INTRODUCTION

ON 16TH JULY 2008, WE REACHED A MAJOR MILESTONE - OUR SILVER JUBILEE ANNIVERSARY. IT HAS BEEN A LONG WAY SINCE IJM'S INCEPTION IN 1983 WHEN THE COMPANY'S PAID-UP CAPITAL WAS A MODEST RM31 MILLION. TODAY, IJM STANDS AMONGST THE LARGEST COMPANIES LISTED IN MALAYSIA, WITH A MARKET CAPITALISATION IN EXCESS OF RM5.20 BILLION AS AT 31 MARCH 2008.

Chairman's Statement

Islamic Art Museum Extension, Lake Gardens, Kuala Lumpur

TO COMMEMORATE THIS AUSPICIOUS OCCASION, THE GROUP HAS CHOSEN **"25 YEARS OF LANDMARK ACHIEVEMENTS"** AS THIS YEAR'S ANNUAL REPORT THEME. REFLECTING ON OUR JOURNEY THUS FAR, WE HAVE HIGHLIGHTED MAJOR MILESTONES OF THE GROUP. IN ADDITION, WE HAVE DEDICATED A SPECIAL TRIBUTE TO THE CHAIRMEN AND MANAGING DIRECTORS OF THE GROUP, IN RECOGNITION OF THEIR CONTRIBUTIONS AS LEADERS WHO MADE IJM INTO WHAT IT IS TODAY.

IN THIS FINANCIAL YEAR ENDED 31 MARCH 2008, WE HAVE SUCCESSFULLY COMPLETED A MAJOR ACQUISITION AND MERGER INTEGRATION EXERCISE OF CONSTRUCTION CONGLOMERATES: THE IJM AND ROAD BUILDER (RBH) GROUPS - A FIRST IN THE MALAYSIAN HISTORY; IT SIGNIFICANTLY EXPANDED OUR STAFF STRENGTH TO BEYOND 4,000 EMPLOYEES AND ACHIEVED NEW HIGHS IN OUR ORDER BOOKS ACROSS ALL DIVISIONS. WITH THOSE ACCOMPLISHMENTS, I AM DELIGHTED TO REPORT ON THE STELLAR PERFORMANCE OF THE GROUP...

Aerial view of Kuantan Port

Residential unit, Bukit Manda'rina, Kuala Lumpur

BUSINESS ENVIRONMENT

In 2007, the global economy grew at a credible 3.9% despite significant price increases in oil and other commodities; and amidst a strained US financial landscape that was sparked by systemic defaults in sub-prime mortgages. Global expansion in 2007 continued to be led by large emerging economies such as China and India whilst resource producing countries, buoyed by higher commodity prices, also performed well. Robust growth experienced, however, was closely shadowed by mounting inflationary pressures on account of capacity constraints in certain sectors, demand-supply gaps in global production of food crops, and firmer commodity prices.

In tandem with most other emerging countries, the Malaysian economy expanded strongly - by 6.3% in 2007, improving from 5.8% in 2006. Growth mainly stemmed from stronger domestic private consumption following rising disposable incomes from tax incentives, public sector salary increments and high commodity prices. These factors, coupled with increases in investment spending by the Government and private sector brought about broad-based growth across all headline economic segments. After experiencing 3 years of contraction, the domestic construction sector too recorded a positive increase of 4.6% on the back of the Ninth Malaysia Plan spending and a vibrant property market.

The Group's major overseas markets, India and the United Arab Emirates, also continued to see strong growth in 2007. India registered a commendable GDP expansion of 8.9%, mainly from rising income levels which drove domestic consumption, higher retained corporate earnings which boosted investments and persistent demand for infrastructure development to support its burgeoning economy. Bolstered by increasing petrodollar revenues, demand for construction activities in the United Arab Emirates continued unabated in 2007.

OPERATING RESULTS

Amidst a positive global backdrop for most of the year, the Group was able to perform well with all its divisions achieving record results for the year ended 31 March 2008. Group revenue increased by 101% to RM4,637.17 million, compared to RM2,311.23 million last year whilst profit before tax from normal operations improved by 150% to RM796.01 million from RM318.93 million a year ago. The stellar performance was mainly attributable to the Group's enlarged order book and property development projects, higher crude palm oil (CPO) prices, strong demand for building materials, steady income streams from the toll and port concessions and sale of non-core assets.

The Construction Division recognised a significant increase in both revenue and pre-tax profits during the year. The impressive performance was due to strong demand for domestic retail properties and high-end residential properties at premier locations, diversified order book mix and improvements in operational efficiency. Geographical diversification was also achieved with around half the order book constituting overseas contracts. Pre-tax margins for the year, however, declined due to the continued escalation in building material costs. In the year ahead, the coming on-stream of future mega-projects is expected to further boost demand for building materials and add wage pressures that will provide a challenging environment for the construction sector already hit by sudden escalations in otherwise controlled prices.

Revenue and pre-tax profits of the Properties Division increased substantially during FY 2008, primarily from higher sales and contributions from RBH. Several Government measures implemented which include the liberalisation on foreign purchases, exemption on Real Property Gains Tax, stamp duty waivers and relaxation on EPF withdrawals, have spurred the domestic property market. Nonetheless, pre-tax margins for the year were lower due to increased building material prices and delays in project launches. However, the extensive and diversified properties mix and geographical locations will auger well and contribute to the sustainability of the Division's earnings in the future.

In tandem with other divisional performances, the Group's Industries Division recorded its best financial results this year, on the back of better product prices, improved plant utilisation, effective cost optimisation, sizeable order book and growing overseas contribution. The Division is expected to continue benefiting from strong domestic and regional demand for its building materials.

ICP piles used at the Haiwan Petrochemical Port, Dongguan, China

Meliau Estate in Sandakan, Sabah

The Plantations Division performed exceedingly well due to steady production growth and strong CPO prices, resulting in a significant growth of pre-tax profits for FY 2008 compared to FY 2007. The Division is expected to continue benefiting from high CPO prices and more of its plantation acreage reaching prime maturity.

The Group's Infrastructure Division recorded a more than 3-fold increase in turnover for FY 2008, compared with FY 2007. More significantly, the Division posted its maiden pre-tax profit this year, mainly from the inclusion of contributions from RBH's toll and port concessions and also from the disposal of the Group's investment in the Second Vivekananda Bridge in Kolkata, India for a capital gain of RM65.0 million. In the years ahead, the concession assets will enable risk-diversification within the Group and contribute steady income streams to its bottom-line.

Our CEO's Review of Operations, covered on pages 62 to 93, provides a more extensive assessment of the Group's divisional performances for FY 2008.

MERGER GOODWILL

Despite the strong operational performance, the Group recorded a pre-tax loss of RM144.85 million due to the write-off of merger goodwill. Due to the application of FRS 3: Business Combination, merger goodwill of RM940.86 million was created upon the consummation of our merger with RBH principally on account of the increase in IJM's share price between the time of acquisition to the time of completion of transaction.

The one-off merger goodwill was fully impaired and was written off. IJM has, however, on 12 March 2008, obtained court sanction to offset the resultant negative retained earnings against the share premium account by up to RM922.26 million. The effects of this transaction are detailed in Notes 14(B) and 45 to the *Financial Statements*. The goodwill impairment, being a non-recurring, non-cash transaction, does not impair the Group's future earnings or operational strengths.

BUSINESS OUTLOOK AND OPERATIONAL STRATEGIES FOR FY 2009

The Group's prospects for the coming year are set against an increasingly challenging global and domestic outlook. Global growth in 2008 is expected to moderate and its recovery would largely depend on the extent of the US slowdown, which is seeing further downward pressure from high inflationary pressures and protracted weakness in its financial and housing markets. Growth in Asia and the emerging economies are expected to remain resilient albeit slower, underpinned by strengthening domestic consumption. Back in Malaysia, post-election uncertainties, escalating oil and building material prices and external headwinds are expected to impact growth prospects in the core construction and property sectors.

Our operations possess a significant enough size, core competencies and a regional presence to yield cross-divisional strategic and operational synergies. Following the merger, the enlarged combined order books, property development projects and land banks of IJM and RBH Groups are expected to boost the long term performance of the Construction and Properties Divisions though in the immediate term, escalating material prices could affect margins. The Industries Division should see continued growth by leveraging on construction activities from the Ninth Malaysia Plan projects and offshore demand, whereas the Plantations Division is expected to maintain high profitability levels buoyed by healthy CPO prices. The positive contributions from the tolls and ports of the Infrastructure Division are expected to continue as the concessions mature, boosting the bottom-line of the Group moving forward. The Group, nonetheless, remains vigilant in its outlook for FY 2009 in light of an increasingly cloudy business and political environment.

For the coming years, the Group will continue to pursue its long term vision and strategies of strengthening its regional footprint, growing its recurrent income base, pursuing in its domestic growth agenda, and continue reviewing its assets portfolio.

Environmental conservation at the Minat Teguh Estate

DIVIDENDS

The Company did not declare any dividend for the current financial year ended 31 March 2008. In lieu, a capital payment has been proposed.

CORPORATE PROPOSALS

With regards to the Group's corporate proposals, FY 2008 has been a very exciting year with the successful completion of the following corporate exercises:

(i) The merger of IJM and RBH Groups which was the biggest M&A deal in the construction industry in Malaysia;

(ii) IJM converted Redeemable Convertible Unsecured Loan Stocks of IJM Plantations Berhad (IJMP) into new ordinary shares, resulting in increased shareholding in IJMP from 49.5% to 54.6%; and

(iii) Acquisition of 25% equity interest in Kumpulan Europlus Berhad.

The other corporate proposals which are pending and their status are as follows:

(i) On 25 July 2007, the Company had announced the proposed rationalisation of the Group's Properties Division into RB Land Holdings Berhad (RB Land) involving, among others, the proposed disposal of 100% equity interest in IJM Properties Sdn Bhd, a wholly owned subsidiary of the Company, to RB Land, a 70% indirect subsidiary of the Company via Road Builder (M) Holdings Bhd. This proposal has been approved by the Securities Commission via its letter dated 10 April 2008 and shareholders in the Extraordinary General Meeting held on 16 June 2008. RB Land has subsequently been renamed IJM Land Berhad on 19 June 2008.

(ii) On 19 December 2007, the Company announced the proposed capital repayment entailing a cash payment of RM0.50 for every one existing IJM share held to the entitled shareholders whose names appear in the Record of Depositors of IJM at the close of business, on an entitlement date to be determined later by the Board of IJM. This proposal has been approved by the shareholders in the Extraordinary General Meeting held on 16 June 2008 and currently subject to Court sanction.

CORPORATE GOVERNANCE

IJM subscribes to the principles of good corporate governance as the Group believes it is the only way to sustainably enhance shareholder value. This belief is manifested in all its business undertakings throughout all staff levels and continues to be acknowledged by its shareholders, evident by its highly institutionalised and large foreign shareholding composition and numerous corporate governance accolades received.

Our *Corporate Governance Statement* can be found on pages 94 to 101.

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by relevant regulatory bodies in 2007/08.

RELATED PARTY TRANSACTIONS

Significant related party transactions of the Group for the financial year are disclosed in Note 51 to the *Financial Statements*. This note also sets out the recurrent transactions conducted during the period in accordance with the general mandate obtained from shareholders at the Extraordinary General Meeting held on 29 August 2007.

Except for those disclosed in Note 51 to the *Financial Statements*, there were no material contracts of the Group involving Directors' and major shareholders' interest during the period.

CORPORATE SOCIAL RESPONSIBILITY

IJM's emphasis on Corporate Social Responsibility (CSR) reflects its conviction that economic success must be accompanied by a sustainable positive impact on the environment and society. This philosophy is guided by the Group's CSR Framework and policy statements, and is embraced in all its operations through a wide range of environmental-friendly and operational best management practices to achieve long term sustainable gain for all stakeholders. The Group's construction business, cognisant of its imprint on the environment, has committed itself to the code of conduct prescribed in Environmental Management System ISO 14001, while our plantations unit employs sound agronomic environmental practices and continues to be involved in the Roundtable on Sustainable Palm Oil (RSPO) to promote environmental issues, growth and sustainable production and use of palm oil.

The Group is committed to ensure the highest standards of good governance, ethical business conduct and values are practised throughout its operations. As part of the Group's philanthropic efforts, it has carried out numerous community programmes in areas of social welfare, education and sports development and will continue to identify activities where its support can make a real difference. The Group is also committed to provide for the wellbeing at the workplace through increased awareness, accountability and continual training of employees and contractors towards the conduct of all activities in an ethical, environmentally responsible, safe and healthy manner.

More information on the Group's CSR activities is provided on pages 117 to 133.

ACKNOWLEDGEMENT

During the year, a very dear friend and fellow Board member had departed. Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor, Senior Independent Non-Executive Director, passed away on 22 January 2008. On behalf of the Board, I wish to express my deepest condolences to the family and our sincere appreciation for his invaluable contribution and counsel to the Group. As a mark of respect, we have dedicated a special tribute to honour him on page 20.

On behalf of the Board, I would like to thank the Directors, management and all employees of the Group for their dedication, resourcefulness, commitment and contribution to the Group in the past year, especially in seeing us through a successful IJM-RBH integration. I would also like to take this opportunity to thank shareholders, associates, clients, bankers, subcontractors and suppliers for their support to the Group. The Group values and looks forward to this continued support as we progress towards new undertakings.

The Board and I wish to record our sincere appreciation and gratitude to Dato' Goh Chye Koon who retired as the Deputy Chief Executive Officer and Deputy Managing Director of the Company on 29 June 2008, for his invaluable services to the Group especially in helping to develop the Construction Division. Dato' Goh has since, graciously agreed to remain as an Executive Director to oversee the Group's overseas construction activities.

