Pendaftaran 12126)	Commercial & residential land	21.032	Freehold	Vacant; for future development	-	-	A:1994	16,140
Lot No. 591, No. GM 168, Mukim 14, Seberang Prai Tengah	Commercial & residential land	2.635	Freehold	Vacant; for future development	-	-	A:1994	2,022
Lot No. 592, Mukim 14, Seberang Prai Tengah (comprised in No. Pendaftaran 12127)	Commercial & residential land	11.153	Freehold	Vacant; for future development	-	-	A:1994	8,559

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 March 2005 RM'000
Lot No. 1639, Mukim 14, Seberang Prai Tengah, (comprised in Geran Mukim No. 299)	Commercial & residential land	2.978	Freehold	Vacant; for future development	-	-	A:1994	2,285
Lot No. 1640, Mukim 14, Seberang Prai Tengah (comprised in Geran Mukim No. 300)	Commercial & residential land	0.121	Freehold	Vacant; for future development	-	-	A:1994	93
Lot Nos. 1686 & 1729 Mukim 14, Seberang Prai Tengah	Agriculture land	5.233	Freehold	Vacant; for future development	-	-	A:1995	3,395
Lot No. 1627, Mukim 14, Seberang Prai Tengah	Agriculture land	7.282	Leasehold	Vacant; for future development	2876	-	A:1995	3,507
Lot No. 1628, Mukim 14, Seberang Prai Tengah	Agriculture land	1.174	Freehold	Vacant; for future development	-	-	A:1995	565
Lot 1725, 1727, 1728, 1768, 1781 & 1789, Mukim 14, Seberang Prai Tengah	Agriculture land	8.72	Freehold	Vacant; for future development	-	-	A:1995-96	1,113
P.T. 241, Seksyen 9W, No. H.S. (D) 5169, Daerah Timur Laut, Bandar Georgetown	Industrial	6.07	Leasehold	Under development	2100	-	A:2001	15,069
P.T. 32, 33, 34, 35 Seksyen 4, No. H.S. (D) 11743, Bandar Jelutong, Daerah Timur Laut	Mixed development	11.001	Freehold	Under development	-	-	A:2001	45,265
P.T. 1935, H.S. (D) 5541, Mukim 13, Daerah Timur Laut	Commercial	0.9999	Leasehold	Under development	2099	-	A:2004	1,453

LIST OF PROPERTIES

as at 31 March 2005

(Continued)

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 March 2005 RM'000
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	-	-	-	33,651
Parcel A2-1 to A2-3, Seksyen 8 Georgetown, Daerah Timur Laut	Mixed development, residential	10.627	Freehold	Yet to be reclaimed	-	-	-	6,474
P.T. 16, H.S. (D) 13337, Lot 398, Hakmilik 3020, Lot 397, Hakmilik 3019, & PT 01-15, HS (D) 12005 - 12019, Section 8, Bandar Georgetown, Daerah Timur Laut	Residential & commercial	4.674	Leasehold	Sold-Project completed	2100 & 2102	-	-	(4,622)
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	-	-	-	12,694
P.T. 1953, H.S. (D) 8207, Mukim 13, Daerah Timur Laut	Residential	6.133	Leasehold	Under development	2100	-	A:2004	5,521
PERAK								
Lot H.S. (D) KA 27107 - 9, P.T. No. 123935 - 7, Mukim of Hulu Kinta, Daerah Kinta	Residential land	5.071	Leasehold	Vacant; for future development	2092	-	A:2001	3,916

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revaluation (R) / Acquisition (A)	Net Book Valueas at 31 March 2005 RM'000
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SABAH

CL 075477584, District of Sandakan, 6th North Road	Residential	134.7	Leasehold	Under development	2081	-	A:1998	28,950
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	7,835
Lot 5536, Section 65 KTLD, Kuching	Agricultural	2.752	Leasehold	Under conversion to residential	2038	-	A:1996	1,902

LIST OF PROPERTIES

as at 31 March 2005

(Continued)

