

ANALYSES OF SHAREHOLDINGS & WARRANT HOLDINGS (cont'd)

THIRTY LARGEST WARRANTHOLDERS (cont'd)

	Number of Warrants	Percentage of Outstanding Warrants
21. GOH CHYE KEAT	145,200	0.67%
22. A.A. ANTHONY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHOOI HO	144,400	0.66%
23. SOO HENG CHIN	142,000	0.65%
24. HDM NOMINEES (TEMPATAN) SDN BHD UOB KAY HIAN PTE LTD FOR CHEN JOON LEE (MARGIN)	140,000	0.64%
25. LOK WEN HUEI	140,000	0.64%
26. WANG HOOI MEI	137,100	0.63%
27. TAN LENG HOCK	135,000	0.62%
28. CITIGROUP NOMINEES (ASING) SDN BHD UBS AG HONG KONG FOR MRS SUWANNA SRIPUNPORN LEE	128,800	0.59%
29. GAN LAY HAR	120,000	0.55%
30. HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW HONG IMM	120,000	0.55%
	11,823,800	54.22%

III. DIRECTORS' SHAREHOLDINGS & WARRANTHOLDINGS

A. DIRECTORS' SHAREHOLDINGS & WARRANTHOLDINGS IN IJM CORPORATION BERHAD

as at 30 June 2009

Name of Directors	Number of Shares		Percentage of Issued Capital	Number of Warrants		Percentage of Outstanding Warrants
	Direct	Deemed		Direct	Deemed	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	50,000	—	0.005%	—	—	—
Dato' Tan Boon Seng @ Krishnan	1,411,800	782,240 ¹	0.234%	501,900	—	2.302%
Teh Kean Ming	60,000	62,000 ¹	0.013%	97,000	5,000 ¹	0.468%
Soo Heng Chin	50,000	—	0.005%	188,900	—	0.866%
Dato' Goh Chye Koon	199,352	—	0.021%	73,000	—	0.335%
Datuk Yahya bin Ya'acob	50,000	—	0.005%	—	—	—
Tan Sri Abdul Halim Bin Ali	—	—	—	—	—	—
Datuk Oh Chong Peng	—	—	—	—	—	—
Datuk Lee Teck Yuen	—	—	—	1,500,000 ²	700,000 ¹	10.091%
Dato' David Frederick Wilson	—	—	—	—	—	—
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	—	—	—	—	—	—
Datuk Hj. Hasni Bin Harun	—	—	—	—	—	—
Tan Gim Foo	—	—	—	—	—	—

Note:-

*¹ Through a family member

*² Through a nominee company

B. DIRECTORS' SHAREHOLDINGS IN IJM PLANTATIONS BERHAD

as at 30 June 2009

Name of Directors	Number of Shares		Percentage of Issued Capital
	Direct	Deemed	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	35,000	–	0.005%
Dato' Tan Boon Seng @ Krishnan	505,879	327,879 ¹	0.130%
Teh Kean Ming	30,000	–	0.005%
Soo Heng Chin	30,000	–	0.005%
Dato' Goh Chye Koon	153,484	–	0.024%
Datuk Yahya bin Ya'acob	–	–	–
Tan Sri Abdul Halim Bin Ali	–	–	–
Datuk Oh Chong Peng	70,000	–	0.011%
Datuk Lee Teck Yuen	–	–	–
Dato' David Frederick Wilson	–	–	–
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	–	–	–
Datuk Hj. Hasni Bin Harun	–	–	–
Tan Gim Foo	–	–	–

Note:-

*1 Through a family member

C. DIRECTORS' SHAREHOLDINGS & WARRANTHOLDINGS IN IJM LAND BERHAD

as at 30 June 2009

Name of Directors	Number of Shares		Percentage of Issued Capital	Number of Warrants		Percentage of Outstanding Warrants
	Direct	Deemed		Direct	Deemed	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	50,000	–	0.005%	5,000	–	0.002%
Dato' Tan Boon Seng @ Krishnan	–	20,000 ¹	0.002%	1,248,610	13,000 ¹	0.555%
Teh Kean Ming	–	–	–	527,000	5,200 ¹	0.234%
Soo Heng Chin	–	–	–	1,031,440	–	0.454%
Dato' Goh Chye Koon	–	–	–	684,871	–	0.301%
Datuk Yahya bin Ya'acob	–	–	–	5,000	–	0.002%
Tan Sri Abdul Halim Bin Ali	10,000	–	0.001%	–	–	–
Datuk Oh Chong Peng	–	–	–	–	–	–
Datuk Lee Teck Yuen	11,064,693 ²	–	1.003%	–	–	–
Dato' David Frederick Wilson	–	–	–	–	–	–
Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad	–	–	–	–	–	–
Datuk Hj. Hasni Bin Harun	–	–	–	–	–	–
Tan Gim Foo	–	–	–	453,000	–	0.199%

Note:-

*1 Through a family member

*2 Through a nominee company

Except for those disclosed above, none of the other Directors has any interest in the securities of the related corporations of the company.

ANALYSES OF SHAREHOLDINGS & WARRANT HOLDINGS (cont'd)

IV. SHARE BUY-BACK SUMMARY

for Financial Year Ended 31 March 2009

	No. of Shares Purchased & Retained as Treasury Shares	Total Consideration RM	Purchase Price Per Share (RM)		
			Highest	Lowest	Average
2009					
Balance at the beginning of financial year	346,700	1,773,792	5.30	4.90	5.12
Purchases during the financial year					
April 2008	–	–	–	–	–
May 2008	100,000	544,490	5.45	5.40	5.44
June 2008	1,143,500	6,155,937	5.50	5.15	5.38
July 2008	700,000	3,442,220	5.25	4.68	4.92
August 2008	–	–	–	–	–
September 2008	629,500	2,859,578	5.10	4.28	4.54
October 2008	457,800	1,485,329	4.60	3.00	3.24
November 2008	–	–	–	–	–
December 2008	–	–	–	–	–
January 2009	–	–	–	–	–
February 2009	–	–	–	–	–
March 2009	10,000	36,062	3.58	3.58	3.61
Total purchases during the financial year	3,040,800	14,523,616	5.50	3.00	4.78
Balance at end of financial year	3,387,500	16,297,408	5.50	3.00	4.81

None of the treasury shares were resold or cancelled during the financial year.