In addition, we take this opportunity to congratulate Mr Teh Kean Ming who has been appointed as the new Deputy Chief Executive Officer and Deputy Managing Director of the Company on 1 July 2008. We are confident that his wealth of knowledge and experience in the construction and property development industries will bring value and lead the Group to the next level of achievements.

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

25 YEARS AGO, IN 1983, IJM STARTED AS SOLIDSTATE SDN BHD AND I STARTED AS THE FINANCIAL CONTROLLER OF THE INTENDED NEW GROUP TO PLAY A ROLE IN THE ACQUISITION AND IMPENDING MERGER OF THREE ESTABLISHED LOCAL CONSTRUCTION COMPANIES: IGB CONSTRUCTION SDN BHD, JURUTAMA SDN BHD AND MUDAJAYA CONSTRUCTION SDN BHD. I DID NOT REALISE THEN THAT HISTORY WAS IN THE MAKING AND THE FOUNDATIONS OF A GREAT ORGANISATION WAS BEING LAID. IN NAMING THE COMPANY, THE FOUNDING FATHERS TOOK THE INITIALS OF THE 3 COMPANIES AND PLACED THEM IN ALPHABETICAL ORDER, AND THE IJM GROUP WAS BORN. THIS SIMPLE, CONSULTATIVE, PRAGMATIC AND COMMON SENSE APPROACH TO DECISION MAKING IS TO BECOME 'TRADEMARK' IJM MANAGEMENT STYLE.

CEO's Review of Operations

SINCE THEN, I HAVE HAD THE OPPORTUNITY TO WATCH IT GROW. FROM ITS HUMBLE BEGINNINGS AS A CONSTRUCTION COMPANY WITH A SHARE CAPITAL OF RM31 MILLION, THE GROUP HAS WEATHERED MANY CHALLENGES AND DIFFICULT BUSINESS ENVIRONMENTS, INCLUDING THE ASIAN FINANCIAL CRISES OF 1997/98 TO STAY AHEAD. IT HAS ALSO BEEN PIONEERING IN SPIRIT, VENTURING ABROARD TO EXPAND ITS BUSINESSES OR DIVERSIFYING INTO AREAS LIKE PLANTATIONS WHICH MANY HAVE CRITICISED AS BEING OUT OF SYNC WITH ITS CORE BUSINESSES. IT HAS NOT BEEN LACKING IN COURAGE TO EXPAND. THE RECENT ACQUISITION OF THE ROAD BUILDER (RBH) GROUP WHICH SIGNIFICANTLY INCREASED THE MARKET PRESENCE OF THE GROUP AND THE SCALE OF ITS OPERATIONS IS A CASE IN POINT.

NOW 25 YEARS ON, THE GROUP HAS SUCCESSFULLY GROWN BY LEAPS AND BOUNDS TO BE ONE OF THE LARGEST CONSTRUCTION GROUPS IN MALAYSIA WITH A SHARE CAPITAL OF RM859 MILLION, AN ANTHOLOGY OF LANDMARK PROJECTS, A VERY INTERNATIONAL BUSINESS AND A SERIES OF ACHIEVEMENTS AND RECOGNITION TO MAKE US ALL PROUD.

OVERVIEW

For the first time in the Group's history, the Group's turnover and operational profits increased by more than two-folds over the preceding year. The Group achieved aggregate turnover of RM4,637.17 million, an increase of 101% over the previous year. All Divisions within the Group attained significantly higher turnover during the financial year, driven largely by the Group's sizeable order book, higher CPO prices, strong demand for the Group's building materials and inclusion of RBH's contributions. The newly acquired RBH's toll and port concessions give added credence to the Group's Infrastructure Division, while the combined construction order books, property development projects and land banks of the merged entity bode well for the Construction and Properties Divisions.

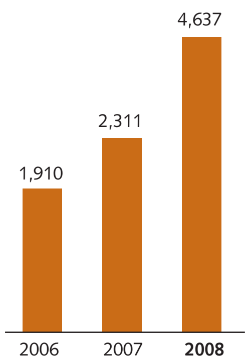
Menara Commerce, Kuala Lumpur

Quarry site

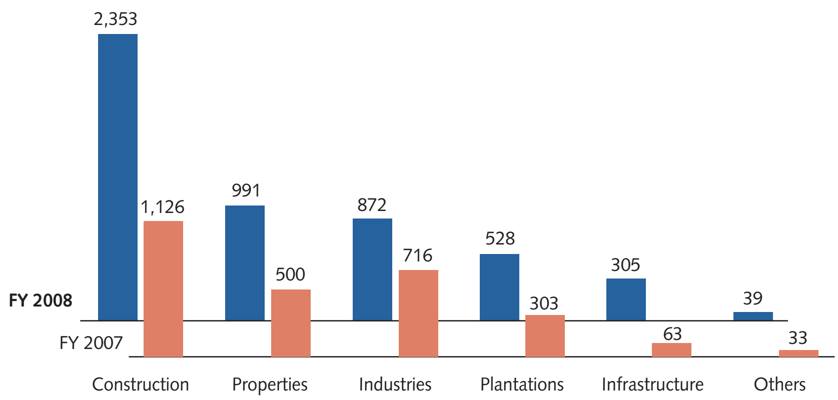
Sri Carcosa Bungalow in Seremban 2 Township Development, Negeri Sembilan

Liquid chemical cargoes at Kuantan Port, Pahang

Group Revenue (RM'million)

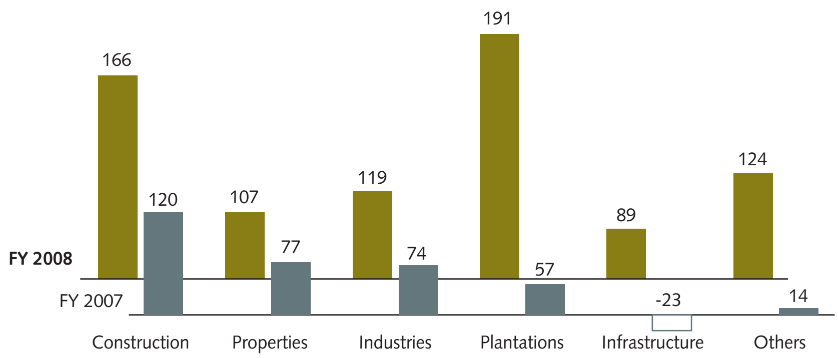


Group Revenue by Division* (RM'million)



Group PBT (RM'million)

Group PBT by Division (RM'million)



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

Meliau Estate, Sandakan, Sabah

The Group's operating profit before tax for the financial year soared 2.5 times over the previous year to RM796.01 million as a result of higher divisional profits recorded, especially from the Industries and Plantations Divisions, as well as profit contributions from the RBH Group. Non-recurrent gains amounted to RM225.98 million, arising from disposals of non-core and low yielding assets and opportunistic ones presently captured in the Infrastructure and Others categories. Details of asset disposals are elaborated under Other Developments on page 93.

The Group completed its acquisition of another established local construction group, the Road Builder Group in April 2007, thereby successfully instituting the largest M&A initiative in the Malaysian construction sector.

Though the merger was well received by the investment community, the resultant increase in IJM's share price brought new challenges in the form of FRS 3: Business Combination, which required the purchase consideration to be valued at the IJM share price at the date of completion, thus artificially creating a goodwill item that cannot be sustained going forward without encumbering future earnings. Thus, the Group had booked in a one-off impairment of merger goodwill amounting to RM940.86 million which resulted in the Group's current financial year loss before tax and after tax of RM144.85 million and RM300.16 million respectively. This resulted in negative retained earnings at Company level and subsequently the Company obtained court sanction to off-set the negative retained earnings against the share premium account to the extent of RM922.26 million, thus, reinstating a positive retained earnings position. The impairment written off is a non-recurrent and non-cash transaction, and the Group's future earnings and operational strengths are not expected to be impaired by the write-off. For more details on the merger goodwill impairment, please refer to Notes 14(B) and 45 to the *Financial Statements*.

The Group continues to give effect to its '*IJM - Mark of Excellence*' commitment as evidenced by numerous awards during the year. These included the Malaysian Construction Industry Excellence Award for International Achievement and the National Annual Corporate Report Awards (Construction and Infrastructure sector) for the 4th successive year. And in the inaugural Prime Minister's CSR Award, IJM received a commendation for Outstanding Work in the Environment category.

Over 25 years, backed by strong fundamentals and strategic foresight, and IJM's inimitable trademarks of hard work, professionalism, performance and good governance, we have brought steady growth and sustained profitability to the Group; and we intend to uphold this momentum into the future.

During the year, sadly, we had the departure of a dear friend and fellow Board member, Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor, a Senior Independent Non-Executive Director, who passed away on 22 January 2008. Tan Sri joined the Board on 25 July 1985, was the longest serving independent non-executive director and had contributed immensely to the Group. As a mark of respect to the late Tan Sri, we have dedicated a special tribute to him on page 20.

PJ8 Development comprising commercial offices and service apartments in Petaling Jaya, Selangor

Appreciation and credit goes out to all parents and children involved in this photo shoot.
left to right : Mohd. Iman, 9 (Parents: Shamsul and Norzaminar) • Cheng Kai Zhe, 8 (Parents: Cheng Cheong Teck and Lim Boon Ai)

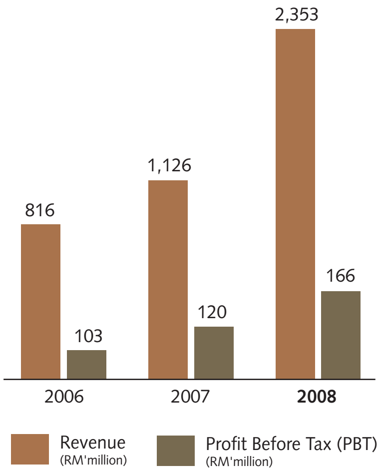
In 2007, the Domestic Construction Sector registered a positive growth of 4.6% against mild contraction of 0.5% in 2006 and two years of negative growth before that. The expansion was driven mainly by the Civil Engineering sub-sector which benefited from implementation of projects under the Ninth Malaysia Plan (9MP). Federal Government development expenditure rose by 13.3% to RM40.6 billion in 2007 (2006: RM35.8 billion). This was well supported by expansion in the non-residential and residential sub-sectors.

CONSTRUCTION

Kuantan Bypass in Pahang

Park 7 Condominium in the vicinity of Kuala Lumpur City Centre

Upgrade works for new A380 aircraft at Kuala Lumpur International Airport



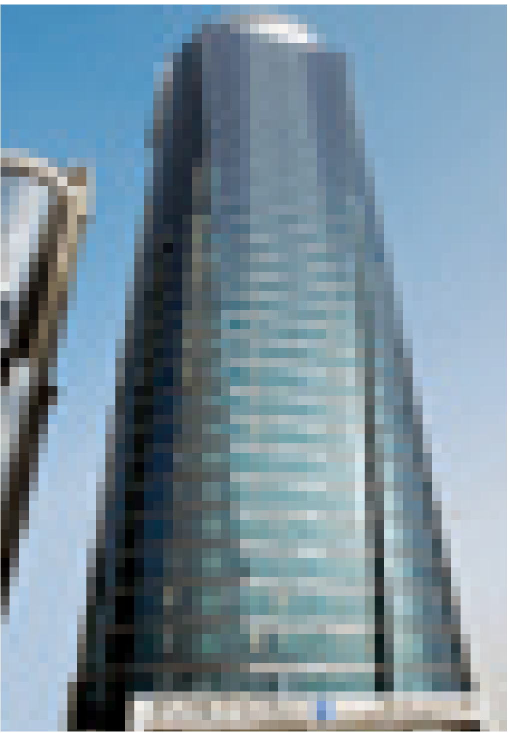
For the financial year ended 31 March 2008, the Construction Division recorded revenues of RM2,353.15 million (FY 2007: RM1,126.25 million) representing a significant increase of 109% compared to the previous year. Similarly, profit before taxation increased, albeit at a moderate rate of 37% during the year to RM165.56 million (FY 2007: RM120.43 million).

The Division performed satisfactorily during the year, despite escalating input costs of steel, cement, diesel and quarry products. The favorable performance was attributable to strong demand for domestic retail properties and high-end residential properties at prime locations, diversified order book mix particularly from India and Middle East, and operational efficiency improvements through cost control measures and improved project implementation.

Major local projects successfully completed during the year were Menara Commerce and Park 7 Condominium in Kuala Lumpur, Suriamas Condominium in Johor Bahru, Kuantan Bypass in Pahang and Upgrading works for new A380 aircraft in KLIA, Sepang. In India, several completed projects included Kukatpally Integrated Township, Upgrading and Improvement on Tada-Nellore Road (KM110 to KM163.6), NH-9 Rehabilitation and overlay of Nandigama Vijaywada Section, Delhi Metro-BC4 Section (elevated viaduct 2.86 KM and structural work on three elevated stations on Shahdara-Dilshad Garden Corridor) and Khaithalapur-Aphb IV Road project. In the Middle East, we completed the Fortune Tower in Dubai.