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 March 2005 RM'000
SELANGOR								
Lot 4446, Mukim Kapar, 41400 Kelang	Agriculture land	1.214	Freehold	Vacant; for future development	-	-	A:1984	300
HSD0069884 PT85480, HSD0070256 PT85857, HSD0070255 PT85856 & HSD0070254 PT85855, Mukim Klang, Daerah Klang	Commercial & residential	2.508	Freehold	Vacant; for future development	-	-	A:1994	7,061
HSD70033 PT85634, HSD69984 PT85585, HSD69933 PT85534, HSD69930 PT85528, HSD69878 PT85474, HSD69873 PT85469, HSD69869 PT85465, HSD69868 PT85464, HSD0070258 PT0085862, HSD69931 PT85529 & HSD 69932 PT85530, Mukim Klang, Daerah Klang	Agricultural	6.471	Freehold	Under development	-	-	A:1994	16,868
P.T. 27334 -27494, H.S.(D) 56569-56729 Mukim Kapar, Daerah Klang	Industrial land	7.79	Freehold	Vacant; for future development	-	-	A:1989	18,902
Lot 6497 C.T. 26645 Mukim Kapar, Daerah Klang	Industrial land	5.969	Freehold	Vacant; for future development	-	-	A:1996	9,046
H.S.(D) 66844, P.T. 2925, Mukim Ampang, Daerah Ulu Langat	Residential land	3.161	Leasehold	Vacant; for future development	2100	-	A:2005	9,000

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 March 2005 RM'000
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WILAYAH PERSEKUTUAN KUALA LUMPUR

Geran 30000 Lot 1724, Geran 7162 Lot 1512, Geran 7158 Lot 1508 & Geran 7157 Lot 1507, Seksyen 46	Commercial & Residential	2.070	Freehold	Under development	-	-	A:2004	1,327
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HS(D) NO. 16953 - 16962, 16979 - 16988, 17014 - 17023, 17072 - 17076, 17087 - 17096, 17106 - 17115, 17146 - 17153, 17383 - 17384, 18385, 17407 - 17417, 17440 - 17450, 17461 - 17472, 16843, 16885 - 16896, 16918 - 16932, 16943 - 16952, 16989, 16842, 17078 - 17086, 17116 - 17125, 17178 - 17187, 17251 - 17260, 17296 - 17305, 17316 - 17325, 16761 - 16764, 16990, 17169, and 17077 LOT NO. 25547 - 25560, 25778 - 25781, 25783 - 25839, 25841 - 25929, 26003 - 26039, 26078 - 26111, 26113 - 26120, 26308 - 26322, Mukim of Petaling	Residential & commercial	26.709	Leasehold	Vacant; for future development	2078	-	A:2003	52,841
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Daerah Kuala Lumpur, PN 27017, Lot 80, Seksyen 63	Residential	0.41	Leasehold	Vacant	2021	-	A:2004	22,924
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AUSTRALIA

1, William Street, Melbourne Victoria 3000	Industrial warehouse	1.000	Freehold	For sale	-	-	A:2003	9,784
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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 21st 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, 10 August 2005, at 4.00 p.m. to transact the following matters:-

1. To receive the audited financial statements for the period ended 31 March 2005 together with the reports of the Directors and Auditors thereon. *(Resolution 1)*

2. To elect retiring Directors as follows:-
 - a) Soo Heng Chin *(Resolution 2)*
 - b) Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor *(Resolution 3)*
 - c) Datuk Oh Chong Peng *(Resolution 4)*
 - d) Datuk Yahya bin Ya'acob *(Resolution 5)*

3. To reappoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. *(Resolution 6)*

4. As special business to consider and pass the following ordinary resolutions:-
 - a) "That the Directors' fees of RM312,000 for the period ended 31 March 2005 be approved to be divided amongst the Directors in such manner as they may determine." *(Resolution 7)*

 - 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 8)*

By Order of the Board



Jeremie Ting Keng Fui
MAICSA 0777605
Company Secretary

Petaling Jaya
19 July 2005

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 3, 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 7, 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 8, 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 21st Annual General Meeting (AGM) of IJM CORPORATION BERHAD (104131-A) to be held on Wednesday, 10 August 2005, 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 period ended 31 March 2005 together with the reports of the Directors and Auditors		
2.	To reappoint Soo Heng Chin as Director		
3.	To reappoint Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor as Director to hold office until the next AGM		
4.	To reappoint Datuk Oh Chong Peng as Director		
5.	To reappoint Datuk Yahya Bin Ya'acob as Director		
6.	To reappoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration		
7.	To approve the payment of Directors' fees of RM312,000		
8.	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 _____ 2005

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
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46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia

CORPORATE INFORMATION



IJM CORPORATION BERHAD

(104131-A)

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Principal Bankers

- ABN AMRO Bank Berhad
- Bumiputra-Commerce Bank Berhad
- HSBC Bank Malaysia Berhad
- Malayan Banking Berhad
- RHB Bank Berhad
- Standard Chartered Bank Malaysia Berhad
- United Overseas Bank (Malaysia) Berhad

Auditors

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Website: <http://www.pwcglobal.com/my>

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Stock Exchange Listing

Main Board of Bursa Malaysia Securities
Berhad since 29 September 1986
BMSB Code : 3336
Reuters Code : IJMS.KL
Bloomberg Code : IJM MK