EMPLOYEES & PRODUCTIVITY

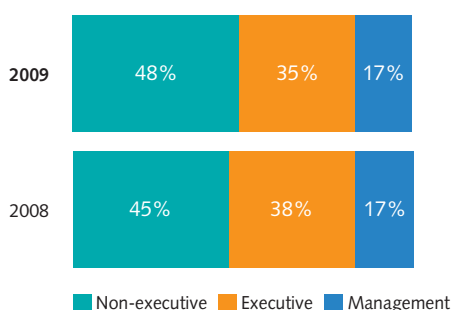
	2009	2008
(a) Employees as at 31 March:-		
Employees by Classification		
- Management	738	722
- Executive	1,569	1,647
- Non-executive	2,116	1,945
	4,423	4,314
Employees by Ethnic Composition		
- Bumiputra	1,976	1,708
- Chinese	1,055	1,090
- Indian	370	337
- Others (including overseas)	1,022	1,179
	4,423	4,314
(b) Productivity:- (N1)		
Revenue - per employee (in RM'000)	1,040	1,075
- per RM employment cost (in RM)	17.91	19.30
PBT - per employee (in RM'000) (N2)	120	185
- per RM employment cost (in RM) (N2)	2.06	3.31
Value added - per employee (in RM'000)	255	309
- per RM employment cost (in RM)	4.39	5.55

(N1) Based on the number of employees during the year

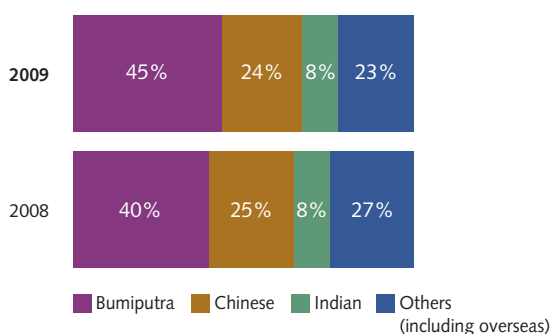
(N2) Excluding the impairment of goodwill

EMPLOYEES

BY CLASSIFICATION

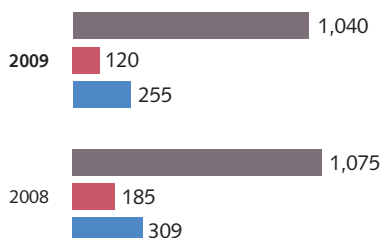


BY ETHNIC COMPOSITION

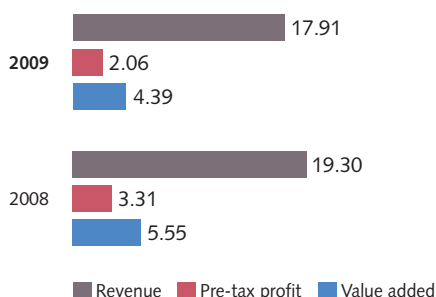


PRODUCTIVITY

PER EMPLOYEE (RM'000)



PER RM EMPLOYMENT COST (RM)





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ON BEHALF OF THE BOARD
OF DIRECTORS OF IJM
CORPORATION BERHAD, I AM
PLEASED TO REPORT THAT
THE GROUP CONTINUED TO
DELIVER A SOUND FINANCIAL
PERFORMANCE FOR THE YEAR
ENDED 31 MARCH 2009
DESPITE A TURBULENT GLOBAL
ECONOMIC CLIMATE.

Chairman's



Borneo Block, Alam Warisan Hotel, Putrajaya

BUSINESS ENVIRONMENT

The global economy grew at 3.4% in 2008. The figure, however, belies the extent of the worst global decline seen since the 1930s, although this may only become more evident in 2009. During the year, global business, trade and finance activities were subjected to tremendous strain under the potency and confluence of several factors - intense inflationary pressures ensuing from 2007, collapses of key financial institutions, governance shocks, structural deleveraging in the US, cash call exercises around the world and inventory corrections in net exporter countries - leading to widespread wealth destruction, rising delinquencies and deteriorating business and consumer confidence. To contain the acute contraction in economic

activity and the negative feedback loop between the financial system and the real economy, authorities in several countries responded with large fiscal stimulus packages, aggressive monetary easing and quantitative injections of liquidity on an unprecedented scale.

In 2008, the Malaysian economy grew by 4.6% on account of strong export performance and robust domestic consumption. In the second half of the year, however, rapidly deteriorating global economic conditions and a pronounced correction in commodity prices resulted in a moderation of economic growth in Malaysia. The domestic construction sector growth remained positive for the second consecutive year, registering a growth of 2.1% mainly on the back of the Ninth Malaysia Plan spending.

Statement

CHAIRMAN'S STATEMENT (cont'd)



Piles used at the Saigon International Container Terminal in Vung Tau, Vietnam

The Group's major overseas markets, namely India and the United Arab Emirates (UAE), were also adversely affected by the global economic turmoil in the later half of 2008. India, which registered GDP growth of around 7% in 2008, experienced robust economic activity in the first half of the year but in the second half, saw a sharp deceleration in investment demand, which had been an important growth driver in recent years, due to constraints in accessing external capital and the adverse effects of the global crisis on domestic confidence. The UAE enjoyed buoyant economic activity until mid-2008 when it was still supported by high oil prices and heavy public sector spending.

OPERATING RESULTS

Group revenue decreased by 0.8% to RM4,601.29 million as compared with RM4,637.17 million the previous year. Despite soaring input costs in the first half of the year and a marked deterioration in the global financial and economic landscape in the second half, Group operating profit before tax decreased marginally by RM41.36 million to RM528.67 million as compared to RM570.03 million in FY 2008, excluding one-off capital gains amounting to RM225.98 million and impairment of merger goodwill of RM940.86 million in the previous year. Including the aforesaid one-off items, the Group had incurred a loss before tax of RM144.85 million in FY 2008.

The Construction Division recorded relatively flat revenue growth as the progress of billings was affected by intermittent supply disruptions following persistent increases in building material prices. Nonetheless, the Group's well-diversified order book made it less dependent on constraint peculiarities of any one individual project. As a result of the drastic rise in overall building material prices, and working capital costs especially in India, pre-tax profit of the Division was adversely impacted, leading to a decline in the Division's pre-tax margins for the year. The decline in pre-tax margins was exacerbated by write-downs of previously recognised accumulated profits to reflect revised estimated profits to completion.

The Group's Property Division registered flat growth in revenue for FY 2009 as sales remained challenging for most of the year. Rising building materials costs in the first half of 2008 mounted pressure on mass housing affordability whereas the worsening of the global financial crisis severely dampened consumer confidence. Notwithstanding a one-off gain on disposal of the Tesco land and buildings in Penang, the Division's pre-tax profits were lower from a year ago due to escalated materials costs.

Managing to stay unperturbed amidst the global crisis, the Group's Industry Division recorded its best financial results ever, on the back of better product prices, strong demand from large scale construction projects and expanding overseas contribution. The Division is expected to continue to post encouraging results from its sizeable order book, healthy plant utilisation and sound cost management practices.



Sierra Vista studio and semi-detached residential units in Penang

The Group's Plantation Division continued to perform well with steady production growth and relatively strong CPO price, resulting in higher revenues being achieved for the year. The Division's pre-tax profits for the year, however, declined primarily due to significantly higher costs of fertilisers and diesel.

Turnover of the Group's Infrastructure Division improved due to higher collections from both Malaysian as well as overseas toll operations. Notwithstanding a gain of RM65 million on the disposal of the 2nd Vivekananda Bridge in the last financial year, pre-tax results of the division continued to remain steady.

Our CEO's Review of Operations, covered on pages 60 to 91, provides a more in-depth assessment of the Group's divisional performance for FY 2009.

BUSINESS OUTLOOK AND OPERATIONAL STRATEGIES FOR FY 2010

The Group expects its prospects for the next year to still remain challenging. At present, the outlook for the global economy is still unclear with considerable uncertainties still lingering and a sustainable global recovery hinging upon a major shift in the mix of global savings and aggregate demand, and a recapitalisation of US and EU banking systems. Growth in Asia is expected to recover sooner, though recovery may be tepid as the fallout from the global wealth destruction is still expected to filter through in the near to medium term. The Malaysian economy has strengthened considerably since the Asian financial crisis a decade ago with

the country's financial sector well capitalised and robust with strong liquidity. In response to the global downturn, Malaysian authorities are employing expansionary fiscal stimulus packages and comprehensive monetary easing measures aimed at supporting domestic demand.

The Group's operations possess a significant enough size, core competencies and track record to yield cross-divisional strategic and operational synergies. The Group's Construction order book replenishment prospects are expected to benefit from government pump-priming efforts whereas its Property Division is seeing a revival of sales towards the end of the financial year as a result of innovative marketing promotional activities and a benign interest rate environment in Malaysia. The Industry Division should see continued growth on the back of the Ninth Malaysia Plan and stimulus packages. The Plantation Division is expected to continue to do well from healthy CPO prices whilst the Infrastructure Division is expected to remain profitable as its concessions mature. The Group, nonetheless, remains vigilant in its outlook for FY 2010 in the wake of a still unfolding global recession.

For the long term, the Group will continue to focus its resources on engaging the regional markets, growing its recurrent income base and reviewing its assets portfolio for opportunities, while pursuing its domestic growth agenda.

DIVIDENDS & PROPOSED BONUS ISSUE

A special interim dividend of 25 sen per share less tax of 25% was declared by the Company on 16 October 2008 and paid on 25 November 2008. For the financial year ended 31 March 2009, the Company declared a second interim dividend of 5 sen per share less tax of 25% payable on 21 August 2009 to shareholders on the register on 31 July 2009.

In the second quarter of the financial year, a tax exempt dividend in-specie of 4.99 sen was also declared and subsequently distributed on 15 September 2008 to all entitled IJM shareholders in conjunction with the listing and quotation of IJM Land Warrants.

On 26 May 2009, the Company proposed a bonus issue of 2 shares for 5 existing IJM shares owned on an entitlement date to be determined later, and subject to the approval of shareholders.

CHAIRMAN'S STATEMENT (cont'd)

CORPORATE PROPOSALS

FY 2009 saw the completion of the following corporate exercises:

- (i) Following the merger between IJM and the Road Builder Group in the previous financial year, the rationalisation of the Group's Malaysian Property Division - now known as IJM Land Berhad - was completed on 5 September 2008. IJM Land Berhad is today one of the largest listed property developers in the country.
- (ii) IJM also completed the privatisation of Industrial Concrete Products Berhad, which was delisted from Bursa Malaysia on 10 December 2008.
- (iii) On 19 December 2007, the Company announced a proposed capital repayment of RM0.50 for every one existing IJM Share. This proposal was subsequently withdrawn on 16 October 2008 as the requisite consent of the lenders was not obtained. In view of that, the Company declared a special interim dividend of 25 sen per share less tax of 25% as mentioned above.

One other corporate proposal which was pending as at 31 March 2009 was as follows:

- (i) On 22 May 2008, the Company announced that the proposal in respect of offer for sale of 60,000,000 IJM Land Warrants to eligible employees of the IJM Group had been approved by the Securities Commission vide its letter dated 21 May 2008. This proposal was approved by the shareholders on 16 June 2008. Subsequently on 25 September 2008, the Company announced its proposal to vary the offer price of the said warrants and this was approved by the shareholders on 4 November 2008. On 22 April 2009, the Company announced that the offer price has been fixed at RM0.302 and the prospectus was subsequently issued to eligible employees on 7 May 2009, with acceptance and payment to be made by 15 May 2009. This offer has since closed with subscriptions received for acceptances and excess applications of 57,204,050 and 15,614,317 IJM Land Warrants respectively against the 60,000,000 warrants offered.

CORPORATE GOVERNANCE

IJM's commitment to the principles of good corporate governance stems from its belief that responsible business conduct is quintessential to sustainably enhancing stakeholder 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.



New Pantai Expressway

Our Corporate Governance Statement can be found on pages 92 to 101.

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by relevant regulatory bodies in 2008/09.

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 26 August 2008.

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 RESPONSIBILITY

IJM's emphasis on Corporate Responsibility (CR) reflects its conviction that economic success must be accompanied by a sustainable positive impact on society. This philosophy is guided by the Group's CR Framework and policy statements, and is embraced throughout its operations via a wide range of environmental-friendly and operational best management practices to achieve long term sustainable benefits for all stakeholders.



Workers' Housing in Meliau Estate

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 good agronomic environmental practices and continues to be involved in the Roundtable on Sustainable Palm Oil (RSPO) to promote sustainable production and use of palm oil.

The Group places considerable emphasis in ensuring the highest standards of governance, ethical business conduct and values are practised within its organisation. As part of its philanthropic efforts, the Group carried out numerous community programmes pertaining to social welfare, education and sports development and will continue to identify areas where its support can make a real difference. The Group is also committed to providing for 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 extensive Corporate Responsibility activities is provided on pages 122 to 137.

ACKNOWLEDGEMENT

Dato' (Dr.) Megat Abdul Rahman bin Megat Ahmad is due to retire this year and will not be seeking reappointment come 25 August 2009. Dato' (Dr.) Megat has been a member of the IJM Board of Directors since 31 October 2005. On behalf of the Board, I wish to express our sincere appreciation and gratitude to Dato' (Dr.) Megat for his invaluable contribution and services to the Group and we wish him all the best on his retirement.

The Board and I would like to thank the Directors, management and all employees of the Group for their dedication, resourcefulness, commitment and contribution to the Group over what has been an extremely challenging year. We would also like to take this opportunity to thank our shareholders, associates, clients, bankers, subcontractors and suppliers for their support to the Group. The Group values and looks forward to this continued relationship as we progress towards new undertakings.

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

OVERVIEW

THIS YEAR'S THEME 'RISING ABOVE CHALLENGES' APTLY REFLECTS ON THE UNPRECEDENTED CHALLENGES IN THE GLOBAL ECONOMIC ENVIRONMENT THAT THE GROUP HAD TO SURMOUNT IN THE FINANCIAL YEAR. IN THE FIRST HALF, ESCALATING OIL AND BUILDING MATERIAL PRICES AND THE CONSEQUENT DEMAND ON WORKING CAPITAL BUFFETED THE GROUP'S CORE CONSTRUCTION AND PROPERTY BUSINESSES AT A TIME WHEN THE GROUP'S ORDER BOOK WAS AT A RECORD HIGH. MARGINS SUFFERED SIGNIFICANTLY. MEANWHILE, RISING FUEL AND FERTILISER PRICES WERE TAKING A TOLL ON THE PLANTATION DIVISION'S OPERATING COST ALTHOUGH THE RISING CPO PRICES LARGELY NEGATED THESE INCREASES.



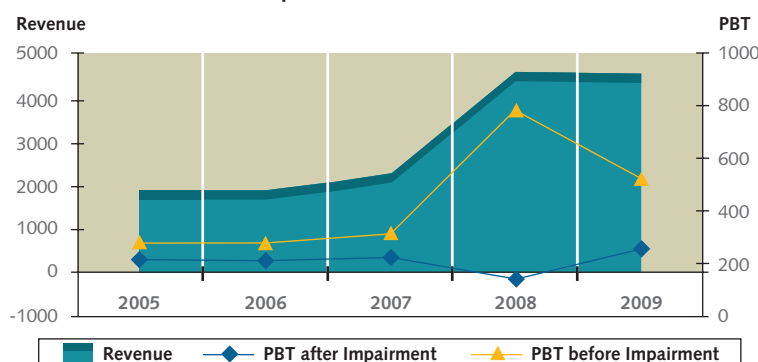
Dato' Krishnan Tan received the Prominent Player Award at the Malaysian Construction Industry Excellence Awards 2008 ceremony held in January 2009

CEO's Review of Operations

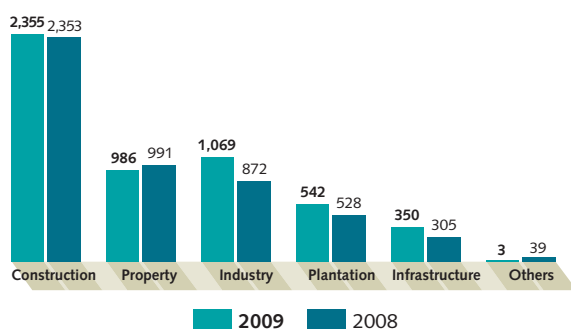
The second half of the year entailed a dramatically different picture and a series of new problems. The global financial crisis precipitated by the problems in the world's major banks and the collapse of Lehman Brothers introduced new challenges of a different kind. The seizure of credit and the cost thereof in certain markets resulted in the diminution of demand compounded with the slower pace of collections and rising debt costs. Furthermore, high levels of inventory accumulated during an immediately preceding high cost period posed more problems. As a result, the impact on already declining profit margins was exacerbated.

Despite these difficult conditions, the Group has done reasonably well and has also managed to set new milestones. The construction order book remained strong. Our Industry division produced record turnover and profits. The Infrastructure division continued to see steady revenue growth and will see new concessions commencing operations soon.

Group Performance (RM'million)

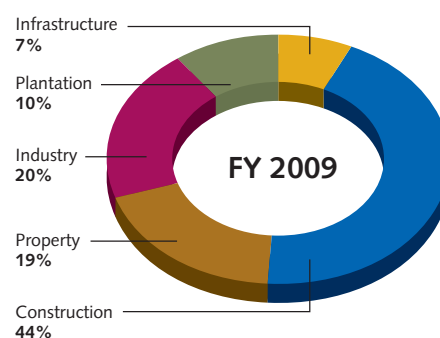


Group Revenue by Division* (RM'million)



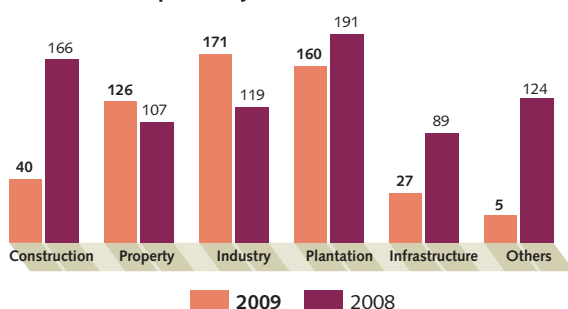
*includes share of associate and joint venture's revenue

Group Revenue by Division* (Proportion %)



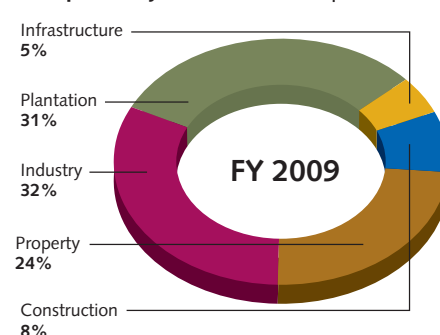
During the financial year ended 31 March 2009 ("FY 2009"), the Group recorded a turnover (excluding share of associate and joint venture's revenue) of RM4,601.29 million which was just 0.8% lower than the preceding year. However with the inclusion of the share of associate and joint venture's revenue, the Group's turnover was higher by 4.3% to RM5,305.31 million as compared to the prior year. The Construction, Industry, Plantation and Infrastructure Divisions attained higher turnover during the period, mainly driven by strong demand for the Group's building materials, higher crude palm oil ("CPO") prices during the first half of the year 2008, steady revenue streams from its toll and port concessions and billings from the Construction Division. The upsides from these divisions were, however, moderated by the Property Division which recorded a slightly lower turnover from last year.

Group PBT by Division** (RM'million)



**excludes non-recurring impairment of goodwill

Group PBT by Division** (Proportion %)



CEO'S REVIEW OF OPERATIONS (cont'd)

The Group recorded a profit before tax ("PBT") of RM528.67 million for the financial year under review as compared to prior year's loss before tax of RM144.85 million. Previous year's results included a one-off impairment of merger goodwill amounting to RM940.86 million resulting from the Group's acquisition of the Road Builder Group. With the exclusion of the impairment write-off and one-off capital gains of RM225.98 million, the operating results would have been a profit of RM570.03 million. In that regard, the Group's PBT for FY 2009 of RM528.67 million was 7% or RM41 million lower than that of the previous year. Given the exceptionally difficult business environment, it has been a reasonably good outcome.

The Construction and Plantation Divisions recorded lower pre-tax profits during the financial year. The Construction Division was greatly impacted by escalating input and financing costs which necessitated reversals of profits accrued in earlier years whereas the Plantation Division was affected by the sharp decline in CPO prices in the second half of 2008 and generally higher fertiliser costs. The Property Division registered an improved performance due to higher construction progress recognition on property projects as well as a gain on disposal of the Tesco hypermarket in Penang whilst the Industry Division posted its highest-ever PBT of RM171 million from increased plant utilisation. The Infrastructure Division too showed a comparative year on year increase of 12.2% in pre-tax profits, after excluding the one-off gain on the disposal of an investment in the previous year.

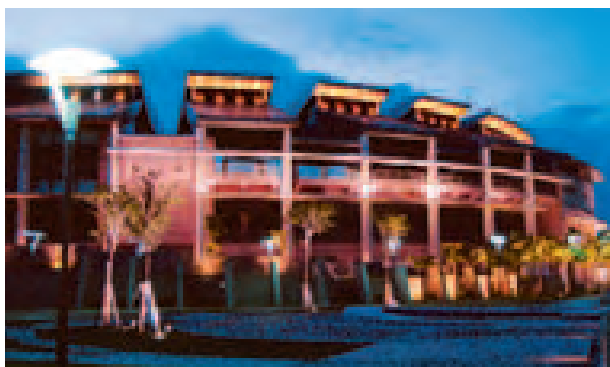
Diversified Business and Markets of the Group

	Construction	Property	Industry	Infrastructure	Plantation
Malaysia	•	•	•	•	•
India	•	•	•	•	•
Middle East	•				
Singapore	•				
Pakistan	•		•		
China		•	•		
Australia		•			
Vietnam		•		•	
Argentina				•	
Indonesia					•

From an earnings perspective, there is no doubt that the Group's diversified earnings base and markets had mitigated the risk of reliance on the construction industry and business in Malaysia alone, especially during the global financial turmoil and the period of economic uncertainties thereafter. Further details of the divisional performances are contained in their respective sections in the following pages.

Following the Road Builder Group acquisition, the Group completed its rationalisation exercise in September 2008, thereby consolidating the Property Division under a single umbrella, now known as IJM Land Berhad, and denoting the dawn of one of the largest listed property developers in the country. Following that, the Group commenced the integration and streamlining of the existing business operations as well as the re-branding and market positioning processes to create public awareness of this new enlarged entity.

In September 2008, IJM embarked on another corporate exercise to acquire the remaining ordinary shares which it did not own in its listed subsidiary, Industrial Concrete Products Berhad ("ICP") representing about 36.9% equity interest. The rationale of the exercise was to make ICP wholly-owned in view of the synergistic benefits and positive future prospects for the Group. The exercise was a success, resulting in ICP becoming a wholly owned subsidiary of IJM in January 2009.



Maritime Centre, Putrajaya



Bayu Segar semi-detached and bungalow enclave in Cheras, Selangor



Quarry in Kuang, Selangor



Replanting in Desa Talisai Estate

True to its 'IJM - Mark of Excellence' tagline, the Group continued to garner awards during the financial year; these awards included the MITI Industry Excellence Award for Export Excellence (Services) and the gold medal under the Occupational Safety & Health National Excellence Award. For the fifth consecutive year, IJM retained the NACRA Industry Excellence Award in the Construction and Infrastructure category. In recognition of IJM's efforts toward sustainability of the environment, IJM was presented with the Environmental Best Practices - Special Mention Award during the Malaysian Construction Industry Excellence Awards ("MCIEA"). At the same time, I am honoured and thankful to be awarded the Prominent Player Award at the MCIEA ceremony. Altogether, these awards are a testament of the dedication and commitment of the IJM people towards "Excellence in Performance".

It is said that the true test of a company and its people is in the face of adversity. I'm pleased to report that, in the current economic climate, the people of the Group have responded proactively by reviewing and improving our operations and processes to become more efficient and effective as well as carrying out various cost reduction measures. I want to take this opportunity to thank all staff who have made personal sacrifices in these uncertain times by accepting deferment of promotions and annual increments, and the senior staff members who voluntarily took pay cuts. This is a clear manifestation of the 'shared destiny' philosophy advocated and practiced in the Group.

On the back of strong fundamentals, strategic foresight and IJM's inimitable trademarks of hard work, professionalism and good governance, I'm hopeful and confident that the Group and its people will continue to work diligently to ensure steady performance and sustainable profitability across all business divisions, even in these challenging economic times.



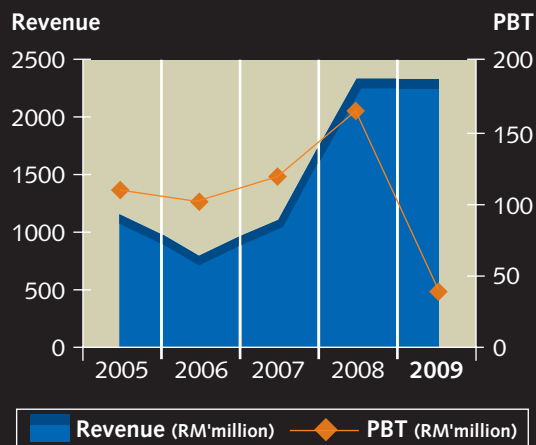
Berthing of Vessel and Vessel in Operation at Kuantan Port

THE CONSTRUCTION DIVISION ENDURED AN EXTREMELY TRYING PERIOD DUE TO UNPRECEDENTED ESCALATIONS IN BUILDING MATERIAL PRICES DURING THE FIRST HALF OF THE YEAR. CONSTRUCTION PROGRESS WAS HINDERED BY CONSTRAINTS ARISING FROM PRICING DIFFICULTIES IN A VOLATILE MARKET RESULTING IN REVERSALS OF PREVIOUSLY ACCRUED PROFITS AND A DECLINE IN PROFIT MARGINS.

Construction



Clock Tower at Sentral Plaza, Alam Warisan Hotel, Putrajaya



FY 2010 OUTLOOK

Outlook for order book enhancement appears promising as governments accelerate fiscal stimulus spending to spur economic growth whilst input cost management will be accentuated following volatile price fluctuations the previous year. Continued focus on both these objectives is imperative for better performance.