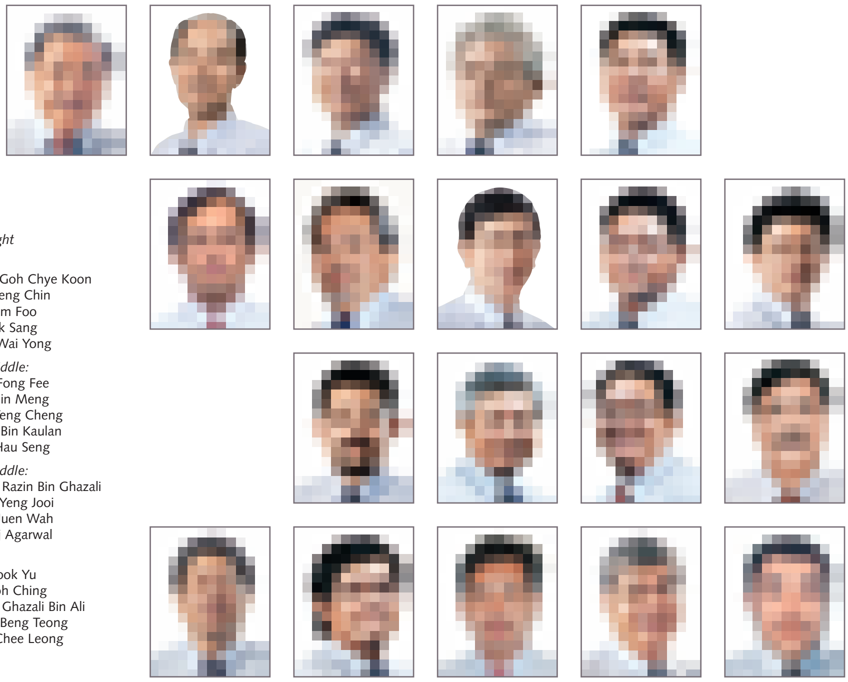
For FY 2008, the Division has further enhanced its order book to RM5,451.00 million by securing additional contracts worth RM2,061.00 million locally and abroad. Major projects secured during the year included Pandan Bistari Development in Hulu Langat (RM200.00 million), Nagpur - First City project in Maharashtra, India (RM546.12 million), IT Tower in Karachi, Pakistan (RM379.20 million) and Viaduct & Dhaula Kuan Station in New Delhi, India (RM155.00 million) of the Delhi Metro Rail. In the Middle East, IJM secured two bridge projects through its Bahrain joint venture.

Given the roll-outs of various economic corridors in the country such as the Iskandar Development Region, Northern Corridor Economic Region, East Coast Economic Corridor as well as those in Sabah and Sarawak, and projects under the 9MP, the outlook on



Fortune Tower in Dubai, Middle East

Construction Management Team



left to right

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

upper middle:
- Pook Fong Fee
- Ng Chin Meng
- Ong Teng Cheng
- Azhar Bin Kaulan
- Liew Hau Seng

lower middle:
- Mohd Razin Bin Ghazali
- Thaw Yeng Jooi
- Yong Juen Wah
- Pankaj Agarwal

bottom:
- Kok Fook Yu
- Lee Foh Ching
- Mohd Ghazali Bin Ali
- Quah Beng Teong
- Wan Chee Leong

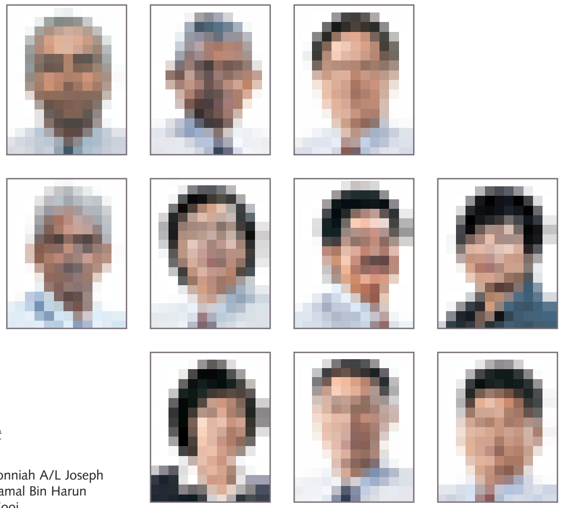
the domestic construction sector should have augured well for growth but political uncertainties and administrative adjustments post election of March 8 could possibly delay implementation of projects.

On the international front, the Construction Division will continue to focus on its successes in emerging market economies, mainly in India and Middle East, where growth prospects are expected to remain positive, supported by strong domestic consumption, investment and industrial expansion.

The unprecedented levels of escalation in raw material prices and wage pressures resulting from shortage of skilled workers in all markets, will remain an area of great concern and focus for the Division in the coming year. In some markets like Malaysia, escalation of building material prices have been sudden and sharp due to the lifting of price controls. Hedging possibilities have been negligible and margin compression thus inevitable. Nevertheless, the Group continues to engage in constructive discussions with clients to mitigate the impact of the latter while maintain extreme vigilance in risk management and cost control in project execution.

Notwithstanding the above, the Division continues to put great emphasis on timely and quality delivery to achieve the high standards required for its final products. In an effort to strengthen and sustain its competencies, the Division has introduced strategies and procedures, focused on more effective cost and resource management and risk management practices. The Division continues to establish, review and implement good safety, health, environmental awareness and quality control practices in all its projects.

Construction Support Services



left to right

top:
- James Ponniah A/L Joseph
- Mohd Kamal Bin Harun
- Ng Sin Kooi

middle:
- Ramar S/O Subramaniam
- Soh Wan Heng
- Chan Yan Wee
- Cho Foong Khuan

bottom:
- Pang Sek Loh
- Toh Teck Soon
- Lam Choy Loong

Nautilus Bay by the Promenade

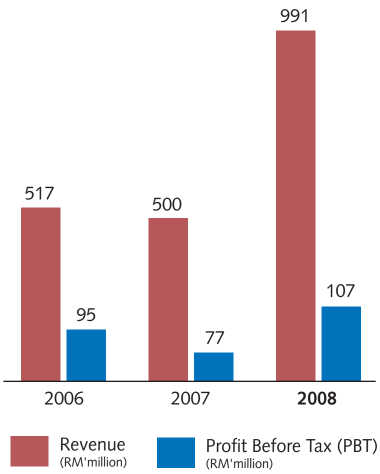
Appreciation and credit goes out to all parents and children involved in this photo shoot.
left to right : Sarah Anne Pereira, 6 (Parents: Edgar Pereira and Sarjit Kaur) • Sharvin, 5 (Parents: S. Ramesh and V. Chandrika Devi)

For the financial year ended 31 March 2008, the Properties Division recorded revenues of RM991.03 million (FY 2007: RM499.59 million) and a pre-tax profit of RM107.04 million (FY 2007: RM77.18 million). This represents impressive increases of 98% and 39% respectively as compared to the previous year.

Despite the improved performance, FY 2008 had been a challenging year for the Properties Division, as it weathered initial lower property sales at the start of the year, rising building material prices which resulted in margin erosion, several asset impairment losses, delayed authority approvals affecting project launches and higher financing costs attributed to these delays.

PROPERTIES

A 15 acre S2 City Park built at the heart of the Seremban 2 Township complete with modern sports and recreational facilities for the enjoyment of the residents



Wave of Prosperity at Gurney Drive, Penang

Boulevard Condominium, Subang Jaya

Double-Storey Shop Offices, Utama Place, Phases 2 and 5, Sandakan, Sabah

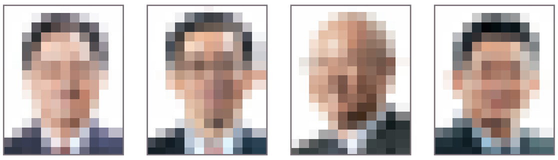
The Division's revenues and profit contributions came from all over Malaysia and Singapore. In the Northern Region, sales were primarily contributed by the Nautilus Bay and Taman Jawa projects in Penang. Contributions from the Central Region were mainly from our landmark PJ Eight project in Klang Valley, Menara CIMB in Kuala Lumpur, Ampersand @ Kia Peng luxury condominium in KLCC, Bukit Manda'rina township in Cheras, Bukit Raja Industrial Park and Seremban 2 township in Negeri Sembilan. Other sales contributions included Taman Utama township in Sandakan, Sabah and Sentosa Cove's exclusive units in Singapore. The recurrent income from its 'build and lease' hypermarkets for Tesco in Penang and Giant in Sandakan, also contributed to the bottom line.

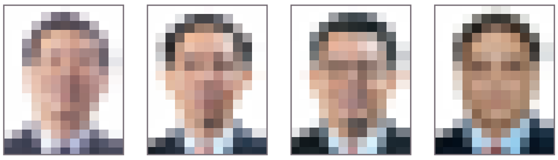
Current year's sales improved following several policy measures introduced by the Government, including the liberalisation of Foreign Investment Committee's ruling on foreign purchases, exemption on Real Property Gains Tax, and relaxation on property loans taken by foreigners. The momentum will hopefully continue into the coming year with additional measures undertaken by the Government in its Budget 2008 to spur the residential sub-sector such as 50% stamp duty waiver on property costing not more than RM250,000 and monthly EPF withdrawals to repay housing loans effective 1 January 2008.

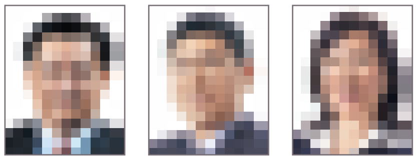
The non-residential segment continued to pick up during the year in tandem with robust business activities, thereby increasing demand for office space, particularly in Kuala Lumpur. This strong demand was further reinforced by interests from foreign investors. Strong growth in private consumption had also stimulated the demand for retail properties resulting in several shopping complexes being acquired by foreign REITs.

In line with the Government's efforts to encourage foreign ownership of properties, it is anticipated that more foreign purchasers will vie for our projects which are located at prime locations and given that Malaysian properties are comparatively cheaper than those of our ASEAN counterparts. The Division is set to capitalise on its high end projects such as Ampersand @ Kia Peng, The Platino Condominium, situated along the Jelutong Expressway in Penang and some commercial office blocks and retail complexes. In addition, the properties catering to the niche and high end customers comprising semi-detached units and bungalows in choice locations such as Bayu Segar in Cheras, continue to attract property up-graders and local investors alike.

Properties Management Team







left to right

top:
- Teh Kean Ming
- Dato' Soam Heng Choon
- Er Ah Huat
- Chai Kian Soon

upper middle:
- Ng Kim Huatt
- Hoo Kim See
- Edward Chong Sin Kiat
- Manjit Singh

lower middle:
- Bahrin Bin Baharudin
- Patrick Oye Kheng Hoon
- Tham Huen Cheong
- Toh Chin Leong

bottom:
- Lee Kok Hoo
- Khoo Kah Hock
- Patsy Lee

Menara IJM Land, Penang

The show unit of Ampersand @ Kia Peng luxury condominium at Kuala Lumpur City Centre

The mid-end market is also expected to benefit from the Government's measures. Several ongoing projects in the Klang Valley include Bukit Manda'rina mixed development, Bayu Segar bungalows and semi-detached units, and Monte Bayu condominium - all in Cheras, Riana Green East condominium in Wangsa Maju, Serenia Gardens terrace-housing project in Ulu Klang, Selangor, Laman Granview in Saujana Puchong and Bayu Sri Bintang bungalows and semi-detached units in Kepong. In Penang, the projects include Taman Jawa and Taman Idaman housing scheme, whilst in Johor, we have apartment projects in Kampung Muafakat and Larkin. Other ongoing township developments includes Seremban 2 in Negeri Sembilan, Shah Alam 2 in Puncak Alam, Selangor and Taman Utama in Sandakan, Sabah.

Night scene of the Laman Granview show unit in Saujana Puchong, Selangor

Following the merger, the Division's land bank size has increased substantially to over 10,000 acres predominantly located in fast developing regions in Penang, Seremban and Klang Valley, which will provide sustainability through future property development projects.

In tandem with the Government's efforts to boost the property sector, coupled with committed sales from ongoing projects, the outlook of the Division for the coming financial year appears promising. However, vigilance needs to be observed in view of the negative market sentiments due to rising crude oil prices, the US recession fears, escalating building material prices as well as eroding disposable income. Bearing this in mind, we have taken the necessary initiatives to continuously review the feasibility of our projects, enhance product innovation and undertake greater value engineering initiatives, to ensure that we are ahead at all times.

In the coming financial year, we will launch several new phases of our existing projects in Klang Valley and Seremban such as Bukit Manda'rina, Riana Green East, Serenia Gardens, Shah Alam 2 and S2 Heights. Following the success of the Boulevard condominium in Subang Jaya, we had recently launched the final phase of our Subang Jaya development known as Laman Baiduri, a condominium where all units are designed with unobstructed view of the Taman Subang Ria Lake. In Penang, we recently launched The Spring apartments and the Pearl Regency luxury condominium. We have also unveiled the maiden phase of our prestigious 'The Light' waterfront development.

Further expansion into Johor is set to take place in the last quarter of 2008 with the Nusa Duta development, located within the Iskandar Development Region. In Sandakan, we will continue to promote our projects aggressively to take advantage of the record high CPO prices which are currently fuelling the property market and economy in that region.

The Group's investment in Kumpulan Europlus Bhd (KEB) has resulted in several joint-venture development arrangements in respect of land banks held within the KEB/Talam Group which could benefit from the IJM branding, including the lifestyle-defining Canal City development project.

In India, the Group has recently launched new property projects in the fast growing markets such as Nagpur in Maharashtra and Vijayawada in Andhra Pradesh, to capitalise on the continued strong response for residential and commercial assets.

The extensive and diversified property mix in terms of product and geography will promote sustainability of the Division's earnings in future years. The completion of the Properties Division's rationalisation exercise and the intended rebranding initiatives under the IJM brand will further increase the marketing efforts of the Group going forward and add greater visibility to its products.

The commitment to '*Excellence Through Quality*' remains the Division's core value driver with further emphasis now on environmental protection. By striking a balance between profits and safeguarding the environment, the edge in value engineering and synergistic support from our in-house Construction Division, we will harmonize and embrace the environment to create optimal living conditions. The Division will continue to put emphasis on location, innovative design, functionality and potential capital appreciation in meeting the expectations of the buyers and moving ahead of the competitors.

"Unveiling of The Light", Penang's Premier Waterfront Development to the journalists

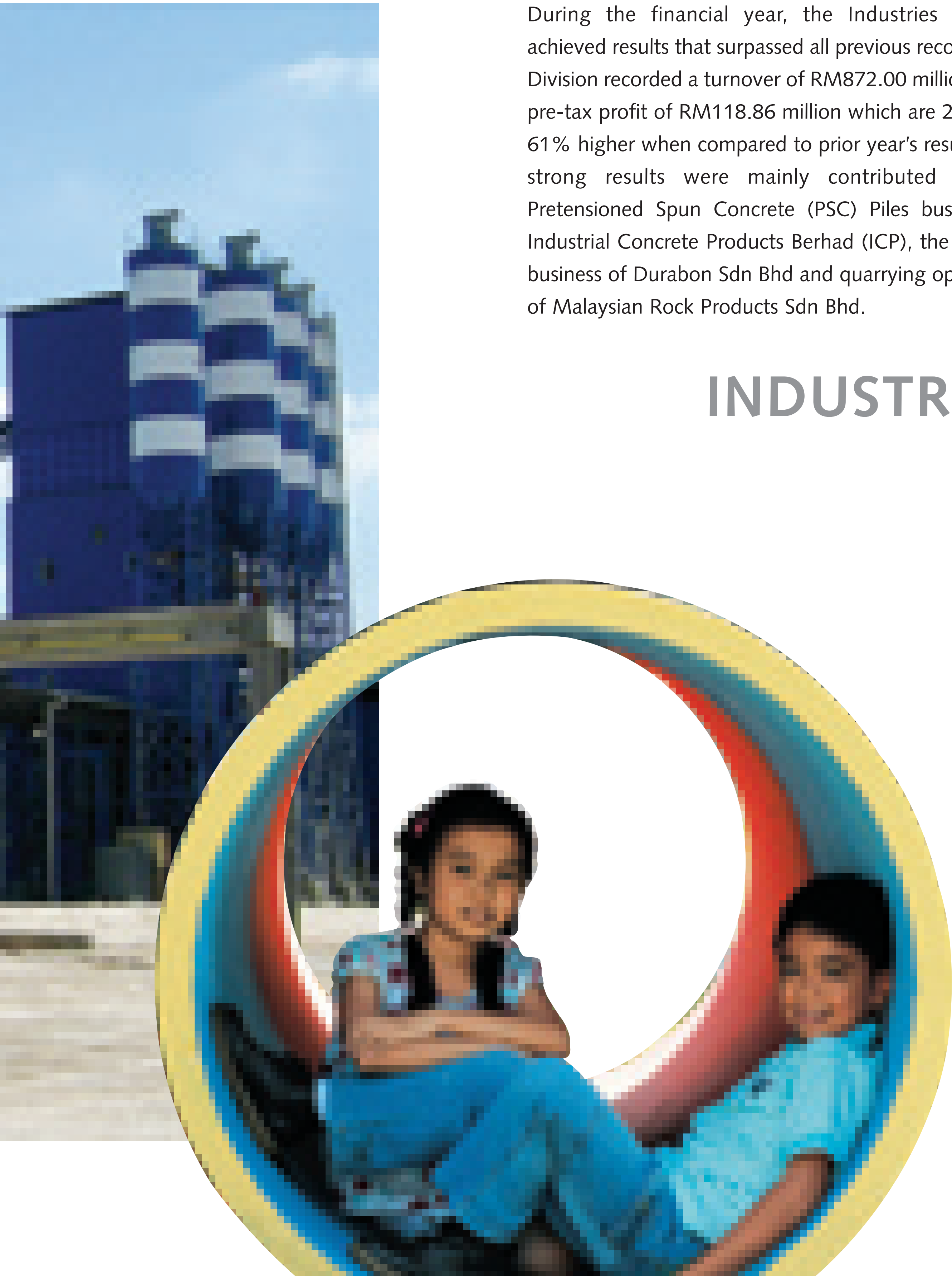
Potential customers with "Q" numbers are waiting to be called to place a booking fee at the launch of "The Spring" apartments in Penang

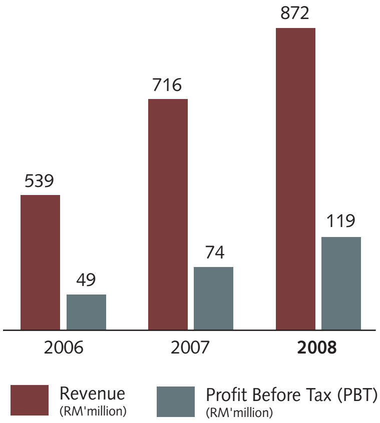
Piles being loaded at New Kapar 2 Factory in the Klang district of Selangor

Appreciation and credit goes out to all parents and children involved in this photo shoot.
left to right : Cheng Kai Yan, 11 (Parents: Cheng Cheong Teck and Lim Boon Ai) • Philip Michael Pereira, 8 (Parents: Edgar Pereira and Sarjit Kaur)

During the financial year, the Industries Division achieved results that surpassed all previous records. The Division recorded a turnover of RM872.00 million and a pre-tax profit of RM118.86 million which are 22% and 61% higher when compared to prior year's results. The strong results were mainly contributed by the Pretensioned Spun Concrete (PSC) Piles business of Industrial Concrete Products Berhad (ICP), the PC bars business of Durabon Sdn Bhd and quarrying operations of Malaysian Rock Products Sdn Bhd.

INDUSTRIES





The Division's core business of PSC Piles performed impressively during the year with delivered tonnage achieving 1.29 million tonnes, an increase of 12% over last year, recording revenues of RM438.50 million and operating profit of RM57.90 million. This was achieved by better pricing mechanisms, improved plant utilisation and an effective cost optimisation programme amidst escalating raw material costs. ICP is presently the market leader in the manufacture of spun piles with a market share of 75%.

During the year, the PSC piles were used in many 9MP projects including hospitals, roads, bridges and low cost flats. The Division also secured several supply contracts for major infrastructure projects such as CT5 Wharf at Westport in Pulau Indah, Selangor, Lebuhraya Kemuning-Shah Alam Package 1, and Electrified Double Tracking Railway Project in the North. Other major projects supplied included Ann Joo Steel Plant Expansion in Prai, Petronas Methanol Plant in Labuan, Petroleum Hub Terminal in Tg. Bin, Johor and various hypermarkets in different states. Strong demand for PSC piles fully utilised the existing plant capacities to achieve maximum economies of scale.

The Division performed well in overseas markets, especially Singapore, due to the booming construction activities and continued marketing efforts. Export tonnage was at 14%, up by 2% from last year, but export values increased substantially by 15% to RM60.14 million. Several supply contracts secured were for the high rise condominium market, petrol chemical industry, Pasir Panjang Port Terminal Extension as well as many factories built by MNCs.

The China plant increased its PSC piles delivery by 1.4 times over the previous year, however, falling short of expectations due to implementation delays in several

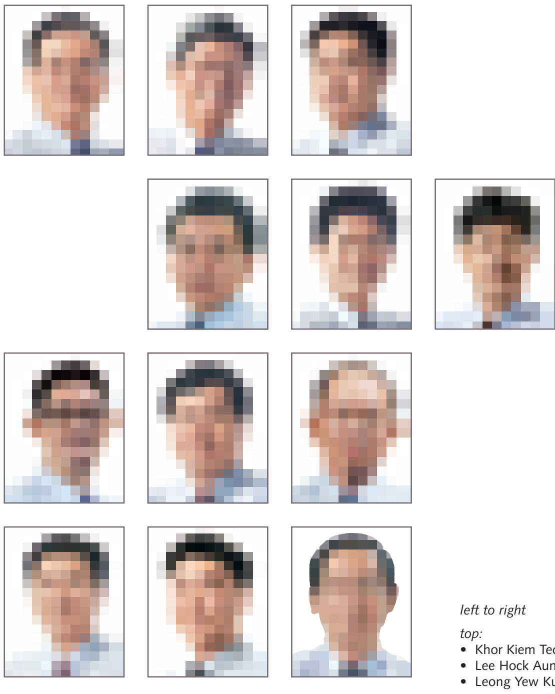
Batching plant in Bachupally, India

projects. As a result, the plant reported a RM2.24 million loss in its second year of operations. The plant is now working on securing several marine projects, and expects positive results when those projects come on stream in the coming year.

Durabon Sdn Bhd (DSB), a wholly owned subsidiary of ICP producing PC bars for PSC piles industry, achieved record revenues and PBT of RM99.56 million and RM13.99 million respectively, an improvement of 0.4% and 31% over last year. To cater for the surge in demand for PC bars, DSB commenced production on a new line in December 2007 which produces large diameter PC bars (up to 12mm) used in large diameter marine PSC piles. The new line augurs well for the increase in the Division's PSC piles production.

It was a challenging year for Expedient Resources Sdn Bhd (ERSB) as its performance was affected by rising raw material costs. Given that ERSB exports 95% of its products, margins were further eroded by high freight charges and the weakening US Dollar. It also faced stiff competition from cheaper China imports in its largest market, the UK. ERSB then focused its marketing efforts to penetrate the Australian market with favourable results and is confident of increasing its exports to Australia in the future. Although revenue was down

Industries Management Team



left to right

top:
- Khor Kiem Teoh
- Lee Hock Aun
- Leong Yew Kuen

upper middle:
- Tan Boon Leng
- Leong Pak Lung
- Nee Chow Yit

lower middle:
- Ooi Ka Tong
- Pang Chwee Hoon
- Kwek Hon Kiat

bottom:
- Tan Khuan Beng
- Wong Siew Meng
- Low Hong Imm

Kuang Rock Products' quarry at Kuang, Selangor

CT5 Wharf at Westport in Port Klang, Selangor

by 21%, ERSB managed to maintain its PBT at RM1.11 million, a slight drop from RM1.23 million in the prior year. ERSB will continue to explore new markets and institute stringent cost control measures to improve its performance in the coming years.

Gaining from the momentum of strong market demand for aggregates and premix, Malaysian Rock Products Sdn Bhd (MRP) scaled to new heights of performance this year. Turnover grew by 55% to RM99.82 million with the quarries benefiting from increased construction activities and an acute shortage of quarry materials in Singapore. Complemented by improved selling prices, the pre-tax profit jumped by a hefty 140% to RM24.80 million. During the year, two new quarries were secured in Junjung and Bukit Perak in Kedah; they are scheduled to start operations in May 2008 and December 2008 respectively. The quarries are expected to benefit from the Northern Corridor Economic Region and double tracking projects. Meanwhile, the production capacities of existing plants have been upgraded in anticipation of continued robust demand.

Turnover for the domestic ready-mixed sector remained flat at RM52.27 million under stiff competition. With improved efficiency and increased selling prices, Strong Mixed Concrete Sdn Bhd (SMC) managed to improve its pre-tax profit to RM0.74 million (FY 2007: RM0.33 million). Though conditions remain tough, Johor Bahru has been identified as the new market to expand its business. A batching plant is being set up in MRP's quarry in Ulu Choh, Johor Bahru, and is expected to commence operations in June 2008. The plant is expected to build synergies between the two sectors and create savings in transportation cost for aggregates used in concrete production.

The ready-mixed operations in India grew strongly and likewise for its reputation as a reliable and quality supplier. With five plants - one each in Bachupally, Whitefield, Yelhanka, Uppal and Chennai; they continued to increase market share and enhanced turnover by 72% to RM93.10 million in its third operational year. Like many countries worldwide, India also faced spiraling raw material costs. The experience gained in Malaysia and the discipline inculcated in staff to carefully manage rising cost, helped in preserving margins. Consequently, IJM Concrete Products Pte Ltd achieved a pre-tax profit of RM4.00 million which was 81% higher than the previous year. Heartened by the good performance, we are now seeking other locations for expansion.

In our maiden venture into Pakistan, the sole plant in Islamabad has emerged as the 'jewel' amongst our ready-mixed plants. With the experience gained in India, the plant adapted well to the local environment and attained good pre-tax profit of RM4.05 million on a turnover of RM29.90 million. Buoyed by the good results, a second plant is being planned in Karachi.

ICP piles used in Sandakan Harbour Square in Sandakan, Sabah

The scaffolding rental business under Scaffold Master Sdn Bhd enjoyed a good year, recording increased turnover by 19% to RM10.57 million on higher rentals from private and in-house projects. Pre-tax profit, however, grew at a smaller pace of 8% to RM4.50 million due to higher depreciation from more expensive scaffoldings purchased for replacement and expansion.

Kemena Industries Sdn Bhd, a 55% subsidiary produced a turnover of RM13.16 million and increased PBT by 29% to RM0.98 million (FY 2007: RM0.76 million). Spirolite (M) Sdn Bhd, a 38% associate, registered a turnover of RM25.74 million and PBT of RM0.89 million despite difficult market conditions and escalating raw material prices.

During the year, Torsco Sdn Bhd (Torsco), a 100% subsidiary was disposed off. From the transaction, a gain of RM21.97 million was realised.

Overall, the Industries Division performed well despite competitive and turbulent times in the construction industry. Going forward, the Division expects more demand from the 9MP projects, Second Penang Bridge, southern stretch of the Electrified Double Tracking Railway project and projects from Singapore's robust construction sector but remains cautious of the impact of escalating raw material prices impacting projects, and thus their implementation.

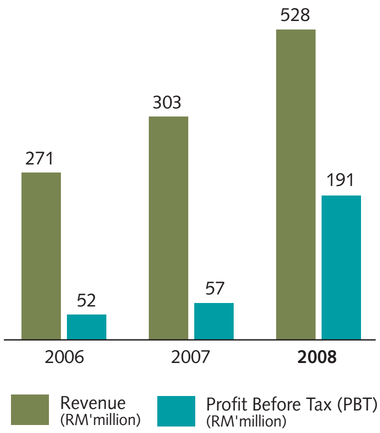
Northern stretch of the Electrified Double Tracking Railway project

Oil palm nursery for breeding trails at the Quality, Training & Research Centre (QTRC) in Sijas estate, Sandakan, Sabah

Appreciation and credit goes out to all parents and children involved in this photo shoot.
left to right : Mohd. Amin, 5 (Parents: Shamsul and Norzaminar) • Nathaniel Justin Ng, 3 (Parents: Ng Kok Leong and Karen Fernandez)
Anusha, 7 (Parents: Meyyappan Gopalan and Visalakshi a/p S. Muthukaruppan)

The Plantations Division continues to forge strong performance and record results. The Division's revenue of RM527.70 million for the financial year ended 31 March 2008 was at an all time high, representing a growth of 74% (FY 2007: RM302.82 million), whilst pre-tax profits of RM191.15 million represented a significant increase of 235% (FY 2007: RM57.10 million).

PLANTATIONS



Dominant factors contributing to the improved current year performances were the high crude palm oil (CPO) selling prices and increased crop production. Average CPO prices achieved for the year moved up from RM1,511 in 2007 to RM2,544 per metric tonne during the year.

In tandem with the larger areas of Sugut attaining maturity and coming into prime age, fresh fruit bunches (FFB) harvested were registered at 567,324 tonnes (FY 2007: 504,871 tonnes), a commendable growth of 12.4%. Total FFB milled (including outside fruit purchases) in the Division's three mills saw an increase from 669,050 tonnes produced in prior year to a record high of 724,361 tonnes or 8% higher, for the year under review.

New palm oil mill under construction in Sugut region

The Plantations Division has a land bank totaling 29,797 hectares of which total areas planted with oil palm measured 25,293 hectares (FY 2007: 25,421 hectares), a slight drop by 0.5% due to replanting activities. The Sugut region makes up 63% of the acreage and the remaining 37% are in Sandakan, Sabah. Plantations that have achieved maturity status by the end of the current financial year increased to an aggregate of 22,640 hectares (FY 2007: 22,550 hectares) representing 90% of the total planted hectarage.

The age profile of the plantations is as follows:

		Hectares	%
Mature	- Prime (8 - 20 years)	15,600	62
	- Young (4 - 7 years)	7,040	28
Immature (1 - 3 years)		2,653	10

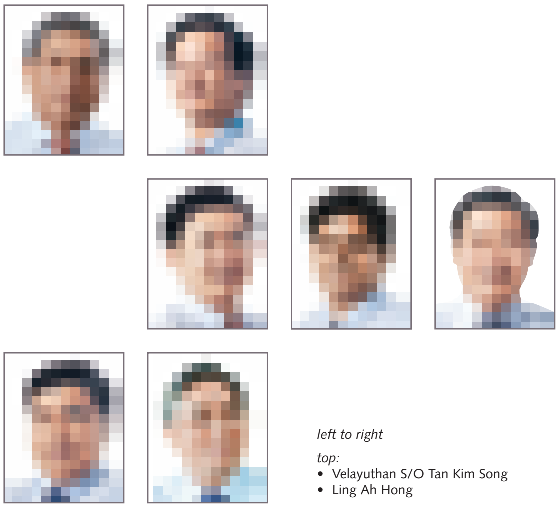
In the forthcoming years, as more areas come into maturity and of prime age, the Division expects a rising yield trend based on the relatively young age profile shown above.

The Division's three processing oil mills, namely Desa Talisai Palm Oil Mill (DTPOM), Minat Teguh Palm Oil Mill (MTPOM) and Sabang Palm Oil Mill (SBPOM), have a total processing capacity of 165 tonnes of FFB per hour. DTPOM and MTPOM recorded a slight decline in total tonnage processed by 4%, however SBPOM in contrast, chalked up an impressive 24% growth over the previous year. In view of the expected increase in crop production in the immediate term, a second mill located in the Sugut region with a processing capacity of 30 tonnes is well under construction and is expected to be commissioned before the next peak crop season in 2008.

The Division's kernel crushing plant crushed some 52,954 tonnes (FY 2007: 55,778 tonnes) of kernel in producing 23,042 tonnes (FY 2007: 24,038 tonnes) of crude palm kernel oil and 27,717 tonnes (FY 2007: 29,004 tonnes) of palm kernel expellers to achieve an extraction rate of 43.5% and 52.3% (FY 2007: 43.1% and 52.0%) respectively.

During the current year, unusually high rainfall and flooding had a direct negative impact on the FFB quality, which affected the oil mills' oil and kernel extraction rates that averaged 21.3% and 4.7% respectively, a marginal decline from 21.5% and marginal increase from 4.5% respectively over the prior year.

Plantations Management Team



left to right

top:
- Velayuthan S/O Tan Kim Song
- Ling Ah Hong

middle:
- Joseph Tek Choon Yee
- Purushothaman S/O Kumaran
- Ng Chung Yin

bottom:
- P K Venugopal A/L Krishna Poduval
- Francis Chai Min Fah

Muster at dawn

Sg. Sabang estate in Sugut

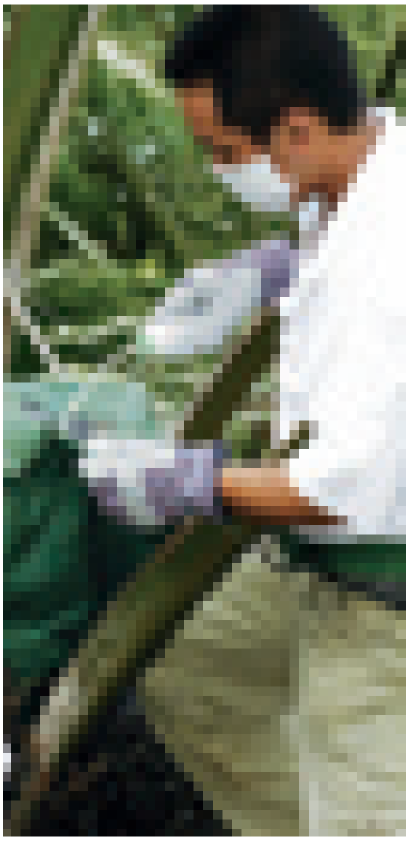
Operating costs increased as a result of rising fuel and fertiliser prices. In addition, contributions made to the State in the form of Sabah sales tax, the newly implemented FFB cess in 2007 and palm oil cess paid to the Malaysia Palm Oil Board (MPOB) amounted to RM47.61 million, represented a significant increase of 143% over previous year.

Cost efficiency measures are actively being pursued in its effort to manage the adverse effects of rising input costs. In addition, improved water conservation and irrigation measures have been adopted selectively to improve and sustain high FFB yields. The Division also recognises the challenges in recruiting and maintaining adequate skilled workers to sustain the high productivity levels. In managing the aforesaid challenges, the Division continues to provide ongoing training and development of human resources opportunities.

The Division strongly propagates that sustainable methods should be used in the production of palm oil to create sustainable long-term value for its stakeholders. As such, the Division is committed to sound environmental and conservation management practices such as soil and water conservation, mill waste management, integrated pest management, soil conditioning and enrichment, and zero-burning methods - all of which are aimed at achieving long-term sustainable development.

Minat Teguh palm oil mill

Desa Talisai South workers housing



Seed production at Sijas estate

Among the various environmental projects, it is noteworthy to highlight that IJM Plantations Berhad entered into its fourth year of composting empty fruit bunches (EFB) with palm oil mill effluent (POME). The compost when applied in the plantations, enhanced the soil condition and improving nutrient uptake resulting in rationalisation of fertiliser usage and cost savings.

As reported in the previous year, the Division planned for business expansion into Indonesia. To date, conditional sale & purchase agreements have been signed with three Indonesian companies to cultivate oil palm on 3 plots of land measuring approximately 33,000 hectares in East Kalimantan. Work has commenced to establish nurseries and sowing of seeds, as well as the development and construction of initial estate infrastructure. With the ongoing establishment of nurseries and site-preparation work, field planting is expected to commence towards the end of FY 2009.

As part of the Division's expansion plans into India, it has entered into a Joint Venture Agreement with Godrej Agrovet Limited and Godrej Gokarna Oil Palm Limited in February 2008, to carry out the business of purchasing oil palm fresh fruit bunches and milling in the states of Goa and Karnataka.

The Division anticipates the outlook for the coming financial year to be bright. Prices for palm products are expected to remain strong. According to some analysts and industry experts, CPO prices are expected to sustain their current high level with the potential to exceed RM4,000, while others anticipate that CPO prices may increase up to RM4,500 per tonne by the end of the year. Additionally, upward price pressures may happen sooner if weather uncertainty intensifies against crop output.

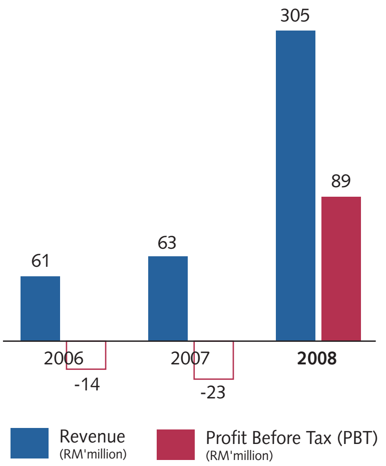
Rising fuel oil prices, fertilisers and general wages, will put pressure on production costs. However the Division will strive to achieve strong performance levels amidst high commodity prices and the benefits of the matured areas reaching prime age.

Besraya Highway in Kuala Lumpur

Appreciation and credit goes out to all parents and children involved in this photo shoot.
Nicholas Andrew Ng, 6 (Parents: Ng Kok Leong and Karen Fernandez)

For FY 2008, the Infrastructure Division reported a remarkable performance with a turnover of RM305.02 million (FY 2007: RM63.19 million) and for the first time, a pre-tax profit of RM88.60 million (FY 2007: Pre-tax loss of RM22.95 million). This represents an impressive positive turnaround over the previous year's results, mainly attributable to the revenues and profit contributions from its toll and port concessions in Malaysia and gain on disposal of our investments in the Second Vivekananda Bridge concession in Kolkata, India. Prior year's divisional loss was mainly attributable to interest costs arising from offshore borrowings to finance the Indian toll concessions, some of which are still under construction, and the low initial traffic volume on operating concessions.

INFRASTRUCTURE



In the Infrastructure Division's assets portfolio, there are ten (10) toll concessions (with four (4) in Malaysia, five (5) in India and one (1) in Argentina), two (2) ports in Pahang and Terengganu, a power plant in India, and a water treatment plant in Vietnam.

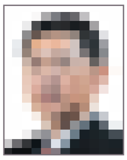
Toll Roads

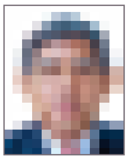
The Malaysian toll roads contributed substantial results to the Infrastructure Division during the year. The wholly-owned 16 Km Besraya Highway (Besraya) and 20 Km New Pantai Expressway (NPE) are new additions to the Group resulting from the recent merger. Both toll roads are located in Kuala Lumpur with concession periods of 37 and 35 years, and have been operating for 10 and 5 years respectively.

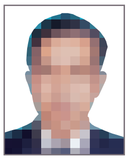
During the year, Besraya and NPE contributed turnover of RM55.62 million and RM69.27 million respectively and operating profit before finance costs and tax were RM38.18 million and RM41.49 million respectively. However, after inclusion of finance costs, Besraya's pre-tax profit was RM32.66 million and NPE incurred a pre-tax loss of RM3.85 million. Despite the loss incurred by NPE, its operational performance had been very impressive with operating profit before finance costs and tax over turnover ratio of 60% and traffic increase of 16%.

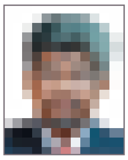
Mines South Toll Plaza at Besraya Highway, Kuala Lumpur

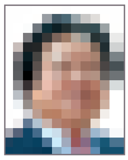
Infrastructure Management Team

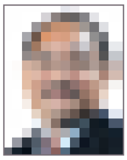


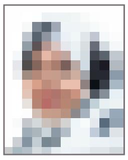










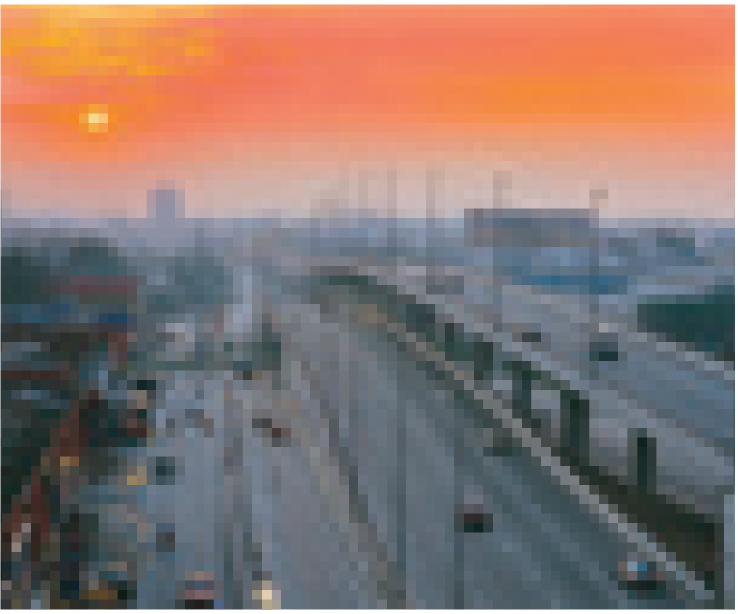


left to right

top:
- Neoh Soon Hiong
- Wong Soon Fah
- Mohd Khalid Haji Mohamed

middle:
- Tuan Haji Awal Bin Haji Ali
- Haji Khasbullah Bin A Kadir
- Ho Phea Keat

bottom:
- Simon Thiang Choon Hian
- Wan Salwani Binti Wan Yusoff



Maju Jaya Interchange at New Pantai Expressway, Kuala Lumpur

Amidst satisfactory operational performances by the local toll roads, there are increasing challenges in the toll industry from the construction of new highways, improvements along road networks, provision of alternative toll-free bypasses and various petrol hikes - all of which have affected the traffic volumes. Operating expenses over revenues ratios have been contained at below 15% due to effective scheduled maintenance works, periodic resurfacing roadworks and prudent financial management. Besraya and NPE continue to focus on achieving higher productivity and efficiency to sustain profitability levels while putting greater emphasis on marketing and promotions to attract new road users and maintain current ones.

In addition, the 48 Km Kajang-Seremban Highway (Lekas) concession for a period of 33 years, under its 50%-owned Lebuhraya Kajang-Seremban Sdn Bhd, is slated for sectional opening in the third quarter of 2008. The Group's strategic investment in KEB has granted it the opportunity to participate in the upcoming 221 Km West Coast Expressway which is a 33 years concession.

The operating toll roads in India such as the 35%-owned Swarna (145 Km) and wholly-owned Rewa (387 Km) tollways are currently in their fourth year of operations with improved traffic counts and the Division can expect better performance in the coming years as concessions mature. Construction work in two other toll concessions comprising fully-owned Jaipur-Mahua (108 Km) and 50%-owned Trichy (93 Km) tollways, continued to progress well. The 50%-owned Chilkaluripet-Vijayawada (79 Km) Tollway was recently won and concession agreement just recently executed. The Indian tollways hold concession periods ranging from 16 to 31 years.

In Argentina, the Group's 20%-owned Grupo Concesionario del Oeste S.A. (Grupo) which operates a 21-year concession on the Western Access Tollway (56 Km) in Buenos Aires, achieved a 15% increase in turnover to RM31.92 million over last year due to increased traffic volume. Despite the increased turnover, the Group however, shared a net loss of RM1.07 million as compared to last year's profit share of RM1.24 million due to higher labour costs, amortisation levels and taxes during the year. Notwithstanding that, the outlook remains positive with the increasing traffic on the road and renegotiation of the concession terms. Grupo's concession contract was last partially renegotiated in early 2006; apart from the 13.8% revision in toll rates effective April 2006, other provisions have yet to be implemented.

Kuantan Port in Pahang

The prospects for the Group's toll roads continue to remain positive with limited operational and financial risks and will continue to contribute a steady recurring income stream to the Group's earnings. Following the merger, IJM had gained invaluable human capital and industry knowledge in the privatization and highway concession sector. The amalgamation of these elements, together with existing skills from IJM's own overseas highway projects in India and Argentina, will be the key success factors in bringing the Toll Division to a brighter future. During the year, the Group received an attractive proposition to acquire its stake in the Second Vivekananda Bridge in Kolkata which was profitably disposed for a gain of RM65.0 million.

Ports

The RBH merger added two new port concessions in Kuantan, Pahang and Kemaman, Terengganu into the Group's stable of concession assets and contributed positively to the Group's bottom-line. During the year, Kuantan Port performed well by achieving a pre-tax profit of RM33.30 million on a turnover of RM99.30 million, whereas the Group's 39% stake in Kemaman Port which operates the East Wharf and Liquid Chemical Berth, garnered a turnover of RM27.80 million with pre-tax profit of RM9.50 million.

The Port Division invested in port facilities during the year to better serve its customers and yield good returns through the construction of a new palm oil berth no. 3, a 200-metre container berth expansion and a dedicated berth for a long serving customer. It has also recently embarked on a journey, which is at its preliminary stage, to transform Kuantan Port into a megaport to attract bigger customers. Presently, the port industry is on a growth path and the Group is confident of more positive contributions from its port concessions in future years.

Power Plant

The Group's sole power plant concession in Andra Pradesh, India is its 20%-owned Gautami Power, a 460 MW natural gas based Combined Cycle Power Plant. The construction of the plant had been completed a year ago but commissioning delayed due to non-sanction of gas availability by the authorities. It is anticipated that this will happen in the current financial year.

Water Treatment Plant

In Vietnam, the Group's 36%-owned associate Binh An Water Corporation Ltd contributed a net profit of RM3.74 million, which dropped from last year's profit of RM4.74 million, for our share of profit during the year basically due to higher operating and maintenance costs and also the weakening USD currency. The investment is expected to contribute stable income streams until the year 2019.


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

On the local and international front, especially in the emerging markets, the Group continues to selectively bid for infrastructure projects to build its portfolio of diversified and good infrastructure assets, and is confident of securing continued success in future years.

OTHER DEVELOPMENTS

During the year, the Group continued to dispose off its non-core and low yielding assets with the successful disposal of its remaining investment in Guangdong Provincial Expressway Development Co Ltd by realising a gain of RM118.01 million. The Group further disposed its fully-owned subsidiary, Torsco Sdn Bhd, and land and buildings situated in Bukit Jambul, Penang for capital gains of RM21.97 million and RM21.0 million respectively.

Moving forward, the Group plans to dispose its mature assets to release cash flows to fund its operations and future investments.

CONCLUSION

The prospect for the coming year looks promising for the Group despite post-election sentiments, US recession fears, inflationary pressures and slowing demand. Amidst the challenging environment, the existing strong order book, and escalating costs, margin erosion in the Construction Division remains a concern but is being proactively managed. Risk management practices have been intensified particularly in respect of future orders. Similarly, while margins are pressured by rising costs, with substantial pre-sales and a substantial land bank post merger, the Properties Division is well-positioned to maintain strong performances locally and overseas. The Plantations Division is anticipated to flourish on the back of strong CPO prices which are expected to continue into the coming year. The Industries Division is expected to remain competitive and its recent overseas ventures are expected to provide significant contributions to the division's results into next financial year. The Group's prospects are further expected to be enhanced by steady revenue streams from its tolling and port operations.

The Group will continue to enhance shareholders' returns through capital management, extracting value from recent acquisitions, expanding into rapidly growing emerging markets in the Indian Subcontinent and Middle East, and disposing its non-core low yielding assets to unlock value. As part of our growth and globalisation strategy, the rationalisation of our debts and assets will be the main focus while we further strengthen our core competencies to bring better returns to our shareholders and stakeholders in future.

Dato' Tan Boon Seng @ Krishnan
CEO & Managing Director

CORPORATE GOVERNANCE STATEMENT

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. IN ORDER TO MEET THE STAKEHOLDERS' EXPECTATION ON SOUND CORPORATE GOVERNANCE PRACTICES, THE BOARD IS ALWAYS PROACTIVE IN RESPECT OF CORPORATE GOVERNANCE AND ENSURES THAT THE PRINCIPLES AND BEST PRACTICES OF GOOD GOVERNANCE AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (THE CODE) ARE WELL APPLIED BY ALL COMPANIES WITHIN THE GROUP AND ITS PEOPLE.

THE GROUP, IN ITS ENDEAVOURS TO DELIVER GOOD FINANCIAL PERFORMANCE WITH ENHANCEMENT OF SHAREHOLDERS' VALUE HAS PLEDGED TO ADOPT AND ADHERE TO THE BEST PRACTICES IN CORPORATE GOVERNANCE. GOOD CORPORATE GOVERNANCE HAS ALWAYS BEEN OF IMPORTANCE TO THE GROUP SINCE ITS ESTABLISHMENT BY IJM'S FOUNDERS, AND IS A FUNDAMENTAL PART OF ITS CULTURE AND BUSINESS PRACTICES. THE GROUP HAS ALWAYS ACTED HONESTLY, TRANSPARENTLY, PROFESSIONALLY AND IN THE BEST INTEREST OF ALL STAKEHOLDERS.

I. BOARD OF DIRECTORS

1. Composition of the Board

Of the twelve (12) Board members, eight are Non-executive Directors. Amongst the Non-executive Directors, four are Independent Non-executive Directors. The Chairman is one of the Independent Non-executive Directors. Datuk Yahya bin Ya'acob is the Senior Independent Non-executive Director, who may attend to any query or concern concerning the Group besides the Chairman and Chief Executive Officer & Managing Director ("CEO & MD").

The role of the Independent Non-executive Chairman and the CEO & MD are distinct and separate. The Independent Non-executive Chairman avails himself to provide clarifications on issues that are raised by the shareholders and investors to ensure the integrity and effectiveness of the governance process of the Board. The Independent Non-executive Chairman also maintains regular dialogues with the CEO & MD on all operational matters and acts as the facilitator at Board meetings. The current Independent Non-executive Chairman did not previously hold the position of CEO & MD in the Group. The CEO & MD has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The CEO & MD is responsible to duly ensure execution of strategic goals, effective operation within the Group, and to explain, clarify and inform the Board on matters pertaining to the Group. This division of responsibility between the Chairman and CEO & MD ensures that accountability is given high priority.

The profile of each Director is presented on pages 28 to 35.

2. Duties and Responsibilities of the Board

The Board leads, provides strategic direction and manages the Group. The Directors are professionals in the field of engineering, finance, accounting, economics or experienced senior public administrators. Together, they bring a wide range of competencies, capabilities, technical skills and relevant business experience to ensure that the Group continues to be a competitive leader within its diverse industry segments with a strong reputation for technical and professional competence.

The Non-executive Directors bring independent judgment on issues of strategy, business performance, resources and standards of conduct. The Independent Non-executive Directors provide independent and constructive views in ensuring that the strategies proposed by the management are fully studied and deliberated in the interest of the Group and also all stakeholders.

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

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

3. Board Meetings

The Board conducts at least four regularly scheduled meetings annually, with additional meetings convened as and when necessary. During the financial year, seven 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	7 out of 7	100%
Soo Heng Chin	7 out of 7	100%
Independent Non-Executive Directors		
Tan Sri Dato' Ir (Dr) Wan Abdul Rahman bin Wan Yaacob	7 out of 7	100%
The late Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor *(Demised on 22 January 2008)*	3 out of 5	60%
Tan Sri Abdul Halim bin Ali	6 out of 7	86%
Datuk Oh Chong Peng	7 out of 7	100%
Datuk Yahya bin Ya'acob	7 out of 7	100%
Non-Executive Directors		
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	6 out of 7	86%
A. K. Feizal Ali	3 out of 7	43%
Datuk Lee Teck Yuen *(Appointed on 30 May 2007)*	6 out of 6	100%
Dato' David Frederick Wilson *(Appointed on 30 May 2007)*	6 out of 6	100%
Alternate Directors		
Teh Kean Ming, *Alternate to Dato' Goh Chye Koon*	5 out of 7	71%
Tan Gim Foo, *Alternate to Soo Heng Chin*	7 out of 7	100%
Hasni bin Harun, *Alternate to A. K. Feizal Ali*	2 out of 7	29%

Besides these Board meetings, the Directors also attend several tender adjudication meetings and/or 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, the Board reports are circulated to all the Directors ahead of the scheduled meetings to give them the opportunity to seek clarification or additional information on the financial performances of the entities and business units, and other issues requiring discussion and decision.

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

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, and the Malaysian budget, to acquaint them with the latest developments in these areas.

The Directors are notified of any corporate announcements released to the Bursa Malaysia Securities Berhad ("Bursa Malaysia"). 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 the Listing Manual of Bursa Malaysia, 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.

5. Committees Established by the Board

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

A. Executive Committee

The Executive Committee was established on 31 March 1995 and its membership consists of the Executive Directors of the Board. The Executive Committee meets monthly to review the performance of the Group's operating divisions. In attendance are the Heads of Divisions, Chief Financial Officer, the Company Secretary and relevant departmental heads.

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

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

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

	Number of Meetings Attended	Percentage
Executive Directors		
Dato' Tan Boon Seng @ Krishnan	11 out of 11	100%
Dato' Goh Chye Koon	11 out of 11	100%
Soo Heng Chin	11 out of 11	100%

B. Audit Committee

The Audit Committee was established on 31 January 1994 and is chaired by Y. Bhg. Datuk Oh Chong Peng, who was redesignated as Chairman of the Audit Committee on 26 February 2008 replacing the late Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor, who demised on 22 January 2008. Other members of the Audit Committee are Y. Bhg. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob, Y. Bhg. Tan Sri Abdul Halim bin Ali and Y. Bhg. Datuk Yahya bin Ya'acob. The terms of reference and summary of activities of the Audit Committee are set out on pages 102 to 105.

MEMBERS OF THE NOMINATION & REMUNERATION COMMITTEE

left to right:
Y. Bhg. Datuk Oh Chong Peng
Y. Bhg. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob
Y. Bhg. Datuk Yahya bin Ya'acob
Y. Bhg. Datuk Lee Teck Yuen

C. Nomination & Remuneration Committee

The Remuneration Committee was established on 2 December 1998 and was renamed Nomination & Remuneration Committee on 16 May 2001. The Nomination & Remuneration Committee is chaired by Y. Bhg. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob, who was redesignated as Chairman on 26 February 2008 replacing the late Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor, who demised on 22 January 2008. The three other members of the Nomination & Remuneration Committee are Y. Bhg. Datuk Yahya bin Ya'acob, Y. Bhg. Datuk Oh Chong Peng and Y. Bhg. Datuk Lee Teck Yuen.

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

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

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

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

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

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

The Nomination & Remuneration Committee will meet as required. Four meetings were held during the financial year. All recommendations of the Nomination and Remuneration Committee are subject to endorsement of the Board. The attendance record of each member of the Committee was as follows:

	Number of Meetings Attended	Percentage
Directors		
The late Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor *(Demised on 22 January 2008)*	3 out of 4	75%
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob *(Redesignated as Chairman on 26 February 2008)*	3 out of 4	75%
Datuk Yahya bin Ya'acob	4 out of 4	100%
Datuk Lee Teck Yuen *(Appointed on 30 May 2007)*	3 out of 3	100%
Datuk Oh Chong Peng *(Appointed on 26 February 2008)*	*Not Applicable**	*Not Applicable**

** No meeting was held after the appointment of Datuk Oh Chong Peng*

D. Securities and Options Committee

The Securities and Options Committee (SOC) was established on 27 August 2007 combining the roles and responsibilities of the Share Committee and Employee Share Option Scheme (ESOS) Committee, which were previously established on 3 September 1986 and 30 October 2003 respectively. The SOC is responsible for implementing and administering the ESOS of the Company, and regulating and approving the securities transactions and registrations. The SOC comprises Y. Bhg. Datuk Yahya bin Ya'acob (Chairman), Y. Bhg. Dato' Goh Chye Koon and Mr Soo Heng Chin.

6. Appointments to the Board

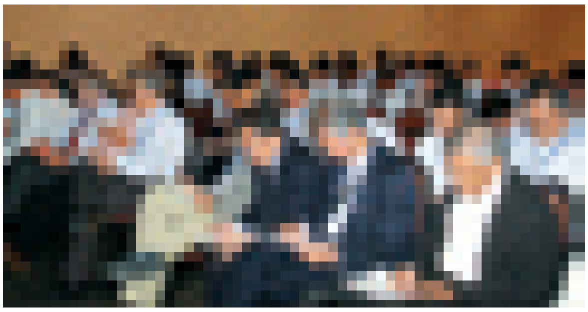
The Nomination & Remuneration Committee is responsible for making recommendations to the Board, including those of subsidiaries and associated companies. In making these recommendations, the Nomination & Remuneration Committee considers the required mix of skills and experience, which the Directors should bring to the Board. 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 years in compliance with the Listing Requirements of the Bursa Malaysia. The Articles of Association 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



Directors and senior management staff attending Malaysian Taxation and Budget 2008 briefing

All the Directors have attended the Directors' Mandatory Accreditation Programme organised by the Bursa Malaysia. Directors also receive further training from time to time, particularly on relevant new laws and regulations and changing commercial risks. A brief induction course will be provided by the Company Secretary to all new Directors appointed from time to time.

During the year, four (4) seminars had been organised for the Directors and senior management as follows:-

1) Impact of Financial Reporting Standard 3 on Mergers & Acquisition - A Sharing of Experience;
2) Latest Development on Corporate Governance in Malaysia;
3) Malaysian Taxation & Budget 2008 Briefing; and
4) Updates on Liability Insurance Cover & Claims against Directors & Officers.

The Company is aware of the importance of continuous training for Directors to enable the Directors to effectively discharge their duties, and will on a continuous basis, evaluate and determine the training needs of its Directors.

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.

II. REMUNERATION

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

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

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

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

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

1. Fees

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

2. Basic Salary

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

3. Bonus and Incentive Scheme

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

4. Benefits-in-Kind

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

5. Pension Arrangements

Contributions are made to the Employees Provident Fund, the national mandatory defined contribution plan, in respect of all employees and Malaysian-resident Executive Directors. On top of the statutory contribution rate of 12%, the Group is offering additional contribution ranging from 1% to 5% to all its employees based on length of services.

6. Directors' Share Options and Warrants

The Group also rewards its staff with share options under the ESOS. In financial year 2006, the Group had issued 10,000,000 warrants to the entitled management staff at RM0.05 per warrant.

The movement in Directors' share options and warrants during the financial year are set out on pages 140 and 141.

7. Directors' Remuneration

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

A. Aggregate remuneration of Directors categorised into appropriate components:

	Salaries RM'000	Fees RM'000	Bonus, Incentives & Others RM'000	EPF RM'000	Benefits-in-kind RM'000	Total RM'000
Executive Directors	2,190	107	2,085	769	92	5,243
Non-executive Directors	366	470	303	76	43	1,258

B. Aggregate remuneration of each Director:

	RM'000
Executive Directors	
Dato' Tan Boon Seng @ Krishnan	2,348^
Teh Kean Ming *(Ceased as an Alternate to Dato' Goh Chye Koon on 1 July 2008, and appointed as Deputy Chief Executive Officer & Deputy Managing Director on 1 July 2008)*	752^
Dato' Goh Chye Koon	1,518^
Soo Heng Chin	625^
Non-Executive Directors	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	149
The late Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor *(Demised on 22 January 2008)*	69
Tan Sri Abdul Halim bin Ali	42
Datuk Oh Chong Peng	73
Datuk Yahya bin Ya'acob	86
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	51
Datuk Lee Teck Yuen	45
Dato' David Frederick Wilson	38
A. K. Feizal Ali *(Ceased on 21 April 2008)*	40*
Hasni bin Harun *(Ceased as an Alternate to A. K. Feizal Ali on 21 April 2008, and appointed as Non-Executive Director on 21 April 2008)*	–
Alternate Director	
Tan Gim Foo, *Alternate to Soo Heng Chin*	665^

* The fees and allowances were paid to Zelan Berhad.
^ Remuneration received from IJM Group of Companies.


Dato' Krishnan Tan giving a presentation to the analysts

III. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

1. Dialogue between the Company and Investors

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

This is achieved through timely announcements and disclosures made to the Bursa Malaysia during the year, including the release of financial results on a quarterly basis. The Company's full year audited financial results are released within two (2) months after the financial year end. The annual report is released within four (4) months after the financial year end and contains commentaries on business, financial and operational aspects of the Group's performance, a brief description of the Group's services and products and the financial statements of the Group.

The Group conducts regular dialogues with financial analysts as a means of effective investor communication. At least two scheduled Company Briefings are held each year, usually coinciding with the release of the Group's second and final quarterly results, to explain the results achieved and the strategies going forward. A press conference is normally held after each Company Annual General Meeting and/or Extraordinary General Meeting.

The Company also participates 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 year are as follows:-

	Number of Meetings
Regular Meetings with Investors/Fund Managers/Analysts, etc	
1. Company Briefing	2
2. Press Conferences	3
3. Meetings with visiting investors/fund managers/analysts	63
Participation at Local Road Shows/Exhibitions/Investors Conferences	
1. Conferences	1
Overseas Investors Conferences	
1. Hong Kong	2
2. Singapore	1
3. Las Vegas	1

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

2. Annual General Meeting

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

At each Annual General Meeting, a presentation is given by the CEO & MD to explain the Group's strategy, performance and major developments to shareholders. The Board also encourages shareholders to participate in the question and answer session at the Annual General Meeting. The Chairman and where appropriate, the CEO & MD, respond to shareholders' questions during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

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

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

3. Investor Relations Function

The Group, recognising the importance of investor relations, has established an Investor Relations Department, to continuously develop and maintain its investor relations programme and consistently inform the shareholders and the financial community of the Group's developments in an effective, clear and timely manner.

4. **Openness and Transparency**

The Group has established a comprehensive and current website at http://www.ijm.com to further enhance investor relations and shareholder communication. Amongst others, the website provides information on the daily movement of the securities of the Company, corporate announcements released to the Bursa Malaysia, what others say of the Group, annual reports, minutes of general meetings, distribution of dividends, unclaimed dividends, securities dealings of Directors, Principal Officers and substantial shareholders, and a profile of the Group.

To better serve stakeholders of the Group, a feedback page on the website provides an avenue for stakeholders to suggest improvements via email: ijmir@ijm.com. In addition, stakeholders who wish to reach the respective divisions of the Group can do so through the 'Contact Us' page.

IV. ACCOUNTABILITY AND AUDIT

1. **Financial Reporting**

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

2. **Directors' Responsibility Statement**

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

In preparing the financial statements, the Directors have:

i) adopted appropriate accounting policies which are consistently applied;

ii) made judgments and estimates that are reasonable and prudent;

iii) ensured that all applicable approved accounting standards have been followed; and

iv) prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence in the foreseeable future.

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

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company, and to prevent fraud and other irregularities. The Group has also implemented the Policy & Procedure for Reporting Fraud, Waste and/or Abuse involving the Resources of the Company, under which, if an employee suspects that fraud, waste, or abuse has occurred, the employee is encouraged to and is given a direct avenue to contact the Group Internal Audit Department, CEO & MD or the Company Secretary.

3. **Internal Control**

The Group's Statement on Internal Control is set out on pages 106 to 108.

4. **Relationship with the Auditors**

The role of the Audit Committee in relation to the external auditors is set out on pages 102 to 105.

5. **Non-Audit Fee**

The amount of non-audit fee incurred for the services by the external auditors and their affiliated companies to the Company for FY 2008 amounted to RM2.07 million.

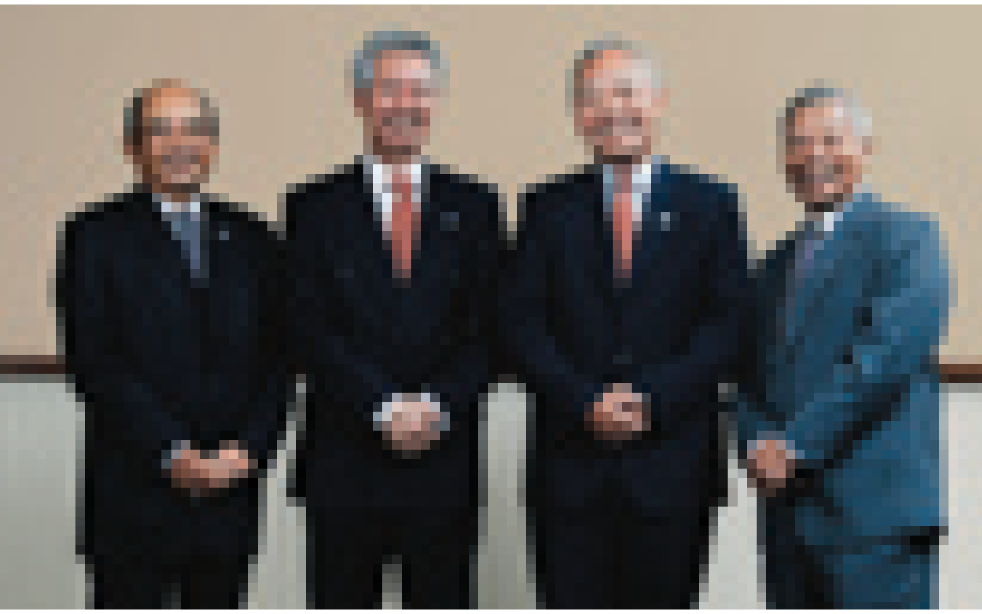
6. **Related Party Transactions**

Significant related party transactions of the Group for the financial year are disclosed in Note 51 to the *Financial Statements*. This note also sets out the recurrent transactions conducted during the period in accordance with the general mandate obtained from shareholders at the Extraordinary General Meeting held on 29 August 2007.

Signed on behalf of the Board of Directors in accordance with its resolution dated 15 July 2008.

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

AUDIT COMMITTEE REPORT



DURING THE FINANCIAL YEAR, THE AUDIT COMMITTEE CARRIED OUT ITS DUTIES AND RESPONSIBILITIES IN ACCORDANCE WITH ITS TERMS OF REFERENCE AND HELD DISCUSSIONS WITH THE INTERNAL AUDITORS, EXTERNAL AUDITORS AND MANAGEMENT STAFF. NO MATERIAL MISSTATEMENTS OR LOSSES, CONTINGENCIES OR UNCERTAINTIES HAVE ARISEN FROM THE REVIEWS AND DISCUSSIONS.

MEMBERS OF THE AUDIT COMMITTEE

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

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

MEMBERSHIP

The Audit Committee shall be appointed by the Board of Directors from amongst the Non-executive Directors and shall consist of not less than three members, with a majority of them being independent Directors. The members of the Audit Committee shall elect a Chairman from among their numbers, and who shall be an independent Director. An alternate Director shall not be appointed as a member of the Audit Committee.

At least one member of the Audit Committee:

(i) shall be a member of the Malaysian Institute of Accountants; or

(ii) if not a member of the Malaysian Institute of Accountants, the member shall have at least three years' working experience and:

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

  (b) shall be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or

(iii) fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Malaysia").

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

MEETINGS AND MINUTES

Meetings shall be held at least four times a year with the attendance of the Chief Financial Officer, head of Internal Audit and representatives of the external auditors. Other Board members and senior management may attend meetings upon the invitation of the Audit Committee. At least twice a year, the Audit Committee shall meet with the external auditors and internal auditors without any executive officer of the Group being present. The auditors, both internal and external, may request a meeting if they consider that one is necessary.

The Chairman of the Audit Committee engages on a continuous basis with senior management such as the CEO & MD, Chief Financial Officer, head of Internal Audit and the external auditors, in order to keep abreast of matters and issues affecting the Group.

A quorum consists of two members present and a majority of whom must be independent Directors.

The Company Secretary shall act as secretary to the Audit Committee. Minutes of each meeting shall be distributed to each Board member, and the Chairman of the Committee shall report on key issues discussed at each meeting to the Board.

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

	No. of meetings held during the year	No. of meetings attended
Y. Bhg. Datuk Oh Chong Peng Chairman of the Audit Committee (Independent Non-Executive Director)	4	4
Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Nor *(Demised on 22 January 2008)* Former Chairman of the Audit Committee (Senior Independent Non-Executive Director)	4	1
Y. Bhg. Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob Member (Independent Non-Executive Director)	4	4
Y. Bhg. Datuk Yahya bin Ya'acob Member (Senior Independent Non-Executive Director)	4	4
Y. Bhg. Tan Sri Abdul Halim bin Ali Member (Independent Non-Executive Director)	Not Applicable*	Not Applicable*

** No meeting was held after the appointment of Tan Sri Abdul Halim bin Ali on 26 February 2008*

On 26 February 2008, Y. Bhg. Datuk Oh Chong Peng was redesignated as Chairman of the Audit Committee, replacing the late Y. Bhg. Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor, who demised on 22 January 2008.

AUTHORITY

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

- to investigate any activity within its terms 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 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 shall state the nature of the audit, and to ensure co-ordination of audit, where more than one audit firm is involved.
5) To review with the external auditors, their evaluation of system of internal controls, their management letter and the management's response.
6) To review the assistance given by the employees of the Company to the external auditors.
7) To review the following in respect of internal audit:
   (i) the adequacy of the audit scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its functions;
   (ii) the internal audit plan, programme and activities;
   (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, and to ensure that the Directors report such transactions annually to the shareholders via the annual report.
9) To review the reports of the Risk Management Committee in relation to the adequacy and integrity of the Group's internal control system.
10) To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors and/or internal auditors may wish to discuss (in the absence of management, where necessary).
11) To review all prospective financial information provided to the regulators and/or the public.
12) To report promptly to Bursa Malaysia on any matter reported by it to the Board, which has not been satisfactorily resolved resulting in the breach of the Listing Requirements of Bursa Malaysia.
13) To consider any other matters as may be directed by the Board from time to time.

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR

During the year, the Audit Committee carried out the following activities:

1.0 Financial Reporting

- Reviewed the quarterly financial results announcements and the year end financial statements of the Group;
- In the review of the annual audited financial statements, the Audit Committee discussed with management and the external auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements.

2.0 Internal Audit

- Reviewed the annual audit plan proposed by the Internal Auditors to ensure the adequacy of the scope and coverage of work;
- Reviewed the effectiveness of the audit process, resource requirements for the year and assessed the performance of the Internal Audit Department;
- Reviewed the audit reports presented by the Internal Auditors on their findings and recommendations with respect to system and control weaknesses. The Committee then proposed that control weaknesses be rectified and recommendations for improvements be implemented.

3.0 External Audit

- Reviewed the external auditors' audit strategy, audit plan and scope of work for the year;
- Reviewed the findings of the external auditors' reports, particularly issues raised in the management letter and ensured where appropriate, the necessary corrective actions have been taken by management.

4.0 Risk Management Committee

- Reviewed the Risk Management Committee's reports and assessments.

5.0 Related Party Transactions

- Reviewed the related party transactions that arose within the Group.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by the Internal Audit Department, which reports directly to the Audit Committee on its activities based on the approved annual Internal Audit Plan. The approved annual Internal Audit Plan is designed to cover projects and entities across all levels of operations within the Group. The Internal Audit Department adopts a risk-based auditing approach, taking into account global best practices and industry standards.

The Head of Internal Audit reports directly to the Audit Committee and has direct access to the Chairman of the Audit Committee on all the internal control and audit issues.

The main role of the Internal Audit Department is to provide the Audit Committee with independent and objective reports, performed with impartiality, proficiency and due professional care, on the effectiveness of the system of internal controls within the Group. The Audit Committee then deliberates on the internal audit reports to ensure recommendations from the reports are duly acted upon by management.

INTERNAL AUDIT ACTIVITIES FOR THE FINANCIAL YEAR

During the year, internal audits performed spanned the construction, properties and infrastructure divisions, as well as the overseas operations of the Group. The department continues to provide internal audit services to IJM Plantations Berhad and Industrial Concrete Products Berhad, and in an effort to provide value added services, it also plays an active advisory role in the review and improvement of existing internal controls within the Group.

SOUND INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT PRACTICES, AND GOOD CORPORATE GOVERNANCE - THESE ARE THE IMPORTANT ATTRIBUTES AND VALUES THE BOARD OF DIRECTORS SEEKS TO NURTURE AND PRESERVE THROUGHOUT THE GROUP.

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.

A STRUCTURED AND COMPREHENSIVE ONGOING RISK MANAGEMENT PROGRAMME IS IN PLACE TO IDENTIFY, DOCUMENT, EVALUATE, MONITOR AND MANAGE SIGNIFICANT RISKS AFFECTING THE ATTAINMENT OF THE GROUP'S BUSINESS OBJECTIVES AND GOALS.

RISK MANAGEMENT FRAMEWORK

RISK MANAGEMENT FRAMEWORK (cont'd)

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 Group 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 Chief Financial Officer, Mr Cyrus Eruch Daruwalla and includes representatives from all the business divisions, including our overseas operations, as well as from relevant Head Office operations support departments. Each business division's risk management function is led by the respective head of the division.

By adopting a risk-based approach, the RMC is tasked to develop, execute and maintain an effective risk management system in order to safeguard the shareholders' investment and the Group's assets.

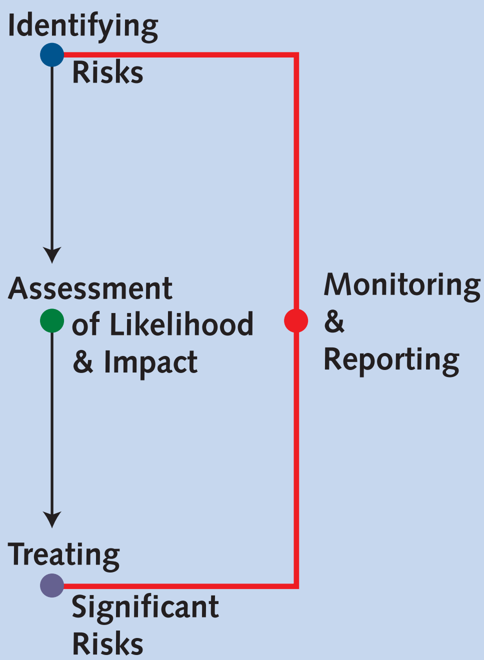
Its reviews cover matters such as responses to significant risks identified including non-compliance with applicable laws, regulations, rules and guidelines, changes to internal control and management information systems, and output from monitoring processes.

The RMC 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.

RISK MANAGEMENT PROCESS



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 matrix;
- clearly documented standard operating policies and procedures which are subject to regular review and improvement;
- top down communication of company values such as fraud prevention and avenues for whistle-blowing;
- regular and comprehensive information provided to management, covering financial performance and key business indicators, such as staff utilisation, cash flow performance, current economic and market conditions;
- a detailed budgeting process where operating units prepare budgets for the coming year which are approved both at divisional unit level and by the Board;
- monthly monitoring of results against budget and prior period's results, with major variances being followed up and management actions taken, where necessary;
- half-yearly or as required company briefings with analysts held on the day of announcement of financial results, after Board's approval, to apprise the shareholders, stakeholders and general public on the Group's performance and promote transparency and open discussion; and
- visits to operating units by members of the Board and senior management to familiarise with the business and operations.

As a global company with diverse business portfolio, the IJM Group is exposed to numerous risks. The Group has purchased insurance coverage - where it is available on economically acceptable terms - in order to minimise related financial impacts. The level of this coverage is continually re-examined.

DISASTER RECOVERY PLANNING

With threats of terrorism and bird flu outbreak in various parts of the world, and other potential hazards such as fire and flood, amongst others, continuity of business operations is of a major concern. The Group is developing an enhanced plan on business continuity management to ensure the continuity of critical business functions in the event of a crisis. Regular incident management drills at our property ranging from basic fire safety to mass evacuation drills are conducted to ensure our employees are well prepared and familiar with our emergency response and crisis management plans.

ANNUAL RISK ASSESSMENTS

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.

In a strategic move to strengthen our competitive advantage, IJM acquired the Road Builder Group and merged the existing business operations and processes during the period. The Group recognises that failure to successfully integrate the newly acquired business or unexpected high integration cost could jeopardise the achievement of quantitative and qualitative targets such as synergies, and adversely impact earnings. Our integration processes are supervised by a select team of integration members, and appropriate resources are provided to steer the integration process.

We are pleased to state that the outcome from our annual risk assessment has been satisfactory and no material misstatements or losses, contingencies or uncertainties have arisen from our reviews.

THE GROUP WILL CONTINUE TO MONITOR ALL MAJOR RISKS AFFECTING THE GROUP UNDER ITS RISK MANAGEMENT COMMITTEE AND TAKE THE NECESSARY ACTIONS TO MITIGATE OR ELIMINATE THEM, PROVIDING A FRAMEWORK FOR SAFEGUARDING OUR COMPETITIVE POSITION WORLDWIDE.

Quality awards are given to projects annually to promote healthy competition

IJM THROUGHOUT THE YEARS HAS EPITOMISED 'MARK OF EXCELLENCE' BRANDING IN THE QUALITY OF ITS PRODUCTS AND SERVICES SYNONYMOUS WITH ITS MOTTO 'EXCELLENCE THROUGH QUALITY'. THUS, IJM ENDEAVOURS TO CONTINUOUSLY ENHANCE AND REINVENT ITSELF IN ORDER TO REMAIN COMPETITIVE AND DELIVER SUPERIOR QUALITY PRODUCTS AND SERVICES TO ITS CUSTOMERS, ALIGNED WITH ITS VISION AND MISSION.

QUALITY POLICY STATEMENTS

In line with our quality philosophy, the Group has adopted the following policies:

- All projects and services undertaken will be implemented in such manner that they meet customers' expectations and comply with applicable statutory and regulatory requirements;
- Quality of the final products and services will be improved through continuous review and advancement of construction processes and quality management system; and
- Instill the highest standards of integrity and professionalism in our staff to serve our customers better.

QUALITY CONTROL & MONITORING

The Group's Quality Management System was certified by the internationally recognized ISO 9001:2000 standard in 1996. Since then, the Group has successfully renewed its certification annually.

The Group is committed to deliver quality products and services which are met by a systematic monitoring, measurement and management system comprising:

- Well-documented quality assurance plans at the beginning of each project;
- Scheduled internal and external quality audits;
- Weekend and other routine visits to monitor efficiency and quality control at sites;
- Annual customers' satisfaction surveys; and
- Submission of monthly quality reports of every project via the e-system for central monitoring and control.

Well-structured training programmes are organised for all staff levels

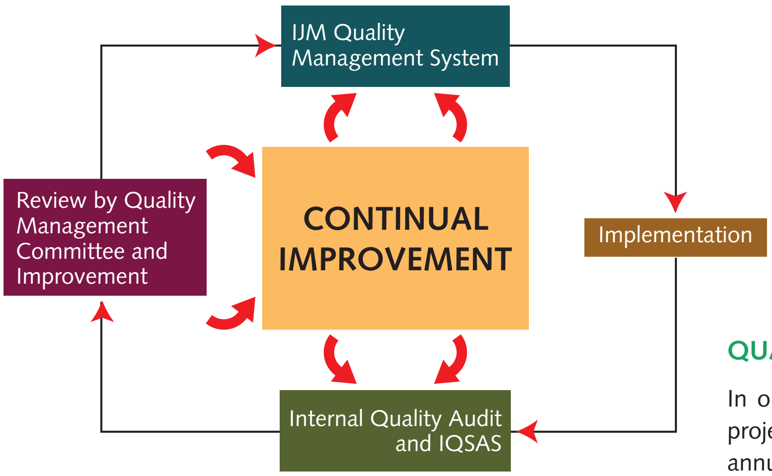
In addition, the Group has in place an internally developed self-regulated system called IJM Quality Standard Assessment System (IQSAS) for various quality aspects of our building construction and civil works. It also acts as a benchmark amongst our projects for continuous quality improvement.

QUALITY CULTURE

The Quality Management System has been implemented at all levels of IJM and has become a way of life, rather than as a form of monitoring control. Quality practices are deeply rooted in our day-to-day operations.

Following the merger of IJM-Road Builder Group, the enlarged Group has swiftly integrated both quality management systems to ensure operational consistency and business continuity without disruption.

CONTINUOUS QUALITY IMPROVEMENT



Increasing market competition and the ever changing business environment require the Group to continuously enhance its skills and technology. IJM strongly emphasises 'continual improvement' as part of its philosophy by employing the following approaches:

- Continuous review and revision of the Quality Management System manual and procedures to address customers' requirements and market developments;
- Carry out well-structured training programmes for all staff levels to improve their skills such as Building Supervision Training in affiliation with Holmesglen Institute of Technical and Further Education (TAFE);
- 'On-the-job' training is enforced throughout our projects;
- Knowledge sharing and update through the internal Information Portal; and
- Implementation of guidelines and handbooks for proper project execution and control.

Routine visits to monitor efficiency and quality control at sites

QUALITY RECOGNITION

In order to promote healthy competition amongst our project sites to deliver quality work, the Group accords annually the Quality Award to projects that top scored from a list of criteria that include amongst others, external survey and quality audits. The award is given out for two categories - building and civil works.

QUALITY CERTIFICATION

The Group aspires to achieve compliance with ISO 9000 in all its business operations. To date, a total of thirteen companies under its belt have achieved certification since 1996, as follows:

1. IJM Corporation Berhad
2. IJM Construction Sdn Bhd
3. Prebore Piling & Engineering Sdn Bhd
4. IJM Building System Sdn Bhd
5. Strong Mixed Concrete Sdn Bhd
6. IJM Properties Sdn Bhd
7. IJM (India) Infrastructure Ltd
8. Industrial Concrete Products Berhad
9. Expedient Resources Sdn Bhd
10. Durabon Sdn Bhd
11. Jurutama Sdn Bhd
12. Road Builder (M) Sdn Bhd
13. RB Land Sdn Bhd