



## FINANCIAL STATEMENTS

Directors' Report and Statement	89
Income Statements	96
Balance Sheets	97
Statements of Changes in Equity	99
Consolidated Cash Flow Statement	102
Company Cash Flow Statement	103
Summary of Significant Accounting Policies	104
Notes to the Financial Statements	116
Statutory Declaration	178
Report of the Auditors to the Members	179

# DIRECTORS' REPORT AND STATEMENT

For the financial year ended 31 March 2006

The Directors have pleasure in submitting their 22nd annual report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2006.

## PRINCIPAL ACTIVITIES

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

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

There have been no significant changes in these principal activities during the financial year.

## FINANCIAL RESULTS

	The Group RM'000	The Company RM'000
3. Profit from ordinary activities after taxation	183,345	48,354
Minority interest	(22,912)	–
Net profit for the year	<u>160,433</u>	<u>48,354</u>

## DIVIDENDS

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

	RM'000
(a) In respect of the financial year ended 31 March 2006:-	
First interim dividend of 5% less income tax at 28% paid on 10 February 2006	<u>17,223</u>

On 30 May 2006, the Directors have declared a second interim dividend in respect of the financial year ended 31 March 2006 of 10% less 28% tax to be paid on 18 August 2006 to every member who is entitled to receive the dividend as at 5.00pm on 31 July 2006.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2006.

## RESERVES AND PROVISIONS

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

## SHARE CAPITAL

6. During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM458,654,780 to RM479,931,566 by way of:-
- (a) The issuance of 6,423,436 new ordinary shares of RM1.00 each arising from the conversion of Warrants 2005/2010 at the subscription price of RM4.80 per share in accordance with the Deed Poll dated 22 June 2005; and



# DIRECTORS' REPORT AND STATEMENT (cont'd)

For the financial year ended 31 March 2006

## SHARE CAPITAL (cont'd)

- (b) The issuance of 14,853,350 new ordinary shares of RM1.00 each arising from the exercise of options under the Employee Share Option Scheme ("ESOS") at the following issue prices:-

Number of shares issued units	ESOS exercise price RM/share
8,473,300	3.96
1,576,700	3.99
100,000	4.21
418,850	4.23
3,970,500	4.36
314,000	4.39
<hr/> 14,853,350 <hr/>	

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

## EMPLOYEE SHARE OPTION SCHEME ("ESOS")

7. At an Extraordinary General Meeting held on 17 October 2003, the Directors were authorised to proceed with the establishment and administration of an ESOS known as the IJM Corporation Berhad Employee Share Option Scheme. The main features of the ESOS are as follows:-
- The ESOS was implemented on 11 November 2003, and shall be in force for a period of five (5) years and expires on 10 November 2008.
  - Eligible employees are at the absolute discretion of the ESOS Committee subject to the employee and Executive Director (holding office in a full time executive capacity) having been confirmed in the employment or appointment of IJM Corporation Berhad and its subsidiaries (save for any subsidiaries which are dormant) on or up to the Offer Date and has attained the age of eighteen (18) years. An Executive Director shall only be eligible if he is on the payroll and involved in the day-to-day management of IJM and his participation in the Scheme is specifically approved by the shareholders of the Company in a general meeting.
  - At an Extraordinary General Meeting on 19 May 2004, the Bye-Laws of the ESOS were amended to approve the grant of options to Non-Executive Directors. On that date, the Directors were authorised to offer and grant options to the following Non-Executive Directors:-
    - Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob
    - Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor
    - Datuk Oh Chong Peng
    - Datuk Yahya bin Ya'acob
    - Dato' Goh Chye Keat
    - Dato' Ismail bin Shahudin
  - The total number of new Company's shares which may be made available under the ESOS shall not exceed ten per centum (10%) (or any maximum percentage permitted by the relevant authorities) of the total issued and paid-up share capital comprising ordinary shares of the Company at any one time.
  - The Option Price shall be the weighted average market price of the Company's shares as shown in the Daily Official List of the Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the Offer Date with an allowance for a discount of not more than ten per centum (10%) therefrom at the ESOS Committee's discretion or the par value of the Company's shares, whichever is higher.

## EMPLOYEE SHARE OPTION SCHEME ("ESOS") (cont'd)

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

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

- (g) The Company has been granted an exemption by the Companies Commission of Malaysia from having to disclose the names of the option holders who have been granted options in aggregate of less than 135,000 options during the financial year.

Other than the options over ordinary shares granted to the Directors of the Company during the financial year as disclosed under paragraph 10 of this report and statement, no employee of the Company and its subsidiaries has been granted options in aggregate of 135,000 options and above during the financial year.

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

## WARRANTS

8. The Warrants 2005/2010 are constituted by a Deed Poll dated 22 June 2005.

During the financial year ended 31 March 2006, the Company allotted:-

- (a) 93,171,576 new Warrants 2005/2010 at an issue price of RM0.05 per Warrant on the basis of one (1) Warrant for every five (5) existing ordinary shares of RM1.00 each held in the Company on 11 July 2005; and
- (b) 10,000,000 new Warrants 2005/2010 at an issue price of RM0.05 per Warrant to eligible management staff of the Company and its subsidiaries.

Each Warrant 2005/2010 entitles the registered holder to subscribe for one (1) new ordinary share in the Company at any time on or after 23 August 2005 to 22 August 2010, at an exercise price of RM4.80 per share or such adjusted price in accordance with the provisions in the Deed Poll. Any Warrants 2005/2010 not exercised at the date of maturity will lapse and cease to be valid for any purpose.

The shares arising from the exercise of Warrants 2005/2010 shall rank *pari passu* in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions or rights, the entitlement date of which is prior to the date of the allotment of the new shares arising from the exercise of Warrants 2005/2010.

## DIRECTORS

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

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

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

Dato' Goh Chye Koon, *Deputy Chief Executive Officer & Deputy Managing Director*

Soo Heng Chin, *Senior General Manager & Executive Director*

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

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

Datuk Yahya bin Ya'acob, *Independent Non-Executive Director*

Dato' Ismail bin Shahudin, *Non-Executive Director*

Dato' Goh Chye Keat, *Non-Executive Director*

Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad, *Non-Executive Director (appointed on 31 October 2005)*

Tan Gim Foo, *Alternate to Soo Heng Chin (appointed on 1 September 2005)*

Teh Kean Ming, *Alternate to Dato' Goh Chye Keat (appointed on 1 September 2005)*

Abd Hamid bin Othman, *Non-Executive Director (resigned on 13 September 2005)*

Dato' Abdullah bin Mohd Yusof, *Non-Executive Director (resigned on 5 July 2005)*

# DIRECTORS' REPORT AND STATEMENT (cont'd)

For the financial year ended 31 March 2006

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

## IJM Corporation Berhad

Name of Director	Number of Ordinary Shares of RM1 each			
	Balance at 1.4.2005 / date of appointment*	Acquired	Disposed	Balance at 31.3.2006
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob				
Direct interest	33,400	–	–	33,400
Dato' Tan Boon Seng @ Krishnan				
Direct interest	2,367,698	30,000	–	2,397,698
Indirect interest	578,698	–	–	578,698
Dato' Goh Chye Koon				
Direct interest	992,712	50,000	119,000	923,712
Soo Heng Chin				
Direct interest	412,000	–	310,000	102,000
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor				
Direct interest	10,333	–	–	10,333
Dato' Goh Chye Keat				
Direct interest	278,462	100,000	170,000	208,462
Indirect interest	170,132	–	38,800	131,332
Tan Gim Foo				
Direct interest	33,000*	–	–	33,000
Teh Kean Ming				
Direct interest	165,000*	–	80,000	85,000
Indirect interest	36,000*	–	10,000	26,000

## Industrial Concrete Products Berhad (a subsidiary)

Name of Director	Number of Ordinary Shares					
	RM1 each		RM0.50 each			Balance at 31.3.2006
	Balance at 1.4.2005	Acquired	Share split	Acquired	Disposed	
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob						
Direct interest	–	–	–	10,000	–	10,000
Dato' Tan Boon Seng @ Krishnan						
Direct interest	105,000	21,000	126,000	300,000	–	552,000
Indirect interest	183,500	267,100	450,600	–	–	901,200
Dato' Goh Chye Koon						
Direct interest	–	120,000	120,000	–	–	240,000
Dato' Goh Chye Keat						
Direct interest	129,500	25,900	155,400	–	–	310,800
Indirect interest	4,165,020	833,004	4,998,024	–	–	9,996,048

**IJM Corporation Berhad**

Name of Director	Number of Options Over Ordinary Shares of RM1 each			
	Balance at 1.4.2005/date of appointment*	Granted	Exercised	Balance at 31.3.2006
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob	100,000	–	–	100,000
Dato' Tan Boon Seng @ Krishnan	1,360,000	240,000	–	1,600,000
Dato' Goh Chye Koon	1,360,000	240,000	50,000	1,550,000
Soo Heng Chin	1,020,000	112,500	–	1,132,500
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor	100,000	–	–	100,000
Datuk Oh Chong Peng	100,000	–	–	100,000
Datuk Yahya bin Ya'acob	100,000	–	–	100,000
Dato' Ismail bin Shahudin	100,000	–	–	100,000
Dato' Goh Chye Keat	100,000	–	100,000	–
Tan Gim Foo	302,000*	135,000	–	437,000
Teh Kean Ming	430,000*	180,000	–	610,000

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

Name of Director	Number of Options Over Ordinary Shares of RM0.50 each			
	Balance at 1.4.2005	Granted	Exercised	Balance at 31.3.2006
Dato' Goh Chye Keat	–	100,000	–	100,000

**IJM Corporation Berhad**

Name of Director	Number of Warrants			
	Balance at 23.8.2005 (date of allotment)/ date of appointment*	Acquired	Disposed/ Exercised	Balance at 31.3.2006
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob Direct interest	4,800	–	–	4,800
Dato' Tan Boon Seng @ Krishnan Direct interest	701,900	–	–	701,900
Dato' Goh Chye Koon Direct interest	500,000	–	20,000	480,000
Soo Heng Chin Direct interest	336,000	–	–	336,000
Dato' Goh Chye Keat Direct interest	–	150,000	–	150,000
Indirect interest	400	100,000	–	100,400
Tan Gim Foo Direct interest	260,000*	–	30,000	230,000
Teh Kean Ming Direct interest	307,000*	210,000	100,000	417,000
Indirect interest	7,200*	170,700	–	177,900

Except as disclosed above, the Directors in office at the end of the financial year do not have any direct or indirect interests in the shares, options over ordinary shares or Warrants of the Company and its related corporations during the financial year.

# DIRECTORS' REPORT AND STATEMENT (cont'd)

For the financial year ended 31 March 2006

11. Since the end of the previous financial period, no Director has received or become entitled to receive a benefit (other than the fees and other emoluments shown in the financial statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.
12. Except as disclosed above, neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate other than the Company's ESOS and Warrants (See Note 4 to the financial statements).

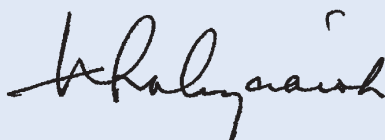
## OTHER STATUTORY INFORMATION

13. Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-
  - (a) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (b) to ensure that any current assets, other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
14. At the date of this report and statement, the Directors are not aware of any circumstances:-
  - (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts of the Group and of the Company inadequate to any material extent or the values attributed to current assets of the Group and of the Company misleading; or
  - (b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
  - (c) not otherwise dealt with in this report and statement or in the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.
15. In the interval between the end of the financial year and the date of this report and statement:-
  - (a) no item, transaction or other events of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the operations of the Group and of the Company for the current financial year; or
  - (b) no charge has arisen on the assets of any company in the Group which secures the liability of any other person nor has any contingent liability arisen in any company in the Group.
16. No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.
17. In the opinion of the Directors:-
  - (a) other than as disclosed in the financial statements, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and
  - (b) the financial statements of the Group and of the Company set out on pages 96 to 177 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2006 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the MASB approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

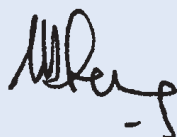
## AUDITORS

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

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



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



DATO' TAN BOON SENG @ KRISHNAN

Petaling Jaya  
30 May 2006



## INCOME STATEMENTS

For the year ended 31 March 2006

	Note	THE GROUP		THE COMPANY	
		Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000 Restated	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000
OPERATING REVENUE	3, 9	1,665,859	1,802,291	109,798	183,897
COST OF SALES		(1,323,111)	(1,455,505)	(55,470)	(85,212)
GROSS PROFIT		342,748	346,786	54,328	98,685
OTHER OPERATING INCOME		61,825	49,025	46,563	163,370
TENDERING, SELLING AND DISTRIBUTION EXPENSES		(13,409)	(12,025)	–	–
ADMINISTRATIVE EXPENSES		(61,162)	(58,766)	(10,471)	(10,841)
OTHER OPERATING EXPENSES		(64,717)	(48,453)	(11,708)	(15,161)
OPERATING PROFIT BEFORE FINANCE COST	4	265,285	276,567	78,712	236,053
FINANCE COST	5	(48,812)	(41,245)	(16,461)	(19,177)
OPERATING PROFIT AFTER FINANCE COST		216,473	235,322	62,251	216,876
SHARE OF RESULTS OF ASSOCIATES		35,962	46,167	–	–
SHARE OF RESULTS OF JOINTLY CONTROLLED ENTITIES		7,339	2,320	–	–
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION	9	259,774	283,809	62,251	216,876
TAXATION					
Company and subsidiaries		(63,723)	(68,347)	(13,897)	(28,291)
Associates		(11,727)	(10,520)	–	–
Jointly controlled entities		(979)	(467)	–	–
	6, 9	(76,429)	(79,334)	(13,897)	(28,291)
PROFIT FROM ORDINARY ACTIVITIES AFTER TAXATION	9	183,345	204,475	48,354	188,585
MINORITY INTEREST		(22,912)	(18,989)	–	–
NET PROFIT FOR THE YEAR/PERIOD	9	160,433	185,486	48,354	188,585
EARNINGS PER SHARE:-					
Basic	7(a)	34.0 Sen	43.0 Sen		
Fully diluted	7(b)	33.7 Sen	42.5 Sen		
DIVIDENDS PER SHARE	8			15.0 Sen	15.0 Sen

## BALANCE SHEETS

As at 31 March 2006

	Note	THE GROUP		THE COMPANY	
		31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
CAPITAL AND RESERVES					
Share capital	10	479,931	458,654	479,931	458,654
Share premium		420,401	349,796	420,401	349,796
Revaluation reserve		25,515	26,357	–	–
Exchange translation reserve		14,298	22,301	11,460	20,702
Capital reserves	11	53,991	49,592	4,399	–
Retained profits	12	1,071,916	931,879	449,696	418,565
SHAREHOLDERS' EQUITY		2,066,052	1,838,579	1,365,887	1,247,717
MINORITY INTEREST		169,288	135,033	–	–
		2,235,340	1,973,612	1,365,887	1,247,717
NON-CURRENT LIABILITIES					
Bonds	13	98,274	97,781	–	–
Medium term notes	14	150,000	150,000	150,000	150,000
Term loans	15	489,987	173,671	–	–
Hire purchase and lease creditors	16	3,335	742	–	–
Deferred tax liabilities	17	30,849	24,299	–	–
Trade and other payables	18	70,333	6,000	–	–
Retirement benefits	19	5,150	2,588	831	891
		847,928	455,081	150,831	150,891
DEFERRED INCOME	20	63,822	68,399	–	–
		3,147,090	2,497,092	1,516,718	1,398,608
NON-CURRENT ASSETS					
Property, plant and equipment	21	466,045	348,744	10,177	8,720
Concession assets	22	218,476	159,190	–	–
Subsidiaries	23	–	–	632,895	652,163
Associates	24	769,494	730,636	134,866	135,901
Jointly controlled entities	25	43,838	22,384	–	–
Long term investments	26	131,728	140,029	58,382	58,382
Long term receivables	27	86,163	94,372	–	–
Intangible assets	28	61,285	57,586	–	–
Deferred tax assets	17	14,518	12,442	3,571	2,499
Land held for property development	29	246,481	154,467	281	281
		2,038,028	1,719,850	840,172	857,946



# BALANCE SHEETS (cont'd)

As at 31 March 2006

	Note	THE GROUP		THE COMPANY	
		31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
<b>Brought forward</b>		<b>2,038,028</b>	<b>1,719,850</b>	<b>840,172</b>	<b>857,946</b>
<b>CURRENT ASSETS</b>					
Property development costs	29	459,325	332,692	–	–
Inventories	30	150,008	100,272	4,810	4,814
Trade and other receivables	31	1,152,600	1,131,840	964,312	804,427
Short term investments	32	84,088	84,927	9,684	10,525
Deposits with licensed banks	33	138,505	38,673	44,600	4,009
Cash and bank balances	34	94,078	41,201	6,111	2,019
		<b>2,078,604</b>	<b>1,729,605</b>	<b>1,029,517</b>	<b>825,794</b>
<b>LESS:</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	35	767,763	748,778	293,668	240,907
Interest bearing bank borrowings	36	168,427	167,349	58,846	35,988
Bank overdrafts	37	27,934	25,350	–	174
Current tax liabilities		5,418	10,886	457	8,063
		<b>969,542</b>	<b>952,363</b>	<b>352,971</b>	<b>285,132</b>
<b>NET CURRENT ASSETS</b>		<b>1,109,062</b>	<b>777,242</b>	<b>676,546</b>	<b>540,662</b>
		<b>3,147,090</b>	<b>2,497,092</b>	<b>1,516,718</b>	<b>1,398,608</b>

# STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 March 2006

THE GROUP	Note	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Capital reserves RM'000	Retained profits RM'000	Total RM'000
<b>At 1 April 2005</b>		458,654	349,796	26,357	22,301	49,592	931,879	1,838,579
Exchange differences arising from translation of net investment in foreign subsidiaries, associates and branch		-	-	-	(8,003)	-	-	(8,003)
Dilution of equity interests in an associate	41	-	-	(842)	-	-	(3,173)	(4,015)
Net losses not recognised in income statement		-	-	(842)	(8,003)	-	(3,173)	(12,018)
Warrants reserve arising from the issuance of Warrants 2005/2010		-	-	-	-	5,159	-	5,159
Warrants issue expenses		-	-	-	-	(439)	-	(439)
Net profit for the year		-	-	-	-	-	160,433	160,433
Dividends:-								
- year ended 31 March 2006	8	-	-	-	-	-	(17,223)	(17,223)
Issuance of shares:								
- exercise of ESOS	10	14,853	45,875	-	-	-	-	60,728
- conversion of Warrants 2005/2010	10	6,424	24,730	-	-	(321)	-	30,833
<b>At 31 March 2006</b>		479,931	420,401	25,515	14,298	53,991	1,071,916	2,066,052



# STATEMENTS OF CHANGES IN EQUITY (cont'd)

For the year ended 31 March 2006

THE GROUP	Note	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Capital reserves RM'000	Retained profits RM'000	Total RM'000
<b>At 1 January 2004</b>		382,276	193,873	26,357	18,885	56,415	826,647	1,504,453
Exchange differences arising from translation of net investment in foreign subsidiaries, associates and branch		-	-	-	3,416	-	-	3,416
Dilution arising from deemed disposal of a subsidiary	11	-	-	-	-	(6,823)	-	(6,823)
Net gain / (loss) not recognised in income statement		-	-	-	3,416	(6,823)	-	(3,407)
Net profit for the period		-	-	-	-	-	185,486	185,486
Dividends:-								
- year ended 31 December 2003	8	-	-	-	-	-	(30,775)	(30,775)
- period ended 31 March 2005	8	-	-	-	-	-	(49,479)	(49,479)
Issuance of shares:								
- exercise of ESOS	10	17,088	51,573	-	-	-	-	68,661
- conversion of Warrants 2000/2004	10	59,290	104,350	-	-	-	-	163,640
<b>At 31 March 2005</b>		458,654	349,796	26,357	22,301	49,592	931,879	1,838,579

THE COMPANY	Note	Non-distributable			Distributable		Total RM'000
		Share capital RM'000	Share premium RM'000	Exchange translation reserve RM'000	Capital reserve RM'000	Retained profits RM'000	
<b>At 1 April 2005</b>		458,654	349,796	20,702	–	418,565	1,247,717
Exchange differences arising from translation of a foreign branch		–	–	(446)	–	–	(446)
Exchange differences arising from translation of loans to a subsidiary classified as net investment in a foreign subsidiary		–	–	(8,796)	–	–	(8,796)
Net loss not recognised in income statement		–	–	(9,242)	–	–	(9,242)
Warrants reserve arising from the issuance of Warrants 2005/2010		–	–	–	5,159	–	5,159
Warrants issue expenses		–	–	–	(439)	–	(439)
Net profit for the year		–	–	–	–	48,354	48,354
Dividends:-							
- year ended 31 March 2006	8	–	–	–	–	(17,223)	(17,223)
Issuance of shares:							
- exercise of ESOS	10	14,853	45,875	–	–	–	60,728
- conversion of Warrants 2005/2010	10	6,424	24,730	–	(321)	–	30,833
<b>At 31 March 2006</b>		479,931	420,401	11,460	4,399	449,696	1,365,887
<b>At 1 January 2004</b>		382,276	193,873	17,602	–	310,234	903,985
Exchange differences arising from translation of a foreign branch		–	–	493	–	–	493
Exchange differences arising from translation of net investment in a foreign subsidiary		–	–	2,607	–	–	2,607
Net gain not recognised in income statement		–	–	3,100	–	–	3,100
Net profit for the period		–	–	–	–	188,585	188,585
Dividends:-							
- year ended 31 December 2003	8	–	–	–	–	(30,775)	(30,775)
- period ended 31 March 2005	8	–	–	–	–	(49,479)	(49,479)
Issuance of shares:							
- exercise of ESOS	10	17,088	51,573	–	–	–	68,661
- conversion of Warrants 2000/2004	10	59,290	104,350	–	–	–	163,640
<b>At 31 March 2005</b>		458,654	349,796	20,702	–	418,565	1,247,717

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2006

		THE GROUP	
	Note	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000
<b>OPERATING ACTIVITIES</b>			
Receipts from customers		1,711,872	1,554,922
Payments to contractors, suppliers and employees		(1,534,502)	(1,622,549)
Interest received		24,152	24,598
Interest paid		(36,647)	(22,444)
Income tax paid		(65,617)	(59,697)
<b>Net cash flow from/(used in) operating activities</b>		<b>99,258</b>	<b>(125,170)</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of subsidiaries	39	(5,734)	(97,412)
Acquisition of shares from minority shareholders in subsidiaries		(3,877)	(69,132)
Disposal of shares in a subsidiary		21,055	20,937
Investments in jointly controlled entities		(14,000)	-
Investments in associates		(2,136)	(62,658)
Acquisition of investments		(14)	(40,062)
Purchase of development land held for property development		(172,725)	(35,427)
Acquisition of concession assets		-	(87,963)
Government grants received		-	42,539
Disposal of development land held for property development		10,989	-
Redemption of preference shares in an associate		-	6,600
Purchase of property, plant and equipment		(145,149)	(65,729)
Disposal of property, plant and equipment		12,924	19,698
Disposal of an associate		35	-
Disposal of investments		7,636	7,596
Dividends received from associates		6,413	6,028
Dividends received from other investments		1,659	5,188
Advances to associates		(2,278)	(47,615)
Repayment of advances from associates		13,773	39,034
Advances to jointly controlled entities		(25,560)	(13,169)
Repayment of advances from jointly controlled entities		-	16,758
<b>Net cash flow used in investing activities</b>		<b>(296,989)</b>	<b>(354,789)</b>
<b>FINANCING ACTIVITIES</b>			
Issuance of shares by the Company:-			
- exercise of ESOS		60,728	68,661
- conversion of Warrants		30,833	163,640
Issuance of shares by subsidiaries to minority interest in subsidiaries		150	4,586
Issuance of Warrants by the Company		5,159	-
Proceeds from issuance of Medium Term Notes ("MTN")		-	150,000
Repayment of Bonds		-	(150,000)
Proceeds from bank borrowings		385,058	302,151
Repayments of bank borrowings		(62,185)	(106,472)
Advances from the State Government		7,000	-
Repayments to hire purchase and lease creditors		(4,068)	(139)
Payment of MTN interests		(8,253)	-
Payment of Bonds interests		(8,000)	(18,801)
Dividends paid by subsidiaries to minority shareholders		(8,763)	(7,974)
Dividends paid by the Company		(50,275)	(47,122)
(Placement)/redemption of bank deposits assigned to trustees		(16,543)	4,916
<b>Net cash flow from financing activities</b>		<b>330,841</b>	<b>363,446</b>
<b>Net increase/(decrease) in cash and cash equivalents during the financial year/period</b>		<b>133,110</b>	<b>(116,513)</b>
<b>Cash and cash equivalents at beginning of the financial year/period</b>		<b>36,505</b>	<b>152,857</b>
Foreign exchange differences on opening balances		472	161
<b>Cash and cash equivalents at end of the financial year/period</b>	42	<b>170,087</b>	<b>36,505</b>

# COMPANY CASH FLOW STATEMENT

For the year ended 31 March 2006

		THE COMPANY	
	Note	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000
<b>OPERATING ACTIVITIES</b>			
Receipts from customers		116,816	82,753
Payments to contractors, suppliers and employees		(67,623)	(142,401)
Interest received		3,435	8,812
Interest paid		(2,750)	(4,856)
Income tax paid		(11,382)	(11,530)
<b>Net cash flow from/(used in) operating activities</b>		<b>38,496</b>	<b>(67,222)</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of subsidiaries/additional shares in subsidiaries		-	(164,832)
Investment in associates		-	(168)
Acquisition of investments		-	(7,420)
Redemption of preference shares in an associate		-	6,600
Purchase of property, plant and equipment		(2,543)	(1,286)
Disposal of property, plant and equipment		671	10,484
Disposal of shares in subsidiaries		21,003	20,937
Disposal of investments		75	983
Dividends received from subsidiaries		39,046	13,453
Dividends received from associates		185	7,296
Dividends received from other investments		1,560	2,745
Advances to subsidiaries		(115,955)	(126,903)
Advances to associates		-	(5,054)
Repayment of advances from associates		3,675	27,704
Advances to jointly controlled entities		(2,406)	-
Repayment of advances from jointly controlled entities		-	697
<b>Net cash flow used in investing activities</b>		<b>(54,689)</b>	<b>(214,764)</b>
<b>FINANCING ACTIVITIES</b>			
Issuance of shares by the Company:-			
- exercise of ESOS		60,728	68,661
- conversion of Warrants		30,833	163,640
Issuance of Warrants by the Company		5,159	-
Proceeds from issuance of Medium Term Notes ("MTN")		-	150,000
Repayment of Bonds		-	(150,000)
Proceeds from bank borrowings		35,000	20,000
Repayment of bank borrowings		(12,142)	(19,087)
Payment of MTN interests		(8,253)	-
Payment of Bonds interests		-	(8,801)
Dividends paid by the Company		(50,275)	(47,122)
<b>Net cash flow from financing activities</b>		<b>61,050</b>	<b>177,291</b>
<b>Net increase/(decrease) in cash and cash equivalents during the financial year/period</b>		<b>44,857</b>	<b>(104,695)</b>
<b>Cash and cash equivalents at beginning of the financial year/period</b>		<b>5,854</b>	<b>110,549</b>
<b>Cash and cash equivalents at end of the financial year/period</b>	42	<b>50,711</b>	<b>5,854</b>



# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the year ended 31 March 2006

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

## A. Basis of Preparation

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

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Accounting Standards Board ("MASB") approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

The preparation of financial statements in conformity with the MASB approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

## B. Basis of Consolidation

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

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

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. The cost of an acquisition is the amount of cash paid and the fair value at the date of acquisition of other purchase consideration given by the acquirer, together with directly attributable expenses of the acquisition (other than costs of issuing shares and other capital instruments - see accounting policy X). At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The difference between the costs of acquisition over the Group's share of fair value of the identifiable net assets of the subsidiary acquired at the date of acquisition is reflected as goodwill or negative goodwill - see accounting policy F.

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

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

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

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

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

### C. Subsidiaries

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

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

### D. Associates

The Group treats as associates those enterprises where it is able to exercise significant influence by representation on the board of directors and/or participation in the financial and operating decision making processes of the investee but not control over those policies.

Investments in associates are stated at cost except where there is an indication of impairment, in which case the carrying value of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note AA on impairment of assets.

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

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

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

When there is an accretion or dilution of the Group's interest in an associate where the consideration is not on a cash basis, the difference between the Group's share of net assets immediately before and after the accretion or dilution is adjusted against the Group's reserves.

### E. Jointly Controlled Entities

The Group's interest in jointly controlled entities, which are entities in which the Group has short duration contractual arrangements with third parties to undertake construction and other projects, are accounted for in the consolidated financial statements using the equity method of accounting where the Group's share of results of the jointly controlled entities is included in the consolidated financial statements.

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

### F. Goodwill

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

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For the year ended 31 March 2006

## F. Goodwill (cont'd)

Negative goodwill represents the excess of the fair value of the Group's share of identifiable net assets acquired over the cost of acquisition and is presented in the same balance sheet classification as goodwill. To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the Group's plan for the acquisition and can be measured reliably, but which do not represent identifiable liabilities, that portion of negative goodwill is recognised in the income statement when the future losses and expenses are recognised. All other negative goodwill is amortised using the straight-line method over a period of 20 years.

## G. Investments

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

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

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

## H. Currency Translations

Foreign currency transactions are converted into Ringgit Malaysia at the rates of exchange ruling on the transaction dates. Exchange differences arising on settlement of monetary items or on translating monetary assets and liabilities at rates of exchange ruling at year end are taken to the income statement.

Exchange differences arising on foreign currency borrowings that have been used to finance equity investments in foreign currencies are dealt with through the exchange translation reserve to the extent that they are covered by exchange differences arising on the net assets represented by the equity investments. These differences are recognised as income or expenses upon disposal of those investments.

Exchange differences arising on a monetary item that in substance forms part of the Group's or the Company's net investment in a foreign entity is classified as equity until the disposal of the net investment, at which time the exchange differences are taken to the income statement.

Assets and liabilities of foreign subsidiaries and associates, both monetary and non-monetary, are translated into Ringgit Malaysia at the rates of exchange ruling at the financial year end; and income and expense items are translated at exchange rates at the date of the transactions. All resulting exchange differences are dealt with through the exchange translation reserve.

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

## H. Currency Translations (cont'd)

The principal closing rates used in translation of foreign currency amounts at the balance sheet date are as follows:-

Foreign currency	31.3.2006 RM	31.3.2005 RM
1 United States Dollar	3.685	3.800
1 Australian Dollar	2.637	2.932
1 Singapore Dollar	2.277	2.306
1 Hong Kong Dollar	0.475	0.487
1 Chinese Renminbi	0.459	0.459
1 Indian Rupee	0.083	0.087
1 New Zealand Dollar	2.257	2.694
1 Euro	4.482	4.917
1 Argentine Peso	1.196	1.303
1 Sterling Pound	6.429	7.145
1 UAE Dirham	1.004	1.035

## I. Property, Plant and Equipment and Depreciation

All property, plant and equipment are stated at cost or at valuation less accumulated depreciation and accumulated impairment losses except for freehold land and capital work-in-progress which are not depreciated.

Freehold land is not depreciated as it has an infinite life. Depreciation on assets under construction commences when the assets are ready for their intended use.

The Group amortises all leasehold land in equal instalments based on the tenures of the leases. On other assets, depreciation is calculated to write off the cost or revalued amount of property, plant and equipment on a straight line basis at rates that will write off the assets, less their estimated residual values, over their expected useful lives. The annual rates of depreciation are:-

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

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

The Directors have applied the transitional provisions of International Accounting Standards ("IAS") 16 on Property, Plant and Equipment, which has been adopted by the MASB, which allows the assets to be stated at their last revalued amounts less depreciation. Accordingly, these valuations have not been updated.

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

## J. Concession Assets

Concession assets, comprising the rights to collect toll in accordance with the respective concession agreements, are measured at cost less accumulated amortisation and accumulated impairment losses. Cost represents the cost of construction (inclusive of the cost of reconstruction, widening and rehabilitation) of the concession assets.

Where the Group provides construction services in exchange for the concession assets, the revenue and profits relating to the construction services are recognised in accordance with accounting policy K(i) on revenue and profit recognition for construction contracts below.

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For the year ended 31 March 2006

## J. Concession Assets (cont'd)

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

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

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

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

## K. Revenue and Profit Recognition

### (i) Construction Contracts

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

When the outcome of the construction contract can be estimated reliably, contract revenue and costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract. The stage of completion of a construction contract is determined based on the proportion that the contract costs incurred for work performed to-date bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as an expense in the period.

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

### (ii) Property Development Activities

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

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

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

### (iii) Sale of Goods

Sales are recognised upon delivery of products and customer acceptance, and performance of after-sales services, if any, net of sales taxes and discounts and after eliminating sales within the Group.

### (iv) Toll Concession Revenue

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

### (v) Other Revenue

Dividend income is recognised when the shareholder's right to receive payment is established.

Interest income is recognised as it accrues unless collectibility is in doubt, in which case it is recognised on a cash receipt basis.

## L. Capitalisation of Finance Cost

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

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

All other borrowing costs are charged to the income statement.

## M. Land Held For Property Development and Property Development Costs

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

Costs associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by FRS201<sup>2004</sup> on Property Development Activities. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note AA on impairment of assets.

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

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

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

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

## N. Inventories

### (i) Completed Buildings

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Cost comprises proportionate cost of land and related development and construction expenditure.

### (ii) Finished Goods, Quarry Products, Raw Materials, Construction Materials, Stores and Spares

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the weighted average basis. The costs of raw materials, stores and spares comprise the original cost of purchase plus the cost of bringing the inventories to their present location and for finished goods and quarry products, it consists of direct materials, direct labour, direct charges and production overheads.

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

**O. Amounts Due From/(To) Customers on Construction Contracts**

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

**P. Trade Receivables**

Trade receivables include retention monies withheld by principals. Known bad debts are written off and an allowance is made for any considered to be doubtful of collection.

**Q. Leases****(i) Accounting as Lessee**Finance leases

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

Finance leases are capitalised at the lower of the fair value of the leased assets or the estimated present value of the underlying lease payments at the date of inception. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the lease principal outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period.

Property, plant and equipment acquired under finance lease contracts is depreciated over the useful life of the asset. If there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its useful life.

Operating leases

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

**(ii) Accounting as Lessor**Finance leases

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

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

Operating leases

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



## R. Quarry Development

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

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

## S. Licence fees

Expenditure on acquired licences is capitalised and amortised using the straight line method over its estimated useful life, not exceeding a period of 20 years. Licences are not revalued.

## T. Borrowings

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

## U. Income Taxes

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

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

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

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

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

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

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



**V. Employee Benefits****(i) Short Term Employee Benefits**

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

**(ii) Post-Employment Benefits**

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

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

**(a) Defined Contribution Plans**

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

**(b) Defined Benefit Plans**

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

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

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

Upon initial adoption of FRS119<sub>2004</sub> on Employee Benefits, the increase in defined benefit liability is recognised as an expense on a straight line basis over 5 years in accordance with the transitional provision of the Standard.

**(iii) Unfunded defined benefit scheme**

A subsidiary of the Group operates an unfunded defined benefit scheme. The subsidiary's net obligation in respect of the defined benefit scheme is determined by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and that benefit is discounted to determine the present value of the liability. The discount rate used is the market yield at the balance sheet date on high quality corporate bonds or government bonds. The subsidiary's obligation in respect of the unfunded defined benefit scheme, calculated using the projected unit credit method, is determined by an actuarial valuation carried out with sufficient regularity by a qualified actuary.

## V. Employee Benefits (cont'd)

### (iii) Unfunded defined benefit scheme (cont'd)

In calculating the subsidiary's obligation in respect of the scheme, to the extent that any cumulative unrecognised actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

The amount recognised in the balance sheet represents the present value of the defined benefit obligations adjusted for unrecognised transition liability and assets. Transition assets are fully recognised in the income statement in the year of valuation whilst transition liabilities are expensed to the income statement.

### (iv) Equity Compensation Benefits

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

## W. Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, bank overdrafts, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## X. Share Capital

### (i) Classification

Ordinary shares are classified as equity.

### (ii) Share Issue Costs

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

### (iii) Dividends

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

### (iv) Warrants Reserve

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve which is non-distributable. Warrants reserve is transferred to the share premium account upon the exercise of warrants and the warrants reserve in relation to unexercised warrants at the expiry of the warrants period will be transferred to retained earnings.

## Y. Financial Instruments

### (i) Financial Instruments Recognised on the Balance Sheet

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

### (ii) Financial Instruments Not Recognised on the Balance Sheet

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

**Y. Financial Instruments (cont'd)****(ii) Financial Instruments Not Recognised on the Balance Sheet (cont'd)****Foreign Currency Forward Contracts**

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

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

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

**Interest Rate Swap Contracts**

The Group enters into interest rate swap contracts to protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap contract is recognised as a component of interest income or expense over the period of the contract. Gains and losses on early termination of interest rate swaps or on repayment of the borrowings are taken to the income statement.

**(iii) Fair Value Estimation For Disclosure Purposes**

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

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date. The fair value of interest rate swap contracts is calculated as the present value of the estimated future cash flows.

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

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

**Z. Government Grants**

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

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

#### AA. Impairment of Assets

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

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

#### AB. Segmental Information

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

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

Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

#### AC. Contingent liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2006

## 1. GENERAL INFORMATION

The Company is principally engaged in construction and investment holding. The Group's principal activities consist of construction, property development, manufacturing and quarrying, tollway operations and investment holding. The principal activities of the subsidiaries and associates are described in Note 50 to the financial statements.

The Group also has significant investment in the plantation business vide its 48% plantation associate, IJM Plantations Berhad.

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

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

The Group changed its financial year end from 31 December to 31 March in the previous financial period. Accordingly, the comparative amounts for income statements, statements of changes in equity, cash flow statements and their related notes are not comparable.

The number of employees in the Group and Company as at 31 March 2006 amounted to 1,888 (31.3.2005: 2,059) and 99 (31.3.2005: 98) respectively.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 30 May 2006.

## 2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Group uses derivative financial instruments such as foreign currency forward contracts and interest rate swap contracts to hedge certain exposures, but it does not trade in financial instruments.

### Foreign currency exchange risk

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

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

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

### Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises mainly from the Group's borrowings and deposits. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. Derivative financial instruments are used, where appropriate, to generate the desired interest rate profile.

### Market risk

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

## 2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### Credit risk

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

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

### Liquidity and cash flow risk

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

## 3. OPERATING REVENUE

	THE GROUP		THE COMPANY	
	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000
Construction contract revenue	663,830	898,259	54,737	149,960
Property development revenue	488,328	436,688	–	–
Sale of quarry and manufactured products	491,495	451,820	–	–
Toll concession revenue	10,323	4,792	–	–
Management services	5,154	3,181	2,719	129
Dividend income	5,491	5,725	51,985	32,442
Rental of properties	1,238	1,826	357	1,366
	<b>1,665,859</b>	<b>1,802,291</b>	<b>109,798</b>	<b>183,897</b>

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

	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000
Operating revenue of the Group	1,665,859	1,802,291
Share of operating revenue of:-		
Associates	322,443	465,861
Jointly controlled entities	99,831	157,887
	<b>2,088,133</b>	<b>2,426,039</b>

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 4. OPERATING PROFIT BEFORE FINANCE COST

	THE GROUP		THE COMPANY	
	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000
<b>Operating profit before finance cost is stated after charging:-</b>				
Hire of plant and equipment	2,454	1,869	-	-
Property, plant and equipment:-				
- depreciation	40,112	43,797	802	907
- written off	119	78	-	-
- loss on disposal	19	-	-	-
Rental of land and buildings	2,932	2,789	586	871
Auditors' remuneration:-				
- fees for statutory audits	908	931	211	230
- fees for other services				
- PricewaterhouseCoopers, Malaysia	115	527	60	360
- Firms of PricewaterhouseCoopers International Limited other than PricewaterhouseCoopers, Malaysia	54	40	-	-
- other auditors of subsidiaries	77	77	-	-
Foreign exchange loss:-				
- unrealised	4,978	-	4,835	-
- realised	592	-	-	-
Loss on disposal of an associate	2,633	-	-	-
Allowance for diminution in value of quoted investments	2,309	6,787	784	4,945
Impairment losses on investment in:-				
- subsidiaries	-	-	-	5,898
- associates	4,016	499	-	-
Amortisation of concession assets	8,108	3,841	-	-
Amortisation of quarry development expenditure	2,758	2,625	-	-
Amortisation of premium paid on quarry rights	70	88	-	-
Amortisation of licence fees	41	-	-	-
Amortisation of goodwill	113	311	-	-
Impairment of goodwill	4,000	-	-	-
Amortisation of discount on bond issue	493	617	-	541
Amortisation of premium on acquisition of marketable securities	356	416	-	-
Allowance for doubtful debts	7,210	3,234	-	2,572
Bad debts written off	589	-	589	-
Building stocks written down	247	1,755	-	1,315
Construction contract costs	536,066	745,527	55,470	85,212
Property development costs	367,897	305,845	-	-
Cost of quarry and manufactured products sold	419,148	342,355	-	-
Staff cost*	81,834	102,353	9,709	14,687

## 4. OPERATING PROFIT BEFORE FINANCE COST (cont'd)

	THE GROUP		THE COMPANY	
	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000
<b>and crediting:-</b>				
Gross dividends received from:-				
- subsidiaries				
(quoted)	-	-	15,743	-
(unquoted)	-	-	34,158	21,653
- associates				
(quoted)	-	-	122	7,048
(unquoted)	-	-	97	996
- other investments				
(quoted)	5,622	6,046	1,865	2,745
Interest income	28,981	24,598	44,392	40,348
Foreign exchange gain:-				
- unrealised	307	1,504	-	1,404
- realised	510	363	-	-
Gain on disposal of property, plant and equipment	5,096	2,021	387	18,113
Rental income from properties	3,000	3,623	357	1,366
Bad debts recovered	185	-	-	-
Write back of allowance for doubtful debts	2,395	2,910	-	-
Write back of allowance for diminution in value of investments	-	292	-	-
Amortisation of negative goodwill	406	150	-	-
Amortisation of deferred income	3,285	1,563	-	-
Gain on disposal of shares in subsidiaries	526	2,762	1,827	105,912
Gain on disposal of an associate	-	84	-	-
Gain on disposal/liquidation of investments	1,260	2,852	17	2,177

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

	THE GROUP		THE COMPANY	
	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000
<b>Directors of the Company:-</b>				
Fees				
- Current year/period	275	312	245	312
- Under/(over) provision in respect of prior years	-	40	-	40
Defined contribution retirement plan	650	724	459	596
Defined benefit retirement plan	84	80	36	58
Other emoluments	4,120	4,427	2,593	3,755
<b>Directors of subsidiaries:-</b>				
Fees	148	75	-	-
Defined contribution retirement plan	186	411	-	-
Defined benefit retirement plan	60	130	-	-
Other emoluments	2,006	3,944	-	-

The estimated monetary value of benefits-in-kind provided to the Directors of the Group and of the Company by way of usage of the Group's and of the Company's assets and the provision of other benefits during the financial year amounted to RM164,000 (Period ended 31.3.2005: RM191,000) and RM58,000 (Period ended 31.3.2005: RM77,000) respectively.

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



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 4. OPERATING PROFIT BEFORE FINANCE COST (cont'd)

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

Grant Date	Expiry Date	Exercise Price RM/share	Number of options over ordinary shares				Balance at 31.3.2006 '000
			Balance at 1.4.2005 / date of appointment '000	Granted '000	Exercised '000	Terminated '000	
8 January 2004	10 November 2008	3.99/3.96*	1,672	–	50	–	1,622
7 April 2004	10 November 2008	4.47/4.44*	804	–	–	–	840
30 April 2004	10 November 2008	4.39/4.36*	1,960	–	–	–	1,960
20 May 2004	10 November 2008	4.21/4.18*	600	–	100	–	500
30 August 2005	10 November 2008	4.40	–	315	–	–	315
26 October 2005	10 November 2008	4.23	–	593	–	–	593
			5,072	908	150	–	5,830

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

Executive Directors and certain Non-Executive Directors of the Company have been allotted warrants under the Warrants 2005/2010 as follows:-

Expiry Date	Exercise Price RM/share	Number of Warrants			Balance at 31.3.2006 '000
		Balance at 23.8.2005 (date of allotment)/ date of appointment '000	Acquired '000	Disposed '000	
22 August 2010	4.80	2,117	631	150	2,598

## 5. FINANCE COST

	THE GROUP		THE COMPANY	
	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000
Interest expenses arising from:-				
- Interest bearing bank borrowings	26,802	16,336	1,608	1,515
- Advances from subsidiaries	-	-	5,458	5,521
- Hire purchase and leasing	619	227	-	-
- Bonds	8,000	18,801	-	8,800
- Medium Term Notes ("MTN")	8,253	810	8,253	810
- Others	9,226	5,374	1,142	2,531
	<b>52,900</b>	<b>41,548</b>	<b>16,461</b>	<b>19,177</b>
Less interest capitalised into:				
- Concession assets (Note 22)	(2,008)	-	-	-
- Property development costs (Note 29)	(2,049)	(303)	-	-
- Construction contract work-in-progress (Note 38)	(31)	-	-	-
	<b>48,812</b>	<b>41,245</b>	<b>16,461</b>	<b>19,177</b>

## 6. TAXATION

	THE GROUP		THE COMPANY	
	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000
Current tax:-				
- Malaysian income tax	(57,603)	(65,993)	(14,969)	(27,923)
- Overseas taxation	(14,272)	(3,408)	-	-
	<b>(71,875)</b>	<b>(69,401)</b>	<b>(14,969)</b>	<b>(27,923)</b>
Deferred taxation (Note 17)	<b>(4,554)</b>	<b>(9,933)</b>	<b>1,072</b>	<b>(368)</b>
	<b>(76,429)</b>	<b>(79,334)</b>	<b>(13,897)</b>	<b>(28,291)</b>
Current tax:-				
- Current year/period	(72,552)	(70,141)	(15,107)	(28,056)
- Benefits from previously unrecognised temporary differences	1,005	1,420	-	-
- (Under)/over accrual in prior years (net)	(328)	(680)	138	133
	<b>(71,875)</b>	<b>(69,401)</b>	<b>(14,969)</b>	<b>(27,923)</b>
Deferred taxation:-				
- Origination and reversal of temporary differences	(4,554)	(9,933)	1,072	(368)
	<b>(76,429)</b>	<b>(79,334)</b>	<b>(13,897)</b>	<b>(28,291)</b>

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 6. TAXATION (cont'd)

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

	THE GROUP		THE COMPANY	
	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000
Profit from ordinary activities before taxation	259,774	283,809	62,251	216,876
Tax calculated at the Malaysian tax rate of 28% (2005: 28%)	72,736	79,467	17,430	60,725
Tax effects of:-				
- Different tax rates in other countries	731	(1,283)	-	-
- Lower tax rates for small and medium companies	(117)	(487)	-	-
- Expenses not deductible for tax purposes	10,449	5,923	1,380	3,239
- Income not subject to tax	(9,150)	(4,489)	(4,775)	(35,540)
- Utilisation of tax incentives	(1,541)	(5,465)	-	-
- Current year's deferred tax assets not recognised	4,646	8,565	-	-
- Utilisation of previously unrecognised tax losses	(1,005)	(1,420)	-	-
- Others	(320)	(1,477)	(138)	(133)
Taxation	76,429	79,334	13,897	28,291

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

	THE GROUP	
	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000
Tax losses:-		
Tax savings as a result of the utilisation of tax losses brought forward for which the related credit is recognised during the year/period	1,005	1,420

## 7. EARNINGS PER SHARE

### (a) Basic

The basic earnings per share for the financial year has been calculated based on the Group's net profit for the year of RM160,433,000 (Period ended 31.3.2005: RM185,486,000) and on the weighted average number of ordinary shares in issue during the financial year of 471,457,000 (Period ended 31.3.2005: 431,708,000) ordinary shares. The weighted average number of ordinary shares in issue was derived at after taking into account the issuance of shares pursuant to the Employee Share Option Scheme ("ESOS") and from the conversion of Warrants 2005/2010 (Period ended 31.3.2005: Warrants 2000/2004).

### (b) Fully diluted

The fully diluted earnings per share of the Group is calculated by dividing the Group's net profit for the year of RM160,433,000 (Period ended 31.3.2005: RM185,486,000) by the weighted average number of ordinary shares in issue adjusted to assume the conversion of all dilutive potential ordinary shares, i.e. the ESOS and Warrants 2005/2010 (Period ended 31.3.2005: Warrants 2000/2004). A calculation is done to determine the number of shares that could have been acquired at market price (determined as the weighted average annual share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding ESOS or Warrants. This calculation serves to determine the "bonus" element to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to the net profit for the calculation.

## 7. EARNINGS PER SHARE (cont'd)

### (b) Fully diluted (cont'd)

	THE GROUP	
	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'000
Net profit for the year/period	160,433	185,486
	'000	'000
Weighted average number of ordinary shares in issue	471,457	431,708
Adjustments for Warrants	686	–
Adjustments for ESOS	4,208	4,827
Weighted average number of ordinary shares for diluted earnings per share	476,351	436,535
Diluted earnings per share	33.7 Sen	42.5 Sen

## 8. DIVIDENDS

Dividends declared in respect of the current financial year are as follows:

	THE COMPANY			
	Gross dividend per share Sen	Year ended 31.3.2006 Amount of dividend, net of 28% tax RM'000	Gross dividend per share Sen	15 months ended 31.3.2005 Amount of dividend, net of 28% tax RM'000
First interim dividend	5	17,223	5	16,313
Second interim dividend	10	*	10	33,166
	15		15	49,479

\* The amount of dividend, net of 28% tax, will be determined based on the number of shareholders entitled to receive the dividend as at 5.00pm on 31 July 2006.

On 30 May 2006, the Directors have declared a second interim dividend in respect of the financial year ended 31 March 2006 of 10% less income tax at 28% to be paid on 18 August 2006 to every member who is entitled to receive the dividend as at 5.00pm on 31 July 2006. The second interim dividend has not been recognised in the Statement of Changes in Equity as it was declared subsequent to the year end.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2006 (Period ended 31.3.2005: Nil).

## 9. SEGMENTAL REPORTING

The Group has the following principal business segments:-

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

Other operations of the Group comprise mainly investment holding.

The Group also has significant investment in the plantation business vide its 48% plantation associate, IJM Plantations Berhad.

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 9. SEGMENTAL REPORTING (cont'd)

## (a) Primary reporting - Business segments

	Construction RM'000	Property Development RM'000	Manufac- turing & Quarrying RM'000	Infra- structure RM'000	Investment & Others RM'000	Group RM'000
<b>Year ended 31.3.2006</b>						
<b>REVENUE:</b>						
Total sales	864,036	491,644	510,490	10,714	47,748	1,924,632
Less: Inter-segment sales	(197,877)	-	(18,995)	-	(41,901)	(258,773)
Total segment revenue	666,159	491,644	491,495	10,714	5,847	1,665,859
<b>RESULT:</b>						
Segment results	85,639	97,918	46,723	(10,617)	(3,190)	216,473
Share of results of associates and jointly controlled entities						
- a plantation associate						25,399
- other associates and jointly controlled entities	20,326	(2,295)	3,564	(2,347)	(1,346)	17,902
						259,774
Taxation						(76,429)
Profit from ordinary activities after taxation						183,345
Minority interest						(22,912)
Net profit for the year						160,433
<b>OTHER INFORMATION:</b>						
Segment assets	1,046,165	1,172,687	605,501	308,958	155,471	3,288,782
Investment in associates						
- a plantation associate						324,168
- other associates	38,109	27,888	12,474	300,698	66,157	445,326
Investment in jointly controlled entities	21,580	22,258	-	-	-	43,838
						4,102,114
Unallocated corporate assets						14,518
Consolidated total assets						4,116,632
Segment liabilities	731,139	292,149	206,067	533,066	82,604	1,845,025
Unallocated corporate liabilities						36,267
Consolidated total liabilities						1,881,292

## 9. SEGMENTAL REPORTING (cont'd)

### (a) Primary reporting - Business segments (cont'd)

	Construction RM'000	Property Development RM'000	Manufac- turing & Quarrying RM'000	Infra- structure RM'000	Investment & Others RM'000	Group RM'000
Incurring for the year:-						
Capital expenditure	62,927	4,278	91,232	542	-	158,979
Depreciation charged to income statement	17,084	638	22,306	84	-	40,112
Amortisation of concession assets	-	-	-	8,108	-	8,108
Amortisation and impairment of goodwill	4,073	22	-	-	18	4,113
Amortisation of quarry development expenditure	-	-	2,758	-	-	2,758
<b>15 months ended 31.3.2005</b>						
<b>REVENUE:</b>						
Total sales	1,030,586	440,617	481,050	4,921	29,492	1,986,666
Less: Inter-segment sales	(132,327)	-	(29,230)	-	(22,818)	(184,375)
Total segment revenue	898,259	440,617	451,820	4,921	6,674	1,802,291
<b>RESULT:</b>						
Segment results	101,211	85,905	53,609	(9,185)	3,782	235,322
Share of results of associates and jointly controlled entities						
- a plantation associate						32,072
- other associates and jointly controlled entities	9,573	2,096	3,882	6,517	(5,653)	16,415
						283,809
Taxation						(79,334)
Profit from ordinary activities after taxation						204,475
Minority interest						(18,989)
Net profit for the period						185,486
<b>OTHER INFORMATION:</b>						
Segment assets	983,002	834,165	582,890	201,167	82,769	2,683,993
Investment in associates						
- a plantation associate						316,587
- other associates	32,755	23,440	15,589	261,276	80,989	414,049
Investment in jointly controlled entities	11,945	10,439	-	-	-	22,384
						3,437,013
Unallocated corporate assets						12,442
Consolidated total assets						3,449,455

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 9. SEGMENTAL REPORTING (cont'd)

### (a) Primary reporting - Business segments (cont'd)

	Construction RM'000	Property Development RM'000	Manufac- turing & Quarrying RM'000	Infra- structure RM'000	Investment & Others RM'000	Group RM'000
Segment liabilities	695,863	181,475	126,666	324,581	112,073	1,440,658
Unallocated corporate liabilities						35,185
Consolidated total liabilities						1,475,843
Incurring for the period:-						
Capital expenditure	37,981	7,436	251,517	88,312	-	385,246
Depreciation charged to income statement	21,524	643	21,568	62	-	43,797
Amortisation of concession assets	-	-	-	3,841	-	3,841
Amortisation of goodwill	91	28	101	-	91	311
Amortisation of quarry development expenditure	-	-	2,625	-	-	2,625

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

	Construction RM'000	Property Deve- lopment RM'000	Manufac- turing & Quarrying RM'000	Plan- tation RM'000	Infra- structure RM'000	Investment & Others RM'000	Total RM'000
<b>Year ended</b>							
<b>31.3.2006</b>							
Revenue of the Group	666,159	491,644	491,495	-	10,714	5,847	1,665,859
Share of operating revenue of associates and jointly controlled entities	149,983	25,580	47,475	118,612	50,162	30,462	422,274
	816,142	517,224	538,970	118,612	60,876	36,309	2,088,133
<b>15 months ended</b>							
<b>31.3.2005</b>							
Revenue of the Group	898,259	440,617	451,820	-	4,921	6,674	1,802,291
Share of operating revenue of associates and jointly controlled entities	273,898	38,225	61,775	157,030	55,572	37,248	623,748
	1,172,157	478,842	513,595	157,030	60,493	43,922	2,426,039

## 9. SEGMENTAL REPORTING (cont'd)

### (b) Secondary reporting - Geographical segments

	Revenue from external customers RM'000	Total segment assets RM'000	Capital expenditure incurred during the year/ period RM'000
<b>Geographical markets</b>			
<b>Year ended 31.3.2006:-</b>			
Malaysia	1,439,120	2,517,004	108,378
India	179,339	599,876	49,174
Other countries	47,400	186,420	1,427
	<b>1,665,859</b>	<b>3,303,300</b>	<b>158,979</b>
<b>Associates and jointly controlled entities</b>			
- Malaysia	-	376,398	-
- Singapore	-	37,756	-
- Vietnam	-	40,653	-
- China	-	8,331	-
- India	-	188,723	-
- Australia	-	85,148	-
- Argentina	-	69,551	-
- Other countries	-	6,772	-
	<b>1,665,859</b>	<b>4,116,632</b>	<b>158,979</b>
<b>15 months ended 31.3.2005:-</b>			
Malaysia	1,533,480	2,198,051	276,937
India	240,781	361,353	108,309
Australia	27,901	48,238	-
Other countries	129	88,793	-
	<b>1,802,291</b>	<b>2,696,435</b>	<b>385,246</b>
<b>Associates and jointly controlled entities</b>			
- Malaysia	-	345,637	-
- Singapore	-	32,266	-
- Vietnam	-	37,001	-
- China	-	9,937	-
- India	-	154,200	-
- Australia	-	93,444	-
- Argentina	-	68,797	-
- Other countries	-	11,738	-
	<b>1,802,291</b>	<b>3,449,455</b>	<b>385,246</b>

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



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 10. SHARE CAPITAL

	THE COMPANY			
	31.3.2006		31.3.2005	
	Number of shares '000	Nominal value RM'000	Number of shares '000	Nominal value RM'000
Ordinary shares of RM1 each:-				
Authorised	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid:-				
At 1 April/At 1 January	458,654	458,654	382,276	382,276
Issuance of shares				
- exercise of ESOS	14,853	14,853	17,088	17,088
- conversion of Warrants	6,424	6,424	59,290	59,290
At 31 March	479,931	479,931	458,654	458,654

(a) During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM458,654,780 to RM479,931,566 by way of:-

- (i) The issuance of 6,423,436 new ordinary shares of RM1.00 each arising from the conversion of Warrants 2005/2010 at the exercise price of RM4.80 per share in accordance with the Deed Poll dated 22 June 2005; and
- (ii) The issuance of 14,853,350 new ordinary shares of RM1.00 each arising from the exercise of options under the Employee Share Option Scheme ("ESOS") at the following issue prices:-

Number of shares issued	ESOS exercise price
Units	RM/share
8,473,300	3.96
1,576,700	3.99
100,000	4.21
418,850	4.23
3,970,500	4.36
314,000	4.39
-----	
14,853,350	
=====	

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

## 10. SHARE CAPITAL (cont'd)

- (b) As at the balance sheet date, 35,482,050 (2005: 45,365,100) options under the ESOS remained unexercised. The details of options over ordinary shares of the Company granted but not exercised under the ESOS are as follows:-

Grant Date	Expiry Date	Exercise Price RM/share	Number of options over ordinary shares				At 31.3.2006 '000
			At 31.3.2005 '000	Granted '000	Exercised '000	Terminated '000	
8 January 2004	10 November 2008	3.99/3.96*	20,617	–	10,050	35	10,532
7 April 2004	10 November 2008	4.47/4.44*	1,650	–	–	180	1,470
30 April 2004	10 November 2008	4.39/4.36*	22,498	–	4,284	233	17,981
20 May 2004	10 November 2008	4.21/4.18*	600	–	100	–	500
30 August 2005	10 November 2008	4.40	–	315	–	–	315
26 October 2005	10 November 2008	4.23	–	5,109	419	6	4,684
			45,365	5,424	14,853	454	35,482

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

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

Number of share options vested at balance sheet date amounted to 35,482,050 (As at 31.3.2005: 40,800,900).

The quoted prices of shares of the Company at the time when the options were exercised ranged from RM4.40 to RM5.00.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 10. SHARE CAPITAL (cont'd)

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

Exercise date	Quoted price of shares at share issue date RM/share	Exercise price RM/share	Number of shares issued
April - May 2005	4.78 - 4.86	3.96	642,200
April - May 2005	4.78 - 4.80	3.99	1,576,700
April - May 2005	4.78	4.21	100,000
April - May 2005	4.78 - 4.86	4.36	392,000
April - May 2005	4.80	4.39	314,000
June - July 2005	4.76 - 4.96	3.96	3,798,500
June - July 2005	4.76 - 4.96	4.36	1,526,900
August - September 2005	4.80 - 5.00	3.96	2,370,500
August - September 2005	4.80 - 5.00	4.36	1,512,000
October - November 2005	4.40 - 4.72	3.96	599,900
October - November 2005	4.40	4.23	7,900
October - November 2005	4.40 - 4.72	4.36	209,200
December 2005 - January 2006	4.42 - 4.50	3.96	245,400
December 2005 - January 2006	4.42 - 4.50	4.23	18,700
December 2005 - January 2006	4.42	4.36	16,000
February - March 2006	4.60 - 4.90	3.96	816,800
February - March 2006	4.60 - 4.90	4.23	392,250
February - March 2006	4.60 - 4.90	4.36	314,400
			<b>14,853,350</b>
		<b>Year ended 31.3.2006 RM'000</b>	<b>15 months ended 31.3.2005 RM'00</b>
Ordinary shares, at par		14,853	17,088
Share premium		45,875	51,573
Proceeds received on exercise of ESOS		<b>60,728</b>	<b>68,661</b>
Fair value at exercise date of shares issued		<b>72,321</b>	<b>82,116</b>

- (c) 93,171,576 Warrants 2005/2010 were issued at an issue price of RM0.05 per warrant on the basis of one (1) warrant for every five (5) existing ordinary shares of RM1.00 each held in IJM Corporation Berhad and 10,000,000 Warrants 2005/2010 were issued to eligible management staff of IJM Corporation Berhad and its subsidiaries at an issue price of RM0.05 per warrant.

Each warrant entitles the registered holder to subscribe for one (1) new ordinary share in the Company at any time on or after 23 August 2005 up to the date of expiry on 22 August 2010 at an exercise price of RM4.80 per share or such adjusted price in accordance with the provisions in the Deed Poll dated 22 June 2005. The 2005/2010 Warrants was listed on the Main Board of Bursa Malaysia Securities Berhad with effect from 2 September 2005.

As at the balance sheet date, 96,748,140 Warrants 2005/2010 remain unexercised (As at 31.03.2005: Nil).

The quoted prices of shares of the Company at the time when the warrants were exercised ranged from RM4.76 to RM4.80.

## 10. SHARE CAPITAL (cont'd)

Details relating to warrants exercised during the financial year are as follows:-

Exercise date	Quoted price of shares at share issue date RM/share	Exercise price RM/share	Number of shares issued
September 2005	4.80	4.80	144,700
October 2005	4.76 - 4.80	4.80	6,278,736
			<u>6,423,436</u>
		<b>Year ended 31.3.2006 RM'000</b>	<b>15 months ended 31.3.2005 RM'000</b>
Ordinary shares, at par		6,424	59,290
Share premium		24,409	104,350
Proceeds received on exercise of share Warrants		<u>30,833</u>	<u>163,640</u>
Add: Transfer from Warrants reserve to share premium upon conversion of Warrants		321	-
		<u>31,154</u>	<u>163,640</u>
Fair value at exercise date of shares issued		<u>30,832</u>	<u>287,552</u>

## 11. CAPITAL RESERVES

	THE GROUP	
	31.3.2006 RM'000	31.3.2005 RM'000
(a) Capitalisation of post acquisition reserves in subsidiaries and associates:-		
At 1 April/At 1 January	5,740	12,563
Dilution arising from deemed disposal of a subsidiary	-	(6,823)
At 31 March	<u>5,740</u>	<u>5,740</u>
(b) Share of capital reserves of associates:-		
At 1 April/At 1 January/At 31 March	43,852	43,852
(c) Warrants reserve (Note 10 (c))		
At 1 April/At 1 January	-	-
Arising from issuance of Warrants 2005/2010	5,159	-
Warrants issue expenses	(439)	-
Transferred to share premium upon conversion of Warrants 2005/2010	(321)	-
At 31 March	<u>4,399</u>	<u>-</u>
	<u>53,991</u>	<u>49,592</u>

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 11. CAPITAL RESERVES (cont'd)

	THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000
Warrants reserve (Note 10 (c))		
At 1 April/At 1 January	-	-
Arising from issuance of Warrants 2005/2010	5,159	-
Warrants issue expenses	(439)	-
Transferred to share premium upon conversion of Warrants 2005/2010	(321)	-
At 31 March	4,399	-

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

## 12. RETAINED PROFITS

Subject to the agreement by the tax authorities, as at 31 March 2006, the Company has sufficient tax credits under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends of up to RM206,198,000 (Period ended 31.3.2005: RM147,919,000) and also tax exempt income to declare exempt dividends of up to RM159,317,000 (Period ended 31.3.2005: RM147,302,000). The extent of retained earnings not covered at that date amounted to RM84,181,000 (Period ended 31.3.2005: RM123,344,000).

## 13. BONDS

	THE GROUP	
	31.3.2006 RM'000	31.3.2005 RM'000
8% Secured Fixed Rate Bonds 1999/2009 ("Bonds")	100,000	100,000
Less:		
Discount on issuance	4,932	4,932
Amortisation	(3,206)	(2,713)
	1,726	2,219
	98,274	97,781

The principal features of the Bonds are as follows:-

- The RM100,000,000 nominal amount of 8% Secured Fixed Rate Bonds 1999/2009 was issued by a subsidiary at RM95.068 per RM100 nominal value to two local licensed banks, being the primary subscribers, on a bought deal basis. The Bonds are secured by way of assignment of all rights under the Concession Agreement between the subsidiary and the Government of Malaysia referred to in Note 27(b) to the financial statements. The Bonds rank parri passu and rateably among themselves and in priority to all other unsecured indebtedness.
- The Bonds carry a fixed coupon rate of 8% per annum payable semi-annually in arrears. At the end of its tenure, the Bonds will be redeemed at 100% of its nominal value on 15 October 2009.

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

	THE GROUP AND THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000
5.5% MTN 2005/2010	150,000	150,000

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

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

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

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

#### 15. TERM LOANS

	THE GROUP	
	31.3.2006 RM'000	31.3.2005 RM'000
Secured	91,016	96,367
Unsecured	465,955	102,600
	556,971	198,967
Payable within 1 year (Note 36)	66,984	25,296
Payable between 1 and 5 years	285,787	139,615
Payable after 5 years	204,200	34,056
Payable after 1 year (included in non-current liabilities)	489,987	173,671
	556,971	198,967
The currency exposure profile of term loans is as follows:-		
Ringgit Malaysia	35,030	-
Indian Rupee	118,211	96,367
United States Dollar	403,730	102,600
	556,971	198,967

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 15. TERM LOANS (cont'd)

The net exposure of term loan to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows:

## At 31 March 2006

Functional currency	Effective interest rate as at 31.3.2006 % p.a.	Total carrying amount RM'000	Floating interest rate			Fixed interest rate		
			< 1 year	1-5 years	> 5 years	< 1 year	1-5 years	> 5 years
<b>Secured</b>								
RM/Rs (a)	9.00	91,016	–	–	–	23,041	48,025	19,950
<b>Unsecured</b>								
RM/USD	6.08	19,440	4,964	14,476	–	–	–	–
RM/USD	4.47	15,791	10,319	5,472	–	–	–	–
RM/USD (b)	5.61	368,500	–	184,250	184,250	–	–	–
RM/Rs	9.50	4,812	–	–	–	4,812	–	–
RM/Rs	8.80	22,410	–	–	–	22,410	–	–
RM/RM	5.35	35,002	–	–	–	1,438	33,564	–
			556,971	15,283	204,198	184,250	51,701	81,589
								19,950

## At 31 March 2005

Functional currency	Effective interest rate as at 31.3.2005 % p.a.	Total carrying amount RM'000	Floating interest rate			Fixed interest rate		
			< 1 year	1-5 years	> 5 years	< 1 year	1-5 years	> 5 years
<b>Secured</b>								
RM/Rs	9.00	96,367	–	–	–	14,656	47,655	34,056
<b>Unsecured</b>								
RM/USD	4.19	3,800	–	3,800	–	–	–	–
RM/USD	4.47	22,800	10,640	12,160	–	–	–	–
RM/USD	2.36 - 4.34	76,000	–	76,000	–	–	–	–
			198,967	10,640	91,960	–	14,656	47,655
								34,056

- (a) The secured term loans are secured by fixed and floating charges over certain subsidiaries' property, plant and equipment (Note 21), concession assets (Note 22) and amounts due from customers on construction contracts (Note 38).
- (b) On 23 August 2005, IJM Investment (L) Limited, a wholly-owned subsidiary of the Company, has entered into a Facility Agreement for the acceptance of a USD100 million Syndicated Term Loan Facility with a final maturity date of seven (7) years from the date of the Facility Agreement, which will be used to refinance the existing short-term offshore USD borrowings of the Group, and to fund existing and future investments overseas.

## 16. HIRE PURCHASE AND LEASE CREDITORS

	THE GROUP	
	31.3.2006 RM'000	31.3.2005 RM'000
Minimum payments:-		
- Payable within 1 year	8,443	629
- Payable between 1 and 5 years	3,531	777
	11,974	1,406
Less: Future finance charges	(613)	(97)
Present value of liabilities	11,361	1,309
Present value of liabilities:-		
- Payable within 1 year (Note 35)	8,026	567
- Payable between 1 and 5 years (included in non-current liabilities)	3,335	742
	11,361	1,309
The currency exposure profile of hire purchase and lease creditors is as follows:-		
Ringgit Malaysia	201	1,309
Indian Rupee	11,047	-
United States Dollar	113	-
	11,361	1,309

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

## 17. DEFERRED TAXATION

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Deferred tax assets	14,518	12,442	3,571	2,499
Deferred tax liabilities	(30,849)	(24,299)	-	-
	(16,331)	(11,857)	3,571	2,499
<b>At 1 April/At 1 January</b>	<b>(11,857)</b>	<b>9,112</b>	<b>2,499</b>	<b>2,867</b>
(Charged)/credited to income statement (Note 6)				
- Property, plant and equipment	(5,488)	(3,484)	(381)	23
- Concession assets	(3,602)	3,602	-	-
- Post-employment benefit	(134)	66	(16)	160
- Intangible assets	(380)	(322)	-	-
- Inventories	(109)	419	-	368
- Tax losses	3,176	(161)	1,628	-
- Payables	(909)	(4,078)	(96)	(1,142)
- Development properties	1,303	1,505	-	-
- Foreseeable loss	1,951	155	-	-
- Finance lease receivables	(1,066)	(8,989)	-	-
- Others	704	1,354	(63)	223
	(4,554)	(9,933)	1,072	(368)
Acquisition of subsidiary (Note 39)	-	(11,012)	-	-
Currency translation differences	80	(24)	-	-
<b>At 31 March</b>	<b>(16,331)</b>	<b>(11,857)</b>	<b>3,571</b>	<b>2,499</b>



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 17. DEFERRED TAXATION (cont'd)

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
<b>Subject to income tax</b>				
<b>Deferred tax assets (before offsetting)</b>				
- Property, plant and equipment	1,463	2,572	-	-
- Concession assets	-	3,602	-	-
- Development properties	7,348	6,288	-	-
- Post-employment benefit	620	652	233	249
- Inventories	1,402	1,511	368	368
- Payables	4,231	5,203	1,860	1,956
- Tax losses	7,661	4,485	1,628	-
- Foreseeable loss	2,106	155	-	-
- Others	2,552	2,045	160	223
	27,383	26,513	4,249	2,796
Offsetting	(12,865)	(14,071)	(678)	(297)
<b>Deferred tax assets (after offsetting)</b>	<b>14,518</b>	<b>12,442</b>	<b>3,571</b>	<b>2,499</b>
<b>Deferred tax liabilities (before offsetting)</b>				
- Property, plant and equipment	(29,362)	(25,024)	(678)	(297)
- Development properties	(1,580)	(1,823)	-	-
- Intangible assets	(2,245)	(1,865)	-	-
- Finance lease receivables	(10,055)	(8,989)	-	-
- Others	(472)	(669)	-	-
	(43,714)	(38,370)	(678)	(297)
Offsetting	12,865	14,071	678	297
<b>Deferred tax liabilities (after offsetting)</b>	<b>(30,849)</b>	<b>(24,299)</b>	<b>-</b>	<b>-</b>

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

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Unutilised capital allowances	18,863	11,159	-	-
Unused tax losses	40,012	31,123	-	-
	58,875	42,282	-	-
Deferred tax assets not recognised at 28%	16,485	11,839	-	-

## 18. TRADE AND OTHER PAYABLES

		THE GROUP	
		31.3.2006 RM'000	31.3.2005 RM'000
(a)	Trade payable:-		
	Outstanding purchase consideration on acquisition of land	101,000	8,072
	Less: Amount payable within 12 months (Note 35)	(37,667)	(2,072)
	Amount payable after 12 months	63,333	6,000
(b)	Other payable:-		
	Advances from the State Government	7,000	-
		70,333	6,000

- (a) This represents the outstanding purchase consideration on acquisition of land for property development of certain subsidiaries, payable over the duration of the development, which is unsecured and interest free.
- (b) On 17 January 2003, IJM Properties Sdn Bhd, a wholly-owned subsidiary of the Company, has entered into a Reimbursement Land Cost Agreement (hereinafter referred to as "the RLC Agreement") with the State Government in connection with the completion of the Jelutong Expressway Project.

Under the RLC Agreement, the advances from the State Government for the reimbursement of land cost totalling RM33,180,000 will be received as follows:

Year	RM'000
2005	7,000
2006	7,000
2007	7,000
2008	7,000
2009	5,180
	33,180

The advances is repayable to the State Government as follows:

	Percentage of advances to be repaid to the State Government %
36 months from the commencement of Stage 3 of the Construction Works of Jelutong Expressway or from the completion of alienation of Parcels A2 and B1, whichever is later (1st Payment)	30
12 months from the date of the Certificate of Completion of the entire Jelutong Expressway or from the date of the 1st Payment, whichever is later (2nd Payment)	30
12 months from the date of the 2nd Payment	40
	100

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 19. RETIREMENT BENEFITS

### (a) Defined contribution plan

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

### (b) Defined benefit plan

#### (i) Funded

The Company and certain subsidiaries participated in the IJM Retirement Scheme, which is an approved defined benefits scheme under Section 150 of the Income Tax Act, 1967. The benefits payable on retirement are based on length of service and average basic salary over the last five years of service. The liability in respect of the said defined benefits scheme is determined using the projected unit credit method by an actuarial valuation carried out with sufficient regularity by a qualified actuary.

#### (ii) Unfunded

A subsidiary of the Group operates an unfunded defined benefit scheme. The subsidiary's net obligation in respect of the defined benefit scheme is determined by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and that benefit is discounted to determine the present value of the liability. The subsidiary's obligation in respect of the unfunded defined benefit scheme, calculated using the projected unit method, is determined by an actuarial valuation carried out with sufficient regularity by a qualified actuary.

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Funded:-				
At 1 April / At 1 January	2,588	2,886	891	924
Charged to the income statement	2,697	2,922	297	543
Contributions and benefits paid	(3,568)	(3,220)	(357)	(576)
At 31 March	1,717	2,588	831	891
Unfunded:-				
At 1 April / At 1 January	-	-	-	-
Reclassified from other payables (Note 35)	3,433	-	-	-
At 31 March	3,433	-	-	-
	5,150	2,588	831	891

## 19. RETIREMENT BENEFITS (cont'd)

The amounts of funded defined benefit recognised in the balance sheets may be analysed as follows:-

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Present value of funded obligations	24,269	21,057	3,266	2,780
Fair value of plan assets	(21,402)	(19,962)	(2,476)	(2,294)
Status of funded plan	2,867	1,095	790	486
Unrecognised actuarial gains	(101)	3,142	68	447
Unrecognised transitional liability	(1,049)	(1,649)	(27)	(42)
Liability in the balance sheets	1,717	2,588	831	891

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

	THE GROUP		THE COMPANY	
	31.3.2006 %	31.3.2005 %	31.3.2006 %	31.3.2005 %
Discount rates	6	7	6	7
Expected return on plan assets	0 - 6	5	6	5
Expected rate of salary increases	5	5	5	5
Actual return on plan assets	(956)	2,860	(110)	402

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

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Current service cost	1,828	1,592	213	426
Interest cost	1,409	1,275	186	197
Expected return on plan assets	(1,066)	(695)	(117)	(100)
Actuarial gain recognised during the year	(74)	-	-	-
Amortisation of transitional liability	600	750	15	20
Total defined benefit retirement plan	2,697	2,922	297	543
Defined contribution retirement plan	8,586	8,383	1,208	1,488
Total included in staff cost (Note 4)	11,283	11,305	1,505	2,031

The charges to the income statements were included in the following line items:-

- cost of sales	4,129	4,152	308	724
- administrative expenses	7,154	7,153	1,197	1,307
Total included in staff cost (Note 4)	11,283	11,305	1,505	2,031

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 20. DEFERRED INCOME

	THE GROUP	
	31.3.2006 RM'000	31.3.2005 RM'000
At cost:-		
Government Grants	69,962	69,962
Exchange translation differences	(1,404)	-
	<b>68,558</b>	<b>69,962</b>
Less: Accumulated amortisation		
At 1 April/At 1 January	(1,563)	-
Current amortisation	(3,285)	(1,563)
Exchange translation differences	112	-
At 31 March	<b>(4,736)</b>	<b>(1,563)</b>
	<b>63,822</b>	<b>68,399</b>

The Government Grants represent grants received from the Indian Government for certain toll road concessions awarded to the Group.

## 21. PROPERTY, PLANT AND EQUIPMENT

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

### THE GROUP

	Land			
	Freehold At Cost RM'000	Long term leasehold At Cost RM'000	Long term leasehold At Valuation RM'000	Short term leasehold At Cost RM'000
<b>Net book value</b>				
<b>At 1 April 2005</b>	53,736	53,145	1,308	9,291
Acquisition of subsidiaries	-	-	-	-
Additions	7,033	2,179	-	4,477
Disposals	-	-	-	-
Written off	-	-	-	-
Depreciation charges for the year	-	(1,079)	-	(237)
Exchange differences arising from translation of assets of a foreign entity	(3)	-	-	-
Reclassifications	-	(392)	-	392
Transferred from property development cost (Note 29)	-	2,015	-	-
<b>At 31 March 2006</b>	<b>60,766</b>	<b>55,868</b>	<b>1,308</b>	<b>13,923</b>
<b>At 31 March 2006</b>				
Cost	60,766	59,723	-	15,488
Valuation	-	-	1,308	-
Accumulated Depreciation	-	(3,855)	-	(1,565)
<b>Net book value</b>	<b>60,766</b>	<b>55,868</b>	<b>1,308</b>	<b>13,923</b>
<b>At 31 March 2005</b>				
Cost	53,736	55,998	-	10,542
Valuation	-	-	1,308	-
Accumulated Depreciation	-	(2,853)	-	(1,251)
<b>Net book value</b>	<b>53,736</b>	<b>53,145</b>	<b>1,308</b>	<b>9,291</b>

## 21. PROPERTY, PLANT AND EQUIPMENT (cont'd)

## THE GROUP

	Buildings At Cost RM'000	Buildings At Valuation RM'000	Plant, machinery, equipment & vehicles At Cost RM'000	Office equipment furniture & fittings & renovations At Cost RM'000	Capital work-in- progress At Cost RM'000	Total RM'000
<b>Net book value</b>						
<b>At 1 April 2005</b>	70,983	643	150,495	4,651	4,492	348,744
Acquisition of subsidiaries	–	–	939	23	–	962
Additions	8,458	–	67,271	6,322	63,239	158,979
Disposals	(1,852)	–	(5,711)	(284)	–	(7,847)
Written off	–	–	(102)	(14)	(3)	(119)
Depreciation charges for the year	(3,782)	(13)	(34,628)	(1,568)	–	(41,307)
Exchange differences arising from translation of assets of a foreign entity	(49)	–	(858)	(25)	–	(935)
Reclassifications	7,472	–	26,394	(69)	(33,797)	–
Transferred from property development cost (Note 29)	–	–	–	–	5,553	7,568
<b>At 31 March 2006</b>	<b>81,230</b>	<b>630</b>	<b>203,800</b>	<b>9,036</b>	<b>39,484</b>	<b>466,045</b>
<b>At 31 March 2006</b>						
Cost	109,118	–	509,423	21,246	39,484	815,248
Valuation	–	660	–	–	–	1,968
Accumulated Depreciation	(27,888)	(30)	(305,623)	(12,210)	–	(351,171)
<b>Net book value</b>	<b>81,230</b>	<b>630</b>	<b>203,800</b>	<b>9,036</b>	<b>39,484</b>	<b>466,045</b>
<b>At 31 March 2005</b>						
Cost	95,216	–	439,715	15,650	4,492	675,349
Valuation	–	660	–	–	–	1,968
Accumulated Depreciation	(24,233)	(17)	(289,220)	(10,999)	–	(328,573)
<b>Net book value</b>	<b>70,983</b>	<b>643</b>	<b>150,495</b>	<b>4,651</b>	<b>4,492</b>	<b>348,744</b>

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 21. PROPERTY, PLANT AND EQUIPMENT (cont'd)

## THE COMPANY

	Buildings At Cost RM'000	Plant, machinery, equipment & vehicles At Cost RM'000	Office equipment furniture & fittings & renovations At Cost RM'000	Total RM'000
<b>Net book value</b>				
<b>At 1 April 2005</b>	6,308	1,687	725	8,720
Additions	–	876	1,667	2,543
Disposals	(90)	(181)	(13)	(284)
Depreciation charges for the year	(139)	(298)	(365)	(802)
<b>At 31 March 2006</b>	6,079	2,084	2,014	10,177
<b>At 31 March 2006</b>				
Cost	6,912	4,077	4,401	15,390
Accumulated depreciation	(833)	(1,993)	(2,387)	(5,213)
<b>Net book value</b>	6,079	2,084	2,014	10,177
<b>At 31 March 2005</b>				
Cost	7,034	8,330	3,402	18,766
Accumulated depreciation	(726)	(6,643)	(2,677)	(10,046)
<b>Net book value</b>	6,308	1,687	725	8,720

## (a) Valuation

Property, plant and equipment include long term leasehold land and buildings of certain subsidiaries which were last revalued in 1982 and 1993 based on an open market value basis by a firm of independent professional valuers.

Had the revalued land and buildings been carried at cost less accumulated depreciation, the net book values would have been as follows:-

	THE GROUP	
	31.3.2006 RM'000	31.3.2005 RM'000
Long term leasehold land	402	408
Buildings	46	48
	448	456

## (b) Assets acquired under finance lease agreements

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

	THE GROUP	
	31.3.2006 RM'000	31.3.2005 RM'000
Plant, machinery, equipment and vehicles	15,681	1,659

## 21. PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (c) Net book values of assets pledged as security for term loans of certain subsidiaries (Note 15):-

	THE GROUP	
	31.3.2006 RM'000	31.3.2005 RM'000
Freehold land	156	159
Plant, machinery, equipment and vehicles	4,089	303
Office equipment, furniture & fittings & renovations	53	16
	<b>4,298</b>	<b>478</b>

- (d) The title deeds on certain leasehold land of certain subsidiaries with net book values amounting to RM35,510,999 (31.3.2005: RM34,058,572) are currently being processed by the relevant authorities.
- (e) During the financial year, depreciation charges amounting to RM1,096,000 (Period ended 31.3.2005: RM1,925,000) has been included in the aggregate costs incurred to-date for construction contracts (Note 38).

## 22. CONCESSION ASSETS

	THE GROUP	
	31.3.2006 RM'000	31.3.2005 RM'000
At cost:-		
At 1 April/At 1 January	163,031	-
Transferred from property, plant and equipment (Note 21)	-	75,068
Additions during the financial year/period	70,587	87,963
Exchange translation differences	(3,470)	-
At 31 March	<b>230,148</b>	<b>163,031</b>
Less: Accumulated amortisation		
At 1 April/At 1 January	(3,841)	-
Current amortisation	(8,108)	(3,841)
Exchange translation differences	277	-
At 31 March	<b>(11,672)</b>	<b>(3,841)</b>
	<b>218,476</b>	<b>159,190</b>

The concession assets are pledged as security for term loan of certain subsidiaries (Note 15).

Interest expenses of RM2,008,000 (Period ended 31.3.2005: Nil) (Note 5) have been capitalised and included in additions during the financial year/period.

Construction profits in relation to construction assets completed in the previous financial period, amounting to RM9,843,000, have been recognised in the current year's income statement as the Directors are of the view that the construction services have been performed for the Indian Government in accordance with the Concession Agreement and the construction profits should be recognised accordingly.

Included in "Payments to contractors, suppliers and employees" in the consolidated cash flow statement for the financial year is the cash outflow in relation to the cost of construction of concession assets, amounting to RM58,736,000.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 23. SUBSIDIARIES

	THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000
At cost:-		
Quoted shares:-		
- in Malaysia	248,471	267,647
Unquoted shares:-		
- in Malaysia	306,235	297,915
- outside Malaysia	6,436	5,401
	561,142	570,963
	(6,071)	(6,071)
Less: Accumulated impairment losses		
	555,071	564,892
	77,824	87,271
	632,895	652,163
Market value:-		
Quoted shares:-		
- in Malaysia	296,204	293,028

- (a) The Group's effective equity interest in the subsidiaries and their respective principal activities and countries of incorporation are set out in Note 50 to the financial statements.
- (b) Amount owing by a subsidiary is a loan by the Company to a foreign subsidiary, IJM International (BVI) Pty Ltd, which was on-lent to its associate, Reliance-OSW (Nominees) Pty Limited, which holds a property in Australia. Exchange differences arising from the translation of the loan as at the financial year end of RM8,795,745 (Period ended 31.3.2005: RM2,607,000) is recognised in equity as it represents the Company's net investment in the subsidiary whereby the loan is expected to be recovered only upon disposal of either the Group's investment in the associate or the disposal of the property by the associate.

## 24. ASSOCIATES

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
(a) Associates other than Grupo Concesionario del Oeste S.A ("Grupo")	631,526	585,755	90,572	91,607
(b) Grupo	69,552	68,797	44,294	44,294
	701,078	654,552	134,866	135,901
(c) Amount owing by an associate	68,416	76,084	-	-
	769,494	730,636	134,866	135,901
Represented by:-				
Group's share of net assets	684,583	638,740		
Group's share of goodwill	4,482	(538)		
Goodwill on acquisition	12,013	16,350		
	701,078	654,552		
Market value of:-				
Quoted shares:-				
- in Malaysia	320,680	274,659	4,347	5,282
- outside Malaysia (Grupo)	13,161	13,919	13,161	13,919
	333,841	288,578	17,508	19,201

## 24. ASSOCIATES (cont'd)

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

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
(a) Associates other than Grupo:-				
At cost:-				
Quoted shares:-				
- in Malaysia	153,681	153,683	17,219	17,219
Unquoted shares:-				
- in Malaysia	53,156	60,870	40,058	40,058
- outside Malaysia	204,028	163,433	1,765	2,800
	410,865	377,986	59,042	60,077
Unquoted Redeemable Convertible Unsecured Loan Stocks (RCULS)*	50,000	50,000	50,000	50,000
Share of post-acquisition retained profits	138,159	121,251	-	-
Share of post-acquisition reserves	61,721	61,721	-	-
	660,745	610,958	109,042	110,077
Less: Accumulated impairment losses	(29,219)	(25,203)	(18,470)	(18,470)
	631,526	585,755	90,572	91,607

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

In the preceding financial period, the Company disposed its 247,135,172 ordinary shares of RM0.50 each in IJMP with a cost of investment of RM136,397,000 to Styrobilt Sdn. Bhd. ("SSB"), a wholly-owned subsidiary, for a total consideration of RM299,034,000, satisfied by the issuance of 299,034 SSB Redeemable Preference Shares, issued at an issue price of RM1,000 per SSB Redeemable Preference Share. As this transaction represents the exchange of assets of a similar nature and value, the exchange is not a transaction which generates revenue and accordingly, the gain on disposal of IJMP shares to SSB was not recognised in the Company's income statement in the preceding financial period.

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
(b) Grupo:-				
Quoted shares, at cost	38,080	38,080	38,080	38,080
Unquoted shares, at cost	51,214	51,214	51,214	51,214
	89,294	89,294	89,294	89,294
Share of post-acquisition retained profits	27,258	26,503	-	-
Less: Accumulated impairment losses	(47,000)	(47,000)	(45,000)	(45,000)
	69,552	68,797	44,294	44,294

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 24. ASSOCIATES (cont'd)

The renegotiation of the Concession Agreement with the Argentine Government mentioned in the financial statements in the preceding financial period has been ratified vide the Presidential Decree Nr 298/06 signed on 15 March 2006. Grupo is now entitled to receive the increased tariff. However, Grupo is currently still in the process of negotiating the extension of the concession period and the tariff adjustment formula with the Argentine Government.

Following the ratification of the Concession Agreement as well as the current valuation of the Group's share of net assets and best estimates of the net present value of future cashflows, the Directors are of the opinion that the investment in Grupo is not further impaired.

- (c) The amount owing by an associate is unsecured, interest free and is not repayable within the next 12 months.
- (d) Certain losses of associates of the Group are not recognised when they exceed the Group's cost of investment and advances as the Group has no further obligation beyond these amounts. The Group's share of such losses is as follows:-

	THE GROUP	
	31.3.2006 RM'000	31.3.2005 RM'000
Current year/period share of losses	-	-
Cumulative share of losses	(16,566)	(16,690)

## 25. JOINTLY CONTROLLED ENTITIES

	THE GROUP	
	31.3.2006 RM'000	31.3.2005 RM'000
Share of net assets of jointly controlled entities	43,838	22,384

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

	Group's effective interest in jointly controlled entities		Principal activity
	31.3.2006	31.3.2005	
Astaka Tegas Sdn Bhd	50%	50%	Property development
Elegan Pesona Sdn Bhd	50%	50%	Property development
Ambang Usaha Sdn Bhd	50%	50%	Construction
IJM-Peremba Joint Venture	50%	50%	Construction
LCL-IJMII International Interiors Private Limited	50%	50%	Manufacturing custom-made furniture, interior design, advisory, consultancy and fit-out works for buildings, offices and homes
Dywidag-IJM Joint Venture	49%	49%	Dormant
IJM-IT&T Joint Venture	51%	51%	Dormant
IJM-Rezeki Joint Venture	70%	70%	Construction
IJM-Perkasa Sutera Joint Venture	70%	70%	Construction
IJM-SCL Joint Venture	50%	50%	Construction
IJM-Gayatri Joint Venture	60%	60%	Construction
WGI-IJM Joint Venture	40%	40%	Dormant
Liberty Properties-IJM Joint Venture	60%	60%	Construction
IJM Properties-JA Manan Development Joint Venture	50%	50%	Property development

## 25. JOINTLY CONTROLLED ENTITIES (cont'd)

(a) Details of the jointly controlled entities are as follows:- (cont'd)

	Group's effective interest in jointly controlled entities		Principal activity
	31.3.2006	31.3.2005	
Sierra Ukay Sdn Bhd	50%	–	Property development
Sierra Selayang Sdn Bhd	50%	–	Property development
IJM Properties-Danau Lumayan Joint Venture	60%	60%	Property development
IJM Management Services-Giat Bernas Joint Venture	70%	70%	Project management services
IJM-NBCC-VRM Joint Venture	50%	50%	Construction
IJM Properties-Terang Tanah Joint Venture	50%	50%	Property development
IJMC-Perkasa Sutera Joint Venture	70%	70%	Construction
IJMC-Gayatri Joint Venture	60%	60%	Construction
IJMC-Liberty Properties Joint Venture	60%	60%	Construction
IJMC-Puncabahan Joint Venture	70%	70%	Construction
IJM-Zublin Joint Venture	50%	50%	Construction
Teratai - IJM Joint Venture	50%	50%	Construction
ECC - IJM Joint Venture	50%	50%	Construction

(b) The Group's share of assets and liabilities of the jointly controlled entities is as follows:-

	THE GROUP	
	31.3.2006 RM'000	31.3.2005 RM'000
Non-current assets	308,054	300,363
Current assets	325,829	203,196
Non-current liabilities	(250,275)	(264,330)
Current liabilities	(339,770)	(216,845)
	<b>43,838</b>	<b>22,384</b>

The Group's share of the revenue and expenses of the jointly controlled entities are as follows:-

	THE GROUP	
	Year ended 31.3.2006 RM'000	15 months ended 31.3.2005 RM'00
Revenue	114,053	157,887
Other income	63	–
Expenses excluding taxation	(106,777)	(155,567)
Profit from ordinary activities before taxation	<b>7,339</b>	<b>2,320</b>
Taxation	(979)	(467)
Profit from ordinary activities after taxation	<b>6,360</b>	<b>1,853</b>

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

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 26. LONG TERM INVESTMENTS

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
At cost:-				
Quoted shares:-				
- in Malaysia	63,588	64,781	56,332	56,332
- outside Malaysia	-	239	-	-
	63,588	65,020	56,332	56,332
Unquoted shares:-				
- in Malaysia	48,589	48,579	6,500	6,500
- outside Malaysia	4	264	-	260
	48,593	48,843	6,500	6,760
Quoted corporate bonds:-				
- in Malaysia	30,516	36,686	-	-
	142,697	150,549	62,832	63,092
Less: Allowance for diminution in value:-				
- quoted shares	(5,644)	(4,119)	-	-
- unquoted shares	(5,325)	(5,585)	(4,450)	(4,710)
- quoted corporate bonds	-	(816)	-	-
	(10,969)	(10,520)	(4,450)	(4,710)
	131,728	140,029	58,382	58,382
Market value of:-				
Quoted shares:-				
- in Malaysia	58,792	60,874	57,181	56,544
- outside Malaysia	-	239	-	-
Quoted corporate bonds:-				
- in Malaysia	30,973	36,320	-	-
	89,765	97,433	57,181	56,544

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

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Singapore Dollar	-	260	-	260
Indian Rupee	4	243	-	-
	4	503	-	260

## 27. LONG TERM RECEIVABLES

	THE GROUP	
	31.3.2006 RM'000	31.3.2005 RM'000
Lease receivable (a)	66,184	60,476
Less: Amount receivable within 12 months (included in trade receivables - Note 31)	(6,260)	–
	59,924	60,476
Receivable for construction of the Kementerian Kerja Raya Office Blocks (b)	33,895	41,552
Less: Amount receivable within 12 months (included in trade receivables - Note 31)	(7,656)	(7,656)
	26,239	33,896
Amount receivable after 12 months	86,163	94,372

## (a) Lease receivable

	THE GROUP RM'000
Lease receivable	238,806
Less: Unearned interest income	(172,622)
	66,184
Lease receivable	
- Payable within 1 year	6,260
- Payable between 1 and 5 years	27,667
- Payable after 5 years	32,257
	66,184

The lease receivable arises from the finance lease arrangement entered into by a subsidiary to develop and construct a special purpose building pursuant to a 30-year-lease agreement with a third party. The construction of the special purpose building was completed in October 2004.

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 28. INTANGIBLE ASSETS

		THE GROUP	
		31.3.2006 RM'000	31.3.2005 RM'000
(a)	Goodwill on consolidation	52,615	50,471
(b)	Quarry development expenditure	8,306	6,927
(c)	Premium paid on quarry rights	118	188
(d)	Licence fees	246	–
		<b>61,285</b>	<b>57,586</b>
(a)	(i) Goodwill on consolidation		
	At cost:-		
	At 1 April/At 1 January	65,279	11,540
	Arising from the acquisition of subsidiaries/ additional equity interest in subsidiaries	5,799	53,921
	Disposal of a subsidiary	–	(182)
	At 31 March	71,078	65,279
	Less: Accumulated amortisation		
	At 1 April/At 1 January	(6,651)	(6,425)
	Current amortisation	(113)	(311)
	Disposal of a subsidiary	–	85
	At 31 March	(6,764)	(6,651)
		64,314	58,628
	Less: Accumulated impairment losses		
	At 1 April/At 1 January	–	–
	Impairment of goodwill during the year	(4,000)	–
	At 31 March	(4,000)	–
		60,314	58,628
	(ii) Negative goodwill:-		
	At 1 April/At 1 January	8,998	5,727
	Arising from acquisition of additional shares in subsidiaries	–	3,271
	Written off	(52)	–
	At 31 March	8,946	8,998
	Less: Accumulated amortisation		
	At 1 April/At 1 January	(841)	(691)
	Current amortisation	(406)	(150)
	At 31 March	(1,247)	(841)
		7,699	8,157
		<b>52,615</b>	<b>50,471</b>

## 28. INTANGIBLE ASSETS (cont'd)

		THE GROUP	
		31.3.2006 RM'000	31.3.2005 RM'000
(b)	Quarry development expenditure		
	At cost:-		
	At 1 April/At 1 January	15,731	17,324
	Additions	4,137	4,192
	Written off	-	(96)
	Quarry development expenditure fully amortised	(8,477)	(5,689)
	At 31 March	11,391	15,731
	Less: Accumulated amortisation		
	At 1 April/At 1 January	(8,804)	(11,868)
	Current amortisation	(2,758)	(2,625)
	Quarry development expenditure fully amortised	8,477	5,689
	At 31 March	(3,085)	(8,804)
		8,306	6,927
(c)	Premium paid on quarry rights		
	At cost:-		
	At 1 April/At 1 January	364	364
	Written off	(162)	-
	At 31 March	202	364
	Less: Accumulated amortisation		
	At 1 April/At 1 January	(176)	(88)
	Current amortisation	(70)	(88)
	Written off	162	-
	At 31 March	(84)	(176)
		118	188
(d)	Licence fees		
	At cost:-		
	At 1 April/At 1 January	-	-
	Arising from acquisition a subsidiary	287	-
	Less: Accumulated amortisation		
	Current amortisation	(41)	-
		(41)	-
	At 31 March	246	-

The licence fees represents the expenditure incurred by a subsidiary to obtain a licence to exploit the Instituform Process used in the designing, installation and rehabilitation of pipes, conduits and vertical shafts.



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 29. PROPERTY DEVELOPMENT

### (a) Land held for property development

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Freehold land, at cost	184,008	89,151	281	281
Leasehold land, at cost	53,797	50,237	-	-
Development cost	8,676	15,079	-	-
	<b>246,481</b>	<b>154,467</b>	<b>281</b>	<b>281</b>
At 1 April/At 1 January	154,467	72,331	281	281
Additions during the year/period	172,725	35,427	-	-
Transferred (to)/from property development costs (Note 29(b)):-				
- land cost	(58,615)	51,124	-	-
- development cost	(11,107)	9,877	-	-
	<b>(69,722)</b>	<b>61,001</b>	<b>-</b>	<b>-</b>
Disposals during the year/period	(10,989)	(14,292)	-	-
At 31 March	<b>246,481</b>	<b>154,467</b>	<b>281</b>	<b>281</b>

### (b) Property development costs

	THE GROUP	
	31.3.2006 RM'000	31.3.2005 RM'000
At 1 April/At 1 January		
Freehold land - at cost	87,595	114,173
Freehold land - at valuation	7,169	6,794
Leasehold land - at cost	125,803	105,272
Development costs	722,374	410,657
Accumulated costs charged to income statement	(610,249)	(304,404)
	<b>332,692</b>	<b>332,492</b>
Cost incurred during the year/period		
- purchase of land	165,846	27,797
- development costs	301,128	326,362
	<b>466,974</b>	<b>354,159</b>
Disposal of land	(121)	-
Transferred from/(to) land held for property development (Note 29(a)):-		
- land cost	58,615	(51,124)
- development cost	11,107	(9,877)
	<b>69,722</b>	<b>(61,001)</b>
Costs charged to income statement	(340,005)	(305,845)
Completed units transferred to inventories	(64,658)	(8,691)
Exchange differences	2,289	926
Acquisition of subsidiary - land	-	21,751
Transferred (to)/from capital work-in-progress in property, plant and equipment (Note 21)	(5,553)	2,996
Land transferred to property, plant and equipment (Note 21)	(2,015)	(4,095)
At 31 March	<b>459,325</b>	<b>332,692</b>

## 29. PROPERTY DEVELOPMENT (cont'd)

### (b) Property development costs (cont'd)

	THE GROUP	
	31.3.2006 RM'000	31.3.2005 RM'000
At 31 March		
Freehold land - at cost	146,481	87,595
Freehold land - at valuation	6,299	7,169
Leasehold land - at cost	267,245	125,803
Development costs	964,864	722,374
Accumulated costs charged to income statement	(861,999)	(610,249)
Completed units transferred to building stocks	(63,565)	-
	<b>459,325</b>	<b>332,692</b>

Interest expenses of RM2,049,000 (31.3.2005: RM303,000) (Note 5) and staff costs of RM105,000 (31.3.2005: Nil) respectively have been capitalised and included in cost incurred during the financial year/period.

## 30. INVENTORIES

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
At cost:-				
Raw materials:-				
- Construction materials	1,931	5,921	24	28
- Other raw materials	31,322	36,222	-	-
Finished goods:-				
- Completed buildings	60,436	12,917	-	-
- Quarry and manufactured products	38,214	32,687	-	-
Stores, spares & consumables	3,637	3,394	-	-
Work-in-progress	2,209	1,051	-	-
	<b>137,749</b>	<b>92,192</b>	<b>24</b>	<b>28</b>
At net realisable value:-				
Finished goods:-				
- Completed buildings	12,259	8,080	4,786	4,786
	<b>150,008</b>	<b>100,272</b>	<b>4,810</b>	<b>4,814</b>

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 31. TRADE AND OTHER RECEIVABLES

	Note	THE GROUP		THE COMPANY	
		31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Trade receivables		689,567	792,247	50,105	83,712
Less: Allowance for doubtful debts		(31,926)	(29,997)	(11,692)	(12,908)
		657,641	762,250	38,413	70,804
Trade and tender deposits		914	1,155	914	940
Trade advances		20,689	27,587	20,689	27,587
Less: Allowance for doubtful debts		(1,356)	(5,010)	(1,356)	(5,010)
		19,333	22,577	19,333	22,577
Other debtors, deposits and prepayments		170,116	129,937	4,405	22,891
Less: Allowance for doubtful debts		(584)	(406)	-	-
		169,532	129,531	4,405	22,891
Amounts due from customers on construction contracts	38	38,152	10,131	5	11
Amounts owing by subsidiaries		-	-	805,581	596,777
Amounts owing by associates		101,394	101,380	67,090	64,044
Less: Allowance for doubtful debts		(5,600)	(7,015)	(2,598)	(4,013)
		95,794	94,365	64,492	60,031
Amounts owing by jointly controlled entities		180,234	120,831	31,169	30,396
Less: Allowance for doubtful debts		(9,000)	(9,000)	-	-
		171,234	111,831	31,169	30,396
		1,152,600	1,131,840	964,312	804,427

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

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Ringgit Malaysia	911,550	977,051	954,050	778,329
Indian Rupee	136,440	61,773	10,262	26,098
Australian Dollar	26,893	37,246	-	-
United States Dollar	58,438	52,255	-	-
Sterling Pound	3,796	-	-	-
UAE Dirham	14,838	-	-	-
NZ Dollar	245	-	-	-
Euro Dollar	180	-	-	-
Chinese Renminbi	220	3,515	-	-
	1,152,600	1,131,840	964,312	804,427

Credit terms of trade receivables range from payment in advance to 90 days (Period ended 31.3.2005: from payment in advance to 90 days).

The amounts owing by subsidiaries and associates are unsecured, bear interest at rates ranging from 6.0% to 8.0% (Period ended 31.3.2005: 4.0% to 6.0%) per annum and have no fixed terms of repayment.

Included in trade receivables is the current portion of the lease receivable (Note 27(a)) of RM6,260,000 (2005: Nil) and the current portion of the amount due for construction of the Kementerian Kerja Raya Office Blocks (Note 27(b)) of RM7,656,000 (2005: RM7,656,000).

### 32. SHORT TERM INVESTMENTS

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
At cost:-				
Quoted shares				
- In Malaysia	20,565	20,573	19,741	19,754
- Outside Malaysia*	73,579	73,579	-	-
	94,144	94,152	19,741	19,754
Quoted warrants in Malaysia	2	6	1	2
Quoted debentures in Malaysia	175	218	175	218
	94,321	94,376	19,917	19,974
Less: Allowance for diminution in value of investments in quoted shares in Malaysia	(10,233)	(9,449)	(10,233)	(9,449)
	84,088	84,927	9,684	10,525

\* The short term investments quoted outside Malaysia represent the Group's investment in Guangdong Provincial Expressway Development Co. Ltd ("GPED"), a corporation incorporated in The People's Republic of China.

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Market value:-				
Quoted shares:-				
- In Malaysia	10,574	11,294	9,674	10,391
- Outside Malaysia	97,649	109,371	-	-
	108,223	120,665	9,674	10,391
Quoted warrants in Malaysia	2	76	1	57
Quoted debentures in Malaysia	9	77	9	77
	108,234	120,818	9,684	10,525

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

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Hong Kong Dollar	73,579	73,579	-	-

### 33. DEPOSITS WITH LICENSED BANKS

Included in deposits with licensed banks are the deposits of a subsidiary amounting to RM34,562,000 (2005: RM18,019,000) which are assigned to the trustee of the bond holders to hold as security in connection with the 8% Secured Fixed Rate Bonds issued by a subsidiary referred to in Note 13 to the financial statements. The short term deposits are maintained by the trustee for the payment of interest, income tax and for the redemption of the bond. Surplus funds could only be released to the subsidiary with the consent of the trustee.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 33. DEPOSITS WITH LICENSED BANKS (cont'd)

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

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Ringgit Malaysia	90,366	37,605	44,600	4,009
Australian Dollar	9,227	194	–	–
United States Dollar	36,850	874	–	–
UAE Dirham	2,062	–	–	–
	<b>138,505</b>	<b>38,673</b>	<b>44,600</b>	<b>4,009</b>

During the year, the deposits with licensed banks bear interest at rates ranging from 1.50% to 5.52% (Period ended 31.3.2005: 1.50% to 4.50%) per annum. As at 31 March 2006, the effective interest rates for the deposits with licensed banks ranged from 2.07% to 5.52% (2005: 1.50% to 4.50%) per annum.

Deposits with licensed banks have a maturity period ranging between 1 and 87 days (2005: 1 and 365 days).

## 34. CASH AND BANK BALANCES

Cash and bank balances include balances amounting to RM15,007,955 (2005: RM7,116,631) which are maintained in designated Housing Development Accounts pursuant to the Housing Developers (Control and Licensing) Act, 1966 and Housing Regulations, 1991 in connection with the Group's property development projects. The utilisation of these balances are restricted before completion of the housing development and fulfilling all relevant obligations to the purchasers, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects concerned.

As at 31 March 2006, the effective interest rate of cash at bank held under Housing Development Accounts of the Group as at financial year end ranged from 2.00% to 2.10% (2005: 2.00%) per annum.

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

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Ringgit Malaysia	44,767	24,538	4,149	1,855
Indian Rupee	43,948	5,221	1,603	–
Hong Kong Dollar	11	19	–	–
Singapore Dollar	370	164	359	164
Australian Dollar	350	230	–	–
United States Dollar	2,127	7,973	–	–
Chinese Renminbi	2,044	3,056	–	–
UAE Dirham	461	–	–	–
	<b>94,078</b>	<b>41,201</b>	<b>6,111</b>	<b>2,019</b>

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

## 35. TRADE AND OTHER PAYABLES

	Note	THE GROUP		THE COMPANY	
		31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Trade payables	18	512,385	459,747	37,734	30,340
Amounts due to customers on construction contracts	38	61,454	48,953	22,491	16,832
Progress billings in respect of property development		1,345	54,240	–	–
Amounts owing to subsidiaries		–	–	179,374	110,282
Amounts owing to associates		22,143	17,883	21,596	16,943
Amounts owing to jointly controlled entities		15,320	32,174	7,187	8,709
Hire purchase and lease creditors	16	8,026	567	–	–
Trade accruals		11,485	17,231	11,485	17,231
Other payables and accruals		135,491	84,817	13,687	7,404
Dividend payable		114	33,166	114	33,166
		<b>767,763</b>	<b>748,778</b>	<b>293,668</b>	<b>240,907</b>

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

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Ringgit Malaysia	591,599	665,372	281,075	226,697
Indian Rupee	98,790	70,491	–	6,335
Hong Kong Dollar	–	116	–	–
Singapore Dollar	42,619	8,348	12,593	7,875
Australian Dollar	585	729	–	–
United States Dollar	762	1,817	–	–
Sterling Pound	–	270	–	–
New Zealand Dollar	–	646	–	–
Euro	–	46	–	–
Chinese Renminbi	21,285	943	–	–
UAE Dirham	12,123	–	–	–
	<b>767,763</b>	<b>748,778</b>	<b>293,668</b>	<b>240,907</b>

Credit terms of trade and other payables range from payment in advance to 180 days (Period ended 31.3.2005: from payment in advance to 90 days).

The amounts owing to subsidiaries, associates and jointly controlled entities are unsecured, bear interest at rates ranging from 6.0% to 8.0% (Period ended 31.3.2005: 4.0% to 6.0%) per annum and have no fixed terms of repayment.

Included in trade payables is the current portion of the outstanding purchase consideration arising from acquisition of land for property development by a subsidiary of RM37,667,000 (2005: RM2,072,000) (Note 18).

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 36. INTEREST BEARING BANK BORROWINGS

	Note	THE GROUP		THE COMPANY	
		31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Secured:-					
Term loans	15	23,041	25,296	-	-
Unsecured:-					
Term loans	15	43,943	-	-	-
Bankers' acceptances		38,943	66,706	3,846	15,988
Bills payables		-	7,562	-	-
Revolving credits		62,500	67,785	55,000	20,000
		145,386	142,053	58,846	35,988
		168,427	167,349	58,846	35,988

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

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Ringgit Malaysia	102,881	86,706	58,846	35,988
Indian Rupee	50,263	25,296	-	-
United States Dollar	15,283	55,347	-	-
	168,427	167,349	58,846	35,988

The bankers' acceptances and revolving credits are unsecured and bear interest at rates ranging from 2.85% to 5.91% (Period ended 31.3.2005: 2.33% to 4.92%) per annum during the year. As at 31 March 2006, the effective interest rates for the bankers' acceptances ranged from 3.50% to 4.40% (2005: 2.86% to 3.05%) per annum and the effective interest rates for the revolving credits ranged from 4.11% to 4.35% (2005: 2.33% to 4.92%) per annum.

The bills payable in the preceding financial period were unsecured and bore interest at rates ranging from 3.84% to 4.12% per annum during the period. As at 31 March 2005, the effective interest rates for the bills payable ranged from 3.84% to 4.12% per annum.

## 37. BANK OVERDRAFTS

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Secured	19,197	21,846	-	-
Unsecured	8,737	3,504	-	174
	27,934	25,350	-	174

The secured bank overdraft is secured by fixed and floating charges over amounts due from customers on construction contracts (Note 38) of a subsidiary.

### 37. BANK OVERDRAFTS (cont'd)

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

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Ringgit Malaysia	8,737	3,504	–	174
Indian Rupee	19,197	21,846	–	–
	<b>27,934</b>	<b>25,350</b>	<b>–</b>	<b>174</b>

The bank overdrafts bear interest at rates ranging from 6.10% to 9.50% (Period ended 31.3.2005: 6.10% to 9.50%) per annum during the year. As at 31 March 2006, the effective interest rates ranged from 6.10% to 9.50% (2005: 6.10% to 9.50%) per annum.

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

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Aggregate costs incurred to-date	4,091,796	3,539,301	744,346	690,440
Attributable profits less recognised losses	480,684	395,253	194,687	195,456
	<b>4,572,480</b>	<b>3,934,554</b>	<b>939,033</b>	<b>885,896</b>
Less: Progress billings on contracts	<b>(4,595,782)</b>	<b>(3,973,376)</b>	<b>(961,519)</b>	<b>(902,717)</b>
	<b>(23,302)</b>	<b>(38,822)</b>	<b>(22,486)</b>	<b>(16,821)</b>
Amounts due from customers on construction contracts (included in trade and other receivables - Note 31)	<b>38,152</b>	<b>10,131</b>	<b>5</b>	<b>11</b>
Amounts due to customers on construction contracts (included in trade and other payables - Note 35)	<b>(61,454)</b>	<b>(48,953)</b>	<b>(22,491)</b>	<b>(16,832)</b>
	<b>(23,302)</b>	<b>(38,822)</b>	<b>(22,486)</b>	<b>(16,821)</b>
Advances received on contracts (included in trade payables)	<b>157,182</b>	<b>28,009</b>	<b>181</b>	<b>1,031</b>
Retention sums on contracts (included in trade receivables)	<b>62,410</b>	<b>47,614</b>	<b>5,252</b>	<b>1,549</b>

During the financial year, depreciation charges amounting to RM1,096,000 (Period ended 31.3.2005: RM1,925,000) (Note 21) and interest expenses amounting to RM31,000 (Period ended 31.3.2005: Nil) (Note 5) has been included in the aggregate costs incurred to-date.

Amount due from customer amounting to RM19,403,000 (2005: Nil) are pledged as security for term loan (Note 15) and bank overdrafts (Note 37) of certain subsidiaries.



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 39. ACQUISITION OF SUBSIDIARIES

- (a) (i) On 11 April 2005, a wholly-owned subsidiary of the Group, IJM Construction Sdn Bhd, entered into an "Instrument of Transfer" to acquire 3,000,002 ordinary shares of S\$1 each representing the entire equity interest in Insitu Envirotech Pte Ltd, a corporation incorporated in Singapore.

The effect of the acquisition on the financial results of the Group during the financial year is shown below:-

	From date of acquisition to 31.3.2006 RM'000
Operating revenue	5,640
Cost of sales	(4,359)
Gross profit	1,281
Other operating income	51
Administrative expenses	(3,310)
Operating profit before finance cost	(1,978)
Finance cost	(20)
Loss from ordinary activities before taxation	(1,998)
Taxation	(9)
Loss from ordinary activities after taxation	(2,007)

The effect of the acquisition on the Group's financial position at the financial year end was as follows:-

	31.3.2006 RM'000
Non-current assets (including goodwill)	8,309
Current assets	3,059
Current liabilities	(3,052)
Increase in Group's net assets	8,316

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

	At date of acquisition RM'000
Non-current assets (including goodwill)	1,255
Non-current liabilities	(201)
Current assets	9,672
Current liabilities	(6,153)
Fair value of net assets acquired	4,573
Goodwill	5,799
Cost of acquisition	10,372
Total purchase consideration	10,372
Purchase consideration discharged by offsetting of amount due from ultimate holding company	(1,594)
Purchase consideration discharged by cash	8,778
Less: Cash and cash equivalents of subsidiary acquired	(3,044)
Cash outflow of the Group on acquisition	5,734

### 39. ACQUISITION OF SUBSIDIARIES (cont'd)

- (ii) On 22 August 2005, Industrial Concrete Products Berhad ("ICP"), a subsidiary of the Group, increased its equity interest in a subsidiary, ICP Jiangmen Co. Ltd., from 73% to 79% by the acquisition of an additional 6% shares at a consideration of RM1,656,000. The acquisition has no significant effect on the financial results of the Group in the current financial year and the financial position of the Group as at the end of the financial year.
- (iii) On 30 September 2005, ICP acquired from the minority shareholders of Concrete Mould Engineering Sdn Bhd ("CME") the remaining 175,000 ordinary shares of RM1 each representing 35% equity interest in CME for a total cash consideration of RM1,356,250. The acquisition has no significant effect on the financial results of the Group in the current financial year and the financial position of the Group as at the end of the financial year.
- (b) During the preceding financial period, the Group/Company acquired the following subsidiaries:-
- (i) The Company acquired additional equity interests in ICP, formerly a 20.1% associate, resulting in ICP becoming a subsidiary of the Company. The details of the acquisition are as follows:-
- On 12 May 2004, the Company acquired an additional 33,955,080 ordinary shares representing 32.4% equity interest in ICP, raising the Company's equity interest from 20.4% to 52.8%. Following that, on 10 June 2004, the Company made a mandatory general offer ("MGO") for the remaining ordinary shares in ICP not held by the Company. At the close of the MGO period, the Company secured acceptances for 23,776,000 ordinary shares in ICP, thereby raising the Company's equity interest in ICP to 73.8%.
  - On 7 January 2005, the Company disposed of 7,500,000 ordinary shares in ICP, reducing the Company's equity interest in ICP to 66.8%.
  - On 18 January 2005, the Company disposed of its entire equity in a wholly-owned subsidiary, Malaysian Rock Products Sdn. Bhd., to ICP for a sale consideration of RM110,000,000 satisfied by the issuance of 39,285,714 ordinary shares of RM1.00 each in ICP, increasing the Company's equity interest in ICP to 75.7%.
  - On 29 March 2005, the Company disposed of 6,200,000 ordinary shares in ICP, reducing the Company's equity interest in ICP to 71.5%. The Company's equity interest in ICP as at 31 March 2005 is 71.5%.
- The effect of the acquisition on the financial results of the Group during the preceding financial period is shown below.

	15 months ended 31.3.2005 RM'000
Operating revenue	279,760
Cost of sales	(200,208)
Gross profit	79,552
Other operating income	1,265
Administrative expenses	(45,213)
Operating profit before finance cost	35,604
Finance cost	(903)
Profit from ordinary activities before taxation	34,701
Taxation	(5,622)
Profit from ordinary activities after taxation	29,072
Minority interest	(8,874)
	20,205
Less: Group's share of profit had the Group not acquired the additional equity interest	(5,946)
Net profit for the period	14,259

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 39. ACQUISITION OF SUBSIDIARIES (cont'd)

The effect of the acquisition on the Group's financial position at the end of the preceding financial period was as follows:-

	31.3.2005 RM'000
Non-current assets (including goodwill)	173,632
Non-current liabilities	(19,099)
Current asset	156,114
Current liabilities	(82,015)
Net assets	228,632
Minority interest	(4,645)
Group's share of net assets	223,987
Less:-	
- Amount accounted for as an associate	(46,394)
- Group's share of profit had the Group not acquired the additional equity interests	(5,946)
Increase in Group's net assets	171,647

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

	At date of acquisition RM'000
Non-current assets (including goodwill)	181,593
Non-current liabilities	(45,244)
Current assets	125,178
Current liabilities	(51,346)
Fair value of total net assets	210,181
Minority interest	(100,510)
Less: Amount accounted for as an associate	(46,394)
Fair value of net assets acquired	63,277
Goodwill	32,015
Cost of acquisition	95,292
Total purchase consideration	95,292
Cash and cash equivalents of subsidiaries acquired	365
Cash outflow on acquisition	95,657

- (ii) A wholly-owned subsidiary, IJM Properties Sdn Bhd, acquired 80% equity interest in Aqua Aspect Sdn Bhd in the preceding financial period by subscribing 8,000,000 new ordinary shares in Aqua Aspect Sdn Bhd for a total consideration of RM8,000,000. The effect of this acquisition on the financial results of the Group in the preceding financial period was insignificant while the net assets of the Group at the end of the preceding financial period were increased by RM9,994,000. The cash outflow on this acquisition amounted to RM1,755,000.

#### 40. DISPOSAL OF INTEREST IN SUBSIDIARIES

- (a) On 16 December 2005, a wholly-owned subsidiary, Torsco Berhad, disposed of its entire 2,000,400 Class "A" ordinary shares of RM1 each representing 40% of the issued and paid up capital of IMPSA (Malaysia) Sdn Bhd for a total cash consideration of RM3,500,700.
- (b) During the financial year, the Company's equity interest in a subsidiary, Industrial Concrete Products Berhad, decreased from 71.5% to 66.3% following the disposal of 7,500,000 ordinary shares in ICP in April and May 2005 pursuant to Bursa Malaysia Securities Berhad's public shareholding spread requirement.
- (c) On 20 March 2006, Industrial Concrete Products Berhad, a subsidiary of the Group, disposed of its entire share in Cosmic Centre Sdn Bhd for a consideration of RM2.

The above disposals have no significant effect on the financial results of the Group in the current financial year and the financial position of the Group as at the end of the financial year.

#### 41. DILUTION OF INTEREST IN AN ASSOCIATE

During the financial year, the Group's effective interest in its plantation associate, IJM Plantations Berhad ("IJMP") was diluted from 49.4% to 48.5% as a result of the exercise of certain share options by IJMP's employees under the IJMP's Employee Share Option Scheme. The difference between the Group's share of net assets immediately before and after the dilution, amounting to RM4,015,000, has been adjusted against the Group's reserves.

#### 42. CASH AND CASH EQUIVALENTS

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

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Deposits with licensed banks (Note 33)	138,505	38,673	44,600	4,009
Cash and bank balances (Note 34)	94,078	41,201	6,111	2,019
Bank overdrafts (Note 37)				
- Secured	(19,197)	(21,846)	-	-
- Unsecured	(8,737)	(3,504)	-	(174)
	(27,934)	(25,350)	-	(174)
	204,649	54,524	50,711	5,854
Less:				
Restricted deposits with licensed banks (Note 33)	(34,562)	(18,019)	-	-
	170,087	36,505	50,711	5,854

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 43. FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES

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

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

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

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

### (a) Off balance sheet financial instruments

#### (i) Forward foreign exchange contracts

As at 31 March 2006, the settlement dates on open forward contracts ranged between 3-6 months (2005: 3 - 6 months). The foreign currency amounts to be received and contractual exchange rates of the Group's outstanding contracts as at 31 March 2006, for the purpose of overseas business and certain business ventures in India, are as follows:

Duration	Currency to be received	Amount in foreign currency to be received '000	Contractual rate	Amount to be paid RM'000	Unrecognised gain RM'000
29.03.06 - 17.04.06	Sterling Pound	114	6.3725	726	-
20.03.06 - 17.04.06	Sterling Pound	114	6.3725	726	-
29.03.06 - 17.04.06	Sterling Pound	114	6.3725	726	-
20.03.06 - 15.11.07	US Dollar	6,372	3.66 - 3.76	23,680	-

Any difference arising from the movement in the currencies of the above forward contracts would be deferred until the related receipts or payments. However, if such receipts or payments do not occur, the difference at the maturity of these contracts would be recognised in the income statement.

#### (ii) Interest Rate Swaps

The Group has entered into interest rate swap contracts to hedge the floating rate interest payable on its long term borrowings. The contracts entitle the Group to pay interest at fixed rates on notional principal amounts and oblige it to receive interest at floating rates on the same amounts. Under the interest rate swaps, the Group agrees with the other parties to exchange, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

#### 43. FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES (cont'd)

##### (ii) Interest Rate Swaps (cont'd)

The floating rates of the Group's interest rate swap contracts are linked to the London Inter Bank Offer Rate ("LIBOR"). The weighted average effective interest rate of the Group's floating rate borrowings during the year ranged from 5.21% to 5.82% (Period ended 31.3.2005: Nil) per annum (Note 15). After the interest rate swaps, the Group's weighted average effective rate during the year ranged from 4.99% to 5.23% (Period ended 31.3.2005: Nil) per annum.

The remaining terms, notional principal amounts and fair value of the outstanding interest rate swap contracts of the Group at the balance sheet date, which are denominated in United States Dollars, were as follows:

Duration	Floating rate	Fixed rate	Amount in foreign currency USD'000	RM equivalent '000	Fair value Gain/(loss) RM'000
31.05.06 - 29.07.12	6-month LIBOR + 0.7%	5.00%	80,000	301,520	11,456
02.06.05 - 29.07.12	6-month LIBOR + 0.7%	4.95%	20,000	75,380	3,068
22.03.06 - 22.02.10	1-month LIBOR + 1.25%	6.45%	5,276	19,440	(26)

##### (b) On balance sheet financial instruments

Except as stated below, the carrying values of other financial assets and financial liabilities of the Group and of the Company at the balance sheet date approximated their fair values.

		THE GROUP		THE COMPANY	
		Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
Note					
Financial Assets					
As at 31 March 2006					
(i)	Long term investments	26			
	- Quoted shares		57,944	58,792	56,332
	- Quoted corporate bonds		30,516	30,973	-
	- Unquoted shares		43,268	Note (aa)	2,050
			131,728	58,382	
(ii)	Short term investments	32			
	- Quoted shares		83,911	108,223	9,508
	- Quoted debentures		175	9	175
	- Quoted warrants		2	2	1
			84,088	9,684	
(iii)	Long term receivables	27			
	- Receivables for construction of the Kementerian Kerja Raya Office Block		33,895	39,449	-

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 43. FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES (cont'd)

## (b) On balance sheet financial instruments (cont'd)

		THE GROUP		THE COMPANY	
	Note	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
As at 31 March 2005					
(i) Long term investments	26				
- Quoted shares		60,901	61,113	56,332	56,544
- Quoted corporate bonds		35,870	36,320	-	-
- Unquoted shares		43,258	Note (aa)	2,050	Note (aa)
		<u>140,029</u>		<u>58,382</u>	
(ii) Short term investments	32				
- Quoted shares		84,703	120,665	10,305	10,391
- Quoted debentures		218	77	218	77
- Quoted warrants		6	76	2	57
		<u>84,927</u>		<u>10,525</u>	
(iii) Long term receivables	27				
- Receivables for construction of the Kementerian Kerja Raya Office Block		41,552	47,710	-	-
(aa) It is not practicable to estimate the fair value of the Group's unquoted investments because of the lack of reference market prices and the inability to estimate fair value without incurring excessive costs. However, the Directors believe that the carrying values represent the recoverable amounts.					

		THE GROUP		THE COMPANY		
	Note	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000	
Financial liabilities						
As at 31 March 2006						
(i)	Bonds	13	98,274	114,608	-	-
(ii)	Term loan	15(b)	368,500	363,252	-	-
(iii)	Other payable	18(a)	63,333	56,249	-	-
(iv)	Other payable	18(b)	7,000	5,113	-	-
As at 31 March 2005						
(i)	Bonds	13	97,781	103,427	-	-
(ii)	Trade payable (Non-current)	18	6,000	4,577	-	-

The above financial liabilities will be realised at their carrying values and not at their fair values as the Directors have no intention to settle these liabilities other than in accordance with their contractual obligations.

#### 44. SIGNIFICANT RELATED PARTY DISCLOSURES

##### The Group

In addition to related party disclosures mentioned in Note 4 to the financial statements, set out below are other significant related party transactions and balances.

A General Mandate has been obtained from shareholders vide a Circular to Shareholders dated 19 July 2005 for Recurrent Related Party Transactions with the following related parties:-

- (i) Tronoh Consolidated Malaysia Berhad ("TCMB") and its subsidiaries ("TCMB Group")
- (ii) MMC Corporation Berhad ("MMC") and its subsidiaries ("MMC Group")
- (iii) Industrial Concrete Products Berhad ("ICP") and its subsidiaries ("ICP Group")
- (iv) IJM Management Services-Giat Bernas Joint Venture ("IJMGBJV")
- (v) Minconsult Sdn Bhd ("MSB")
- (vi) IJM Plantations Berhad ("IJMP") and its subsidiaries ("IJMP Group")
- (vii) Senai Airport Terminal Services ("SATS")
- (viii) Totalap Sdn Bhd ("TSB")
- (ix) Tuah Mentari Sdn Bhd ("TMSB")
- (x) Arena Klasik Sdn Bhd ("AKSB")
- (xi) Yayasan Albukhary ("YA")
- (a) The following transactions with related parties were carried out in the normal course of business under terms and conditions which are obtainable in transactions with unrelated parties or negotiated amongst related parties.

	31.3.2006 RM'000	31.3.2005 RM'000
(aa) Associates:-		
(i) Sales/progress billings in respect of:-		
Construction contract		
- Worldwide Ventures Sdn Bhd	-	1,864
- Swarna Tollway Pte Ltd	8,410	6,319
- IMPSA (Malaysia) Sdn Bhd (as associate up to 16 December 2005)	770	-
(ii) Purchases in respect of:-		
Building materials		
- ICP Group (as associate up to 12 May 2004)	-	8,293
(iii) Interest charged to:-		
- Worldwide Ventures Sdn Bhd	4,041	5,442
(iv) Building maintenance services charged to:-		
- Cofreth Sdn Bhd	650	-
(v) Rental of factory and premises received from:-		
- IMPSA (Malaysia) Sdn Bhd (as associate up to 16 December 2005)	886	-
(vi) Advances/repayments to:-		
- OSW Properties Pty Ltd	1,729	40,972
- Reliance-OSW Investment Trust	-	849
- Worldwide Ventures Sdn Bhd	2,183	3,546
- MASSCORP-Chile Sdn Bhd	-	1,639
- DML-MRP Resources (M) Sdn Bhd	2,906	-
(vii) Advances/repayments from:-		
- Gautami Power Limited	7,571	2,407
- MASSCORP-Chile Sdn Bhd	-	3,216
- Emas Utilities Corporation Sdn Bhd	5,808	2,972
- CIDB Inventures Sdn Bhd	-	10,924
- Worldwide Ventures Sdn Bhd	-	16,709
- IJM Plantations Berhad	-	2,624
(viii) Interest on RCULS received/receivable from:-		
- IJM Plantations Berhad	2,514	3,132



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 44. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

	31.3.2006 RM'000	31.3.2005 RM'000
(bb) Jointly controlled entities:-		
(i) Progress billings in respect of construction contract by:-		
- IJM Construction-Perkasa Sutera Joint Venture	18,415	33,068
(ii) Sales and marketing fees charged to:-		
- IJM Properties-Danau Lumayan Joint Venture	-	9
(iii) Interests charged to:-		
- IJM Properties-JA Manan Joint Venture	1,741	1,208
- IJM Properties-Astaka Tegas Sdn Bhd	546	-
(iv) Advances to:-		
- IJM-SCL Joint Venture	-	241
- IJM-Gayatri Joint Venture	6,768	12,559
- Astaka Tegas Sdn Bhd	733	-
- Sierra Ukay Sdn Bhd	2,562	-
- Sierra Selayang Sdn Bhd	10,151	-
- Elegan Pesona Sdn Bhd	4,798	-
- IJM-NBCC-VRM Joint Venture	534	-
(v) Advances/repayment from:-		
- IJM-SCL Joint Venture	-	206
- IJM-Gayatri Joint Venture	-	16,001
(cc) IJM Retirement Scheme:-		
- contribution to the Scheme	2,639	3,221
(dd) Professional fees paid to companies in which Directors of the Company have interests, which are based on commercial terms and conditions mutually agreed by the parties, are as follows:-		
(i) MSB, a company in which a Director of the Company, Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob has an interest	-	376
(ee) Progress billings in relation to construction contracts to companies in which Dato' Ismail bin Yusof, a brother of Dato' Abdullah bin Mohd Yusof, who is a former Director of the Company*, has interests:-		
(i) Totalap Sdn Bhd	2,826	14,432
(ii) Tuah Mentari Sdn Bhd	8,470	1,745
(ff) Progress billings in relation to a construction contract to a company in which Dato' Ismail bin Yusof, a brother of Dato' Abdullah bin Mohd Yusof, who is a former Director of the Company*, is a director:-		
(i) Senai Airport Terminal Services Sdn Bhd	3,674	4,395
(gg) Progress billings in relation to a construction contract to an entity in which Dato' Ismail bin Yusof, a brother of Dato' Abdullah bin Mohd Yusof, who is a former Director of the Company*, and Tan Sri Dato' Syed Mokhtar Shah bin Syed Nor, are directors:-		
(i) Yayasan Albhukhary	38,283	4,709

Tan Sri Dato' Syed Mokhtar Shah bin Syed Nor who, by virtue of his interest in Seaport Terminal (Johore) Sdn Bhd, is deemed a substantial shareholder of MMC Corporation Berhad (formerly known as Malaysia Mining Corporation Berhad), a substantial shareholder of Tronoh Consolidated Malaysia Berhad (formerly known as Tronoh Mines Malaysia Berhad), which is in turn a substantial shareholder of the Company.

\* Resigned as a Director of the Company with effect from 5 July 2005

#### 44. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

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

Related party	Type of transaction	31.3.2006 RM'000	31.3.2005 RM'000
Receivables:-			
- OSW Properties Pty Ltd	Advances	–	31,869
- Reliance-OSW Investment Trust	Advances	–	849
- Worldwide Ventures Sdn Bhd	Advances	4,021	16,709
- IJM-SCL Joint Venture	Advances	1	241
- IJM-Gayatri Joint Venture	Advances	298	12,559
Payables:-			
- Emas Utilities Corporation Sdn Bhd	Advances	5,808	2,885

#### 45. CAPITAL COMMITMENTS

	THE GROUP	
	31.3.2006 RM'000	31.3.2005 RM'000
Approved and contracted for	327,344	442,108
Approved but not contracted for	305,687	466
	<b>633,031</b>	<b>442,574</b>
Analysed as follows:-		
Purchases of property, plant and equipment	22,542	7,807
Purchases of development land	1,746	16,205
Investment in associates	283,145	35,527
	<b>307,433</b>	<b>59,539</b>
Acquisition of concession assets	325,598	383,035
	<b>633,031</b>	<b>442,574</b>

#### 46. CONTINGENT LIABILITIES (UNSECURED)

	THE GROUP		THE COMPANY	
	31.3.2006 RM'000	31.3.2005 RM'000	31.3.2006 RM'000	31.3.2005 RM'000
Bank borrowings of subsidiaries				
Guaranteed by the Company	–	–	384,292	108,680
Bank borrowings of associates				
Guaranteed by the Company/Group	94,240	142,239	94,240	104,239
Share certificates pledged for term loan facility granted to an associate	48,008	48,864	48,008	48,864
Contingent equity support for investment in subsidiaries	–	–	130,127	–
	<b>142,248</b>	<b>191,103</b>	<b>656,667</b>	<b>261,783</b>

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 47. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 30 May 2005, the Company entered into a Share Purchase Agreement ("SPA") to acquire 118,373,600 ordinary shares of RM1.00 each in Kumpulan Europlus Berhad ("KEB") representing 25% of the equity interest in KEB from certain shareholders of KEB for a total cash consideration of RM33,144,608 or RM0.28 per share. In addition the Company has been granted a call option to acquire a further 5% equity interest in KEB. The completion of the SPA has been extended to 31 May 2006 pending the fulfilment of the conditions precedents, which include the finalisation of the revised terms of the proposed concession agreement for the Peninsular Malaysia West Coast Highway Concession by KEB.
- (b) On 30 September 2005, the Company entered into a Definitive Agreement with Antah Holdings Berhad ("Antah"), KASEH Lebuhraya Sdn Bhd ("KASEH") and Lebuhraya Kajang-Seremban Sdn Bhd ("LEKAS") for the Company to participate in the Concession for the 48km new highway linking Kajang to Seremban for a period of 33 years. The Company will be participating in the Concession by way of management, and subscription of 50 million new ordinary shares of RM1 each (representing 50%) and RM200 million 7% Redeemable Unsecured Loan Stocks (RULS) in LEKAS. The Company will grant Antah a call option to acquire up to 50% of the RULS. LEKAS, incorporated on 22 June 2005, is intended to be the special purpose vehicle to carry out and undertake the Concession to be novated by KASEH, subject to the approval of shareholders of Antah at a general meeting to be convened, and the Government.

## 48. SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

A wholly-owned subsidiary of the Company, IJM Properties Sdn Bhd, had on 30 May 2006 entered into a Sale & Purchase Agreement ("SPA") with Kelana Ventures Sdn Bhd to acquire 250 acres of freehold land, being part of the land held under H.S.(D) 368483, PTD 117039, Mukim Tebrau, Johor Bahru, Johor, for a total cash consideration of RM75 million.

The completion of the acquisition is pending the fulfilment of the conditions precedent of the SPA, which includes the approval of the Foreign Investment Committee and other relevant authorities.

## 49. COMPARATIVE FIGURES

During the financial year, certain expenses of a subsidiary have been reclassified from tendering, selling and distribution expenses to cost of sales as the Directors are of the view that this is more reflective of the nature of the expenses.

For comparative purposes, the comparative Group income statement has been restated to conform with the current year's presentation.

The effect of the reclassification on the Group's income statement for the period ended 31 March 2005 is as follows:-

Group	As previously reported RM'000	Effects of reclassification RM'000	As restated RM'000
<b>As at 31 March 2005</b>			
Consolidated Income Statement			
Cost of sales	1,421,690	33,815	1,455,505
Tendering, selling & distribution expenses	45,840	(33,815)	12,025

## 50. LIST OF SUBSIDIARIES AND ASSOCIATES as at 31 March 2006

## SUBSIDIARIES

Name	Country of incorporation	Effective equity interest		Principal activities
		31.3.2006 %	31.3.2005 %	
Held by the Company				
GR Commerce Sdn Bhd	Malaysia	100	100	Trading of building materials and insurance agent services
Industrial Concrete Products Berhad *	Malaysia	66	72	Manufacture of precast concrete products
IJM Construction Sdn Bhd	Malaysia	100	100	Civil and building construction and investment holding
IJM Properties Sdn Bhd	Malaysia	100	100	Property development and investment holding
IJM Argentina Sociedad Anomina *	Argentina	100	100	Investment holding
IJM Australia Pty Limited #	Australia	80	80	Engineering and construction consultancy and property development
IJM Investments (M) Limited #	Republic of Mauritius	100	100	Investment holding
IJM International (BVI) Pty Ltd *	British Virgin Islands	100	100	Investment holding
IJM International Limited #	Hong Kong	100	100	Investment holding
IJM Investments (L) Ltd *	Federal Territory of Labuan	100	100	Investment holding
IJM Overseas Ventures Sdn Bhd	Malaysia	100	100	Investment holding
Kamad Quarry Sdn Bhd	Malaysia	100	100	Quarrying, manufacture and sale of premix products and road pavement construction
Kemena Industries Sdn Bhd *	Malaysia	55	55	Manufacture of ready-mixed concrete and reinforced concrete products
Nilai Cipta Sdn Bhd *	Malaysia	70	70	Office complex concession holder
Styrobilt Sdn Bhd	Malaysia	100	100	Investment holding
Torsco Sdn Bhd (Formerly known as Torsco Berhad) *	Malaysia	100	100	Engineering, fabrication and construction
IJM Construction (Middle East) Limited Liability Company *	Dubai, United Arab Emirates	100	49	Construction

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 50. LIST OF SUBSIDIARIES AND ASSOCIATES as at 31 March 2006 (cont'd)

Name	Country of incorporation	Effective equity interest		Principal activities
		31.3.2006 %	31.3.2005 %	
Held by IJM Construction Sdn Bhd				
IJM Building Systems Sdn Bhd	Malaysia	100	100	Prefabricated building construction
Jurutama Sdn Bhd	Malaysia	100	100	Civil and building construction and property development
Kami Builders Sdn Bhd	Malaysia	100	100	Civil construction and property development
Prebore Piling & Engineering Sdn Bhd *	Malaysia	80	80	Piling, engineering and other construction works
Insitu Envirotech Pte Ltd*	Singapore	100	–	Investment holding
Held by IJM Properties Sdn Bhd				
Aqua Aspect Sdn Bhd	Malaysia	80	80	Property development
Chen Yu Land Sdn Bhd	Malaysia	100	100	Property development
IJM Management Services Sdn Bhd	Malaysia	100	100	Project and construction management services
Jalanan Masyhur Sdn Bhd	Malaysia	51	51	Property development
Jelutong Development Sdn Bhd	Malaysia	80	80	Civil construction and property development
Liberty Heritage (M) Sdn Bhd	Malaysia	100	100	Property management and car parking services
Maxharta Sdn Bhd	Malaysia	100	100	Property development, civil and building construction
NS Central Market Sdn Bhd	Malaysia	70	70	Property development
Sinaran Intisari (M) Sdn Bhd	Malaysia	51	51	Property development
Suria Bistari Development Sdn Bhd	Malaysia	51	51	Property development
Wedec Sdn Bhd	Malaysia	100	100	Interior fit-out services, upgrades and renovation works
Manda'rina Sdn Bhd (formerly known as Xylocorp (M) Sdn Bhd)	Malaysia	100	100	Property development
Mewah Kota Sdn Bhd	Malaysia	70	–	Property development
Held by Industrial Concrete Products Berhad				
Arca Permata (M) Sdn Bhd *	Malaysia	66	72	Investment holding
Cosmic Centre Sdn Bhd *	Malaysia	–	72	Dormant
Concrete Mould Engineering Sdn Bhd *	Malaysia	66	47	Engineering works and mould making

## 50. LIST OF SUBSIDIARIES AND ASSOCIATES as at 31 March 2006 (cont'd)

Name	Country of incorporation	Effective equity interest		Principal activities
		31.3.2006 %	31.3.2005 %	
Durabon Sdn Bhd *	Malaysia	66	72	Processing of steel bars
Glamour Development Sdn Bhd *	Malaysia	66	72	Dormant
Expedient Resources Sdn Bhd *	Malaysia	66	52	Manufacture of rubber underlays and other rubber products
ICP Investment (L) Limited *	Malaysia	66	72	Dormant
ICP Jiangmen Co. Ltd. *	People's Republic of China	52	53	Dormant
ICP Marketing Sdn Bhd *	Malaysia	66	72	Trading of pretensioned spun concrete piles, building materials and plant and machinery and investment holding
Malaysian Rock Products Sdn Bhd *	Malaysia	66	72	Quarrying, sale of rock products and investment holding
Ubon Steel Sdn Bhd *	Malaysia	66	72	Marketing of steel bars
<b>Held by Expedient Resources Sdn Bhd</b>				
Tadmansori Rubber Industries Sdn Bhd *	Malaysia	66	52	Trading of rubber products
<b>Held by Malaysian Rock Products Sdn Bhd</b>				
Aggregate Marketing Sdn Bhd *	Malaysia	66	72	Sale of rock products
Azam Ekuiti Sdn Bhd *	Malaysia	66	72	Quarry owner
Bohayan Industries Sdn Bhd *	Malaysia	46	51	Dormant
Damansara Rock Products Sdn Bhd *	Malaysia	66	72	Quarrying, road pavement construction, manufacture and sale of premix products
Global Rock Marketing Sdn Bhd *	Malaysia	66	72	Sale of rock products
Kuang Rock Products Sdn Bhd *	Malaysia	66	72	Quarrying and sale of rock products
Oriental Empire Sdn Bhd *	Malaysia	66	72	Quarry owner
Scaffold Master Sdn Bhd *	Malaysia	66	72	Sale and rental of steel scaffolding
Strong Mixed Concrete Sdn Bhd *	Malaysia	66	72	Production and supply of ready-mixed concrete
Warga Sepakat Sdn Bhd *	Malaysia	66	72	Leaseholder of quarry land

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 50. LIST OF SUBSIDIARIES AND ASSOCIATES as at 31 March 2006 (cont'd)

Name	Country of incorporation	Effective equity interest 31.3.2006 %	Effective equity interest 31.3.2005 %	Principal activities
Held by IJM Investments (M) Limited				
IEMCEE Infra (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJMII (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Rewa (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Rajasthan (Mauritius) Limited #	Republic of Mauritius	100	–	Investment holding
Held by IJMII (Mauritius) Limited				
IJM (India) Infrastructure Limited *	India	97	97	Construction
Held by IJM Rewa (Mauritius) Limited				
Rewa Tollway Private Limited #	India	100	100	Infrastructure development
Held by IJM (India) Infrastructure Limited				
Swarnandhra-IJMII Integrated Township Development Company Private Limited #	India	50	50	Property development
Swarnandhra Road Care Private Limited #	India	97	97	Road maintenance
Roadstar (India) Infrastructure Private Limited *	India	97	97	Development of infrastructure projects and construction & operation of toll gates
IJM (India) Geotechniques Private Limited *	India	97	–	Soil investigation & testing, foundation laying & treatment & piling
IJM Lingamaneni Township Private Limited *	India	54	–	Property Development
Held by IJM Rajasthan (Mauritius) Limited				
Jaipur-Mahua Tollway Private Limited #	India	100	97	Highway development
Held by ICP Investment (L) Limited				
ICPB (Mauritius) Limited #	Republic of Mauritius	66	–	Investment holding
IJM Concrete Products Private Limited *	India	66	97	Supply of ready mixed concrete
Held IJM Australia Pty Limited				
Billmex Pty Limited #	Australia	–	80	Property development

## 50. LIST OF SUBSIDIARIES AND ASSOCIATES as at 31 March 2006 (cont'd)

Name	Country of incorporation	Effective equity interest 31.3.2006 %	Effective equity interest 31.3.2005 %	Principal activities
<b>Held by Torsco Berhad</b>				
Sang Kee Enterprise Sdn Bhd *	Malaysia	100	100	Property investment
Sang Kee Feedmills Sdn Bhd *	Malaysia	100	100	Property investment
Torsco Overseas Sdn Bhd *	Malaysia	100	100	Provision of engineering, fabrication and construction works
<b>Held by Insitu Envirotech Pte Ltd</b>				
Insitu Envirotech (M) Sdn Bhd *	Malaysia	100	–	Design, installation and rehabilitation of pipes, conduits and vertical shafts
Insitu Envirotech (HK) Limited *	Hong Kong	100	–	Dormant and in the process of deregistration
Insitu Envirotech (S.E.Asia) Pte Ltd *	Singapore	100	–	Design, installation and rehabilitation of pipes, conduits and vertical shafts
<b>ASSOCIATES</b>				
<b>Held by the Company</b>				
CIDB Inventures Sdn Bhd	Malaysia	34	34	Infrastructure investment
Cofreth (M) Sdn Bhd *	Malaysia	25	25	Total facilities management, operations & maintenance, co-generation and district cooling system/service provider
Community Resort Development System Sdn Bhd *	Malaysia	20	20	Dormant
Deltabumi Sdn Bhd	Malaysia	40	40	Special purpose vehicle
Emas Utilities Corporation Sdn Bhd *	Malaysia	40	40	Investment holding
Grupo Concesionario del Oeste S.A. #	Argentina	20	20	Construction, renovation, repair, conservation and operation of Acceso Oeste highway
IJM-Yorkville (BVI) Pty Ltd *	British Virgin Islands	50	50	Special purpose vehicle for financing
Inversiones e Inmobiliaria Sur-Sur S.A. *	Chile	25	25	Property development
JWS Projects Sdn Bhd	Malaysia	50	50	Investment holding



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2006

## 50. LIST OF SUBSIDIARIES AND ASSOCIATES as at 31 March 2006 (cont'd)

Name	Country of incorporation	Effective equity interest		Principal activities
		31.3.2006 %	31.3.2005 %	
Macroland Holdings Sdn Bhd *	Malaysia	30	30	Under members' voluntary liquidation
MASSCORP-Chile Sdn Bhd *	Malaysia	32	32	Investment holding
Precast Property Sdn Bhd *	Malaysia	50	50	Dormant
Precast Technology Sdn Bhd *	Malaysia	50	50	Dormant
Metech Group Berhad (Formerly known as Sin Kean Boon Group Berhad) *	Malaysia	20	20	Manufacture of roller shutters and aluminium extrusions and investment holding
Spirolite (M) Sdn Bhd *	Malaysia	38	38	Manufacture of straight extruded pipes and "spiral" pipes, tubes, tanks and containers
<b>Held by IJM Australia Pty Limited</b>				
Quay Link Enterprises Pty Limited #	Australia	–	40	Property development
<b>Held by Torsco Berhad</b>				
IMPSA (Malaysia) Sdn Bhd *	Malaysia	–	40	Manufacture and marketing of hydropower generation equipments, cranes and heavy duty pressure vessels
<b>Held by IJM Construction Sdn Bhd</b>				
Hexacon Construction Pte Limited #	Singapore	49	49	Civil and building construction
Highway Master Sdn Bhd	Malaysia	50	50	Road pavement construction
Integrated Water Services (M) Sdn Bhd *	Malaysia	35	35	Operation