CEO'S REVIEW OF OPERATIONS (cont'd)

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

lower middle:

- Liew Hau Seng
- Yong Juen Wah
- Pankaj Agarwal
- Kok Fook Yu

bottom:

- Lee Foh Ching
- Mohd Ghazali Bin Ali
- Quah Beng Teong
- Wan Chee Leong



KLCC The Binjai Residency, Kuala Lumpur

The Domestic Construction Sector recorded a positive growth for the second successive year in 2008 by registering a growth rate of 2.1% (2007: 4.6%). The growth was supported by activities across the three sub-sectors in civil engineering, residential and non-residential. The Federal Government's development expenditure increased by 23.5% in the first half year of 2008, mainly to finance the construction of new projects and upgrading of existing infrastructure facilities.

FY 2009 was a difficult year for the Division due to the unprecedented increase in global prices of building materials at a time when the Division's order book was at a record high. In addition, the intensification of the global financial turmoil and ensuing credit crunch further dampened the performance of the Division.

During the financial year ended 31 March 2009, the Construction Division recorded a turnover of RM2,355.26 million which represented a marginal increase of only 0.1% from the previous period (FY 2008: RM2,353.15 million) resulting from a slowdown in billings due to constraints faced in building materials supplies following protracted increases in material prices. Its pre-tax profit decreased substantially by 76% to RM40.33 million (FY 2008: RM165.56 million) largely due to soaring construction material costs and higher borrowing costs incurred by its overseas projects, particularly in India. The results were also impacted by the write down of profits recorded in previous years due to reduction in ultimate profits to completion.

In FY 2009, the Division successfully completed several projects including the PJ8 Development in Petaling Jaya, KLCC Luxury Condominium in Kuala Lumpur, Alam Warisan Package 2 & 3 and Maritime Centre Package 2 in Putrajaya, and The Spring condominium in Penang. In India, completed projects included the elevated viaduct and three elevated stations on Shahdara-Dilshad Garden Corridor of the Delhi MRTS (Phase II) in New Delhi. In the Middle East, the Shaikh Khalifa Bin Salman Highway - Phase V Zallaq Flyover in Bahrain was also completed.

The Division successfully replenished its order book to RM4,238.00 million in FY 2009 by securing additional contracts amounting to RM2,143.00 million. Among the major projects secured in Malaysia included the Hotel Grand Hyatt (RM544.90 million), Package 1 of the Electrified Double Track Project from Seremban to Gemas (RM343.09 million) and SS2 Commercial & Shopping Complex (RM157.55 million). In India, major projects secured included the Six Laning of Chilkaluripet-Vijayawada Section of National Highway-5 from KM355 to KM434.15 (RM550.00 million) and DMRC Amel C-2 for the Viaduct and Dhaula Kuan Station of the Airport Metro Express (RM144.93 million).



Malay Water Village, Alam Warisan Hotel, Putrajaya



Elevated Viaduct and Three Stations on Shahdara-Dilshad Garden Corridor of the Delhi MRTS (Phase II) in New Delhi, India



The Shaikh Khalifa Bin Salman Highway - Phase V Zallaq Flyover in Bahrain, Middle East



The Spring, Penang

Given the current subdued economic environment, the Construction Division expects to continue facing challenging times. Nevertheless, with the implementation of the Government's pump-priming efforts for instance in Malaysia, via an initial RM7 billion stimulus package and another RM60 billion "mini budget" during FY 2009, opportunities are now appearing for order book enhancement.

In response to the highly uncertain and difficult economic and financial environment, the Division recognises the need to strengthen its performance and sustain competencies by enhancing its operational efficiency and effectiveness. In its efforts for continuous improvement to deliver high quality products to our valued customers, the Division continues to improve on its environmental, safety and health practices, quality control procedures to ensure compliance with all applicable Government regulations and legislations.

As part of its risk management programme, the Division continues to regularly review its policies, procedures and processes to improve on controls towards achieving the Company's objectives. In addition, the Division has placed greater emphasis on effective cost and resource management by continuously improving on budgeting and reporting processes in all its projects.

Construction Support Services:



left to right

top:

- James Ponniah Joseph
- Mohd Kamal Bin Harun
- Ramar s/o Subramaniam
- Dammavalam Sreenivasa Rao

middle:

- Soh Wan Heng
- Cho Foong Khuan
- Pang Sek Loh
- Liew Chee Khong

bottom:

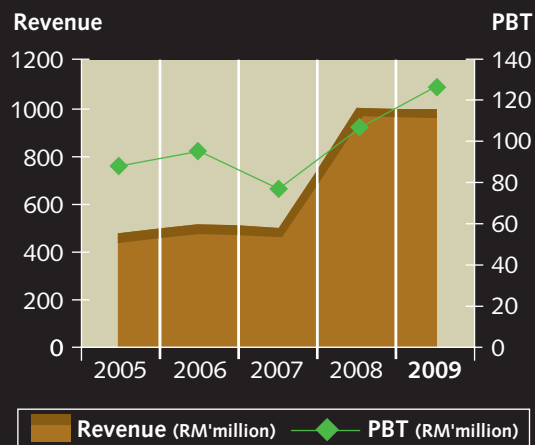
- Toh Teck Soon
- Lam Choy Loong
- Casslyn Chong Siew Chen

THE PROPERTY DIVISION PERFORMED WELL DESPITE ENCOUNTERING CONSIDERABLE HEADWINDS FROM COST INFLATIONARY PRESSURES AND DIMINISHING CONSUMER DEMAND DUE TO THE LACK OF CREDIT AND CONFIDENCE RESULTING FROM GLOBAL UNCERTAINTIES.

Property



Sierra Vista studio and semi-detached residential units in Penang



FY 2010 OUTLOOK

Outlook for the Division is positive given the present low interest rates, relatively stable cost environment and healthy level of committed sales in possession. Attractive marketing incentives, as part of the rebranding exercise, introduced at the start of FY 2010 have also been well received by consumers.

CEO'S REVIEW OF OPERATIONS (cont'd)

Property Management Team:



left to right

top:

- Dato' Soam Heng Choon
- Er Ah Huat
- Chai Kian Soon
- Hoo Kim See

middle:

- Edward Chong Sin Kiat
- Manjit Singh
- Bahrin Bin Baharudin
- Patrick Oye Kheng Hoon

bottom:

- Tham Huen Cheong
- Toh Chin Leong
- Lee Kok Hoo
- Chong Ching Foong



PJ8 comprising commercial offices and service suites in Petaling Jaya, Selangor

For the financial year ended 31 March 2009, the Property Division recorded a revenue of RM985.95 million (FY 2008: RM991.03 million) and a pre-tax profit of RM125.48 million (FY 2008: RM107.04 million). This represents a decrease of 1% in terms of revenue and an increase of 17% in terms of pre-tax profit as compared to the previous year.

Amidst a very challenging economic environment, the Group successfully completed the rationalisation and consolidation of its Malaysian real estate business under a rebranded vehicle, IJM Land Berhad. The year began with the construction and property development sectors facing intense pressure from rising building material prices amidst record high oil prices. Sharp increases in fuel prices also resulted in the domestic economy facing a cost push inflationary strain which led to a reduction in purchasing power especially in the mass housing segment. As a result, the Division faced margin erosion for its property projects still under construction and slower sales for new launches that were more expensive due to escalated costs.



Acacia residential units at the Seremban 2 township in Negeri Sembilan



Sunset view at Seremban 2

In the second half of the financial year, the economy experienced major reversals as the global financial crisis worsened. This, coupled with major corrections in commodity prices, led to the sharp slowdown in the Malaysian economy which severely dampened consumer confidence leading to a sharp decline in sales towards the later part of the financial year as purchasers adopted a 'wait and see' attitude on a potentially negative outlook.

The Division's FY 2009 revenue and profit contributions came primarily from The Spring condominium, Nautilus Bay seaside terraces and The Platino luxury condominium in Penang, PJ Eight service and office suites in Klang Valley, Ampersand @ Kia Peng luxury condominium in the vicinity of KLCC, Bayu Segar semi-detached and bungalow enclave in Cheras, Shah Alam 2 township in Selangor, Seremban 2 township in Negeri Sembilan and Taman Utama township in Sandakan, Sabah. The Division also recognised new construction billings from its commercial cum shopping centre project in SS2, Petaling Jaya and a major one-off gain from the disposal of the Tesco hypermarket building in Penang which amounted to RM38 million.

CEO'S REVIEW OF OPERATIONS (cont'd)

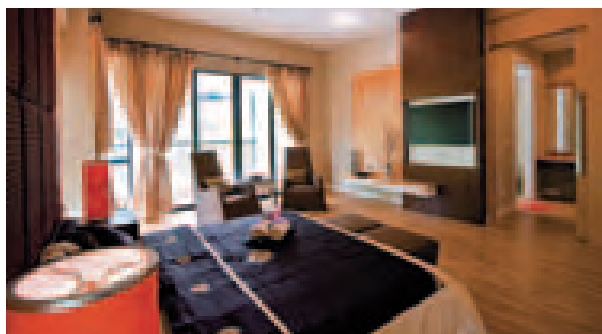


The Bayswater Condominium in Penang

In response to the impact of the global economic crisis on the property sector, the Government introduced several measures under the Economic Stimulus Package to encourage property sales including tax relief on interest paid on housing loans up to RM10,000 per annum for three years, lengthening the housing loan repayment period for civil servants up to 30 years and exempting the approval required from the Foreign Investment Committee on the purchase of a commercial property valued at RM500,000 and above for own use.

With the risk of inflation receding rapidly, Bank Negara Malaysia eased its monetary policy by reducing the Overnight Policy Rate ("OPR") by 150 basis points to 2% as well as the Statutory Reserve Requirement by 300 basis points to 1%. With strong liquidity in the banking sector, various banks worked in partnership with major developers to offer attractive home loan packages to spur property sales.

The Group too took advantage of this low interest regime to promote its products. As a continuation of its branding exercise, as well as to spur demand for its property products, the Division launched a nationwide sales campaign known as 'My Space Plan' on 1 April 2009, with the concept of specially tailoring a financial package for each product to suit the potential purchaser. As part of the campaign, the Division carried out a soft launch of the Summer Place, a seafront condominium project in Penang. The response was overwhelming as potential buyers started queuing in front of the sales gallery the night before to obtain their choice units. The scheme continues to attract buyers to the Group's other developments and is positively contributing to better sales.



Master bedroom of the Bayu Sri Bintang bungalow show unit in Kepong, Selangor



Response was overwhelming during the soft launch of the Summer Place seafront condominium project in Penang as purchasers started queuing from the night before



Suriamas Suites in Johor

In the coming financial year, the Division will unveil the maiden phase of the prestigious 'The Light' waterfront development in Penang, known as 'Light Linear'. The Division will also launch a new residential development in Johor Bahru named Nusa Duta, located within the Iskandar Development Region and a new commercial development in Melaka comprising shop offices adjacent to the new Jusco shopping mall. In addition, the Division will continue to launch new phases within its existing developments in Klang Valley and Seremban such as Bukit Manda'rina, Serenia Gardens, Shah Alam 2, Seremban 2 and S2 Heights.

In India, despite the market slowdown and prevailing economic environment, the Division believes that the worst has passed. The real estate sector will take some time to recover due to the lack of consumer confidence. Notwithstanding that, credit to the sector has started flowing. Our property projects such as First City Township in Nagpur, Maharashtra, Raintree Park Dwarka Krishna Township in Vijayawada and Raintree Park Commercial in Hyderabad, Andhra Pradesh, are expected to generate a fair amount of activity in the current financial year.

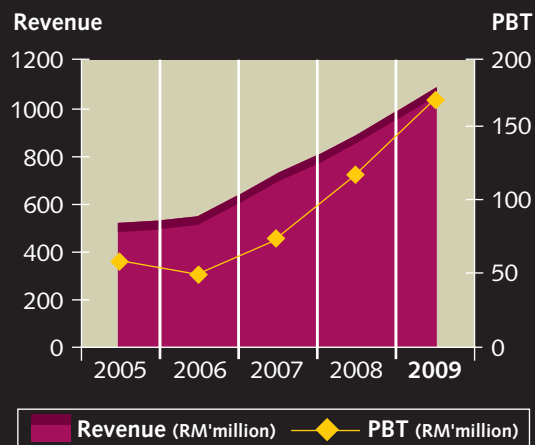
The Division's geographically diversified land bank and extensive product mix in all segments of the market from the mass market right up to the niche and high-end segments will enhance its adaptability to market demand. In view of all factors mentioned above, coupled with the committed sales on hand, the outlook for the Division looks promising.

DESPITE THE GLOBAL DOWNTURN, THE INDUSTRY DIVISION PRODUCED ITS BEST EVER RESULTS ON ACCOUNT OF ITS SIZEABLE ORDER BOOK, INHERENT PRICE ADVANTAGE OVER COMPETING PRODUCTS, INCREASING ACCEPTABILITY IN OVERSEAS MARKETS AND SOUND COST MANAGEMENT PRACTICES.

Industry



Piles used at the Sinotrans Container Terminal in Foshan, China

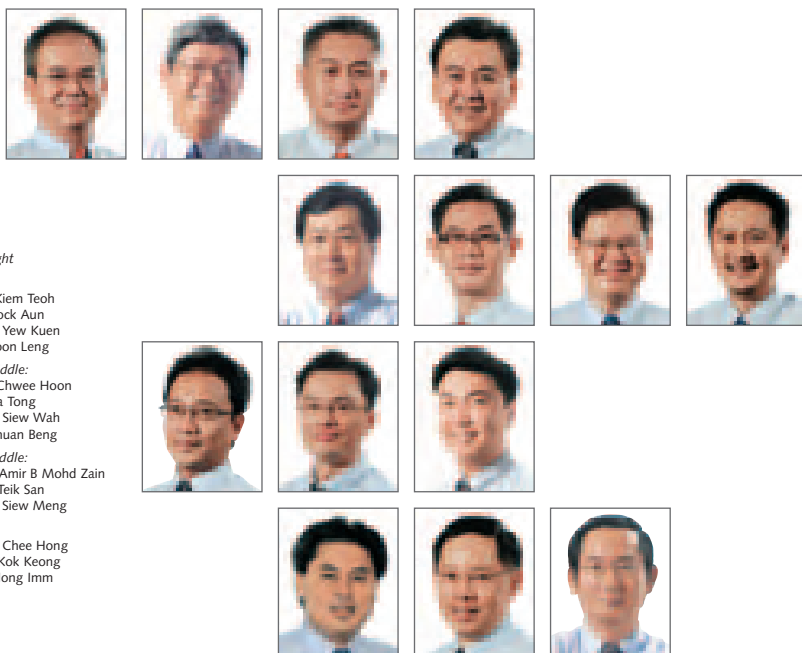


FY 2010 OUTLOOK

The division is poised to benefit from increased demand for building materials as the construction sector recovers. The division is expected to fare reasonably well in the future given its continued focus on sound cost management practices and the sustenance of its growth agenda.

CEO'S REVIEW OF OPERATIONS (cont'd)

Industry Management Team:



left to right

top:

- Khor Kiem Teoh
- Lee Hock Aun
- Leong Yew Kuen
- Tan Boon Leng

upper middle:

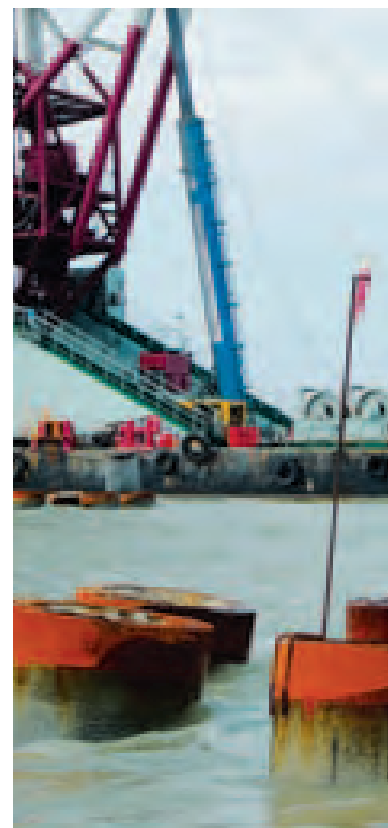
- Pang Chwee Hoon
- Ooi Ka Tong
- Leong Siew Wah
- Tan Khuan Beng

lower middle:

- Faizal Amir B Mohd Zain
- Choy Teik San
- Wong Siew Meng

bottom:

- Leong Chee Hong
- Chan Kok Keong
- Low Hong Imm



ICP Piles used in the Second Penang Bridge Project

For FY 2009, the Industry Division continued to scale new heights on the back of a strong order book despite the global financial and economic turmoil. The Division's turnover crossed the billion ringgit mark for the first time by recording RM1.069 billion. Pre-tax profit of RM170.99 million was 44% higher than prior year, due to better product pricing, strong demand from large scale construction projects and improved overseas contributions. The excellent results were contributed by the Pretensioned Spun Concrete ("PSC") Piles business of Industrial Concrete Products Berhad ("ICP"), PC bars business of Durabon Sdn Bhd and quarrying operations of Malaysian Rock Products Sdn Bhd.

The strong performance of the Division's core business, PSC piles continued into the current financial year. Delivery tonnage hit a record high of 1.49 million tonnes, an increase of 15% from previous year as demand for piles continued strongly. Operating profits increased by 89% from last year to RM109.62 million excluding dividends from subsidiaries and allowances for diminution in value of investments, on the back of higher revenues of RM663.5 million. Effective plant utilisation and sound procurement management amidst a volatile raw material cost environment helped improve profits.

Many Government and private sector initiated projects were secured during the financial year; they include hospitals, schools, high-rise condominiums, factories, bridges, hypermarkets, commercial complexes and ports. The major infrastructure projects secured were supplies to the Penang Second Bridge, North Butterworth Container Terminal, Tanjung Pelepas Port Expansion, Petroleum Hub in Tanjung Bin and the Bintulu Port in Sarawak.

The Division's capacity expansion programme to the south of Peninsular Malaysia was timely with the commissioning of its ninth factory in August 2008 with an annual capacity of 180,000 tonnes in Senai, Johor. With the enhanced geographical advantage combined with marketing efforts, its sales to Singapore market improved. Although export sales were maintained at 13% of its total delivery, the value however increased by 50% to RM89.71 million. During the year, the Division supplied to major projects including the Nestle Oil Factory, REC-Asparicus Solar Panel Factory and the Pasir Panjang Terminal, Phase 15-18.

ICP Jiangmen, the China plant made a remarkable turnaround during the financial year. Its PSC piles delivery and revenue increased by 160% and 190% respectively over last year. Improved market acceptance and early implementation of infrastructure projects were the major factors contributing to the growth of the plant and



ICP Piles used to support the Eye on Malaysia in Melaka

achievement of PBT of RM3.9 million. The major marine projects supplied by ICP Jiangmen included Port Baoman Container Terminal Phase 1 in Zhanjiang, Cosco's Shipyard Jetty in Dongguan and CCC4 Shipyard Jetty in Xinhui. Despite the global financial crisis, the outlook of the China operations remains positive as ICP Jiangmen expects to secure port development projects in the southern and eastern Guangdong regions under China's economic stimulus package.

Durabon Sdn Bhd ("DSB") which processes PC bars for PSC piles achieved new heights, recorded a revenue and PBT of RM147.64 million and RM14.72 million respectively, an improvement of 48% and 5% respectively over last year. To cater for the increased demand for PC bars and to upgrade its processing capabilities, DSB installed a new production line which produces PC bars ranging from 7.1mm to the largest size of 12.6mm which is required in mega projects such as the Penang Second Bridge project.

It was another challenging year for Expedient Resources Sdn Bhd ("ERSB") amidst the volatility in global foreign exchange and real estate markets. Overall, ERSB's revenue and PBT were down by 18% and 25% respectively to RM21.3 million and RM0.83 million respectively from previous year. Going forward, ERSB will continue to institute stringent cost control measures and explore new markets for geographical diversification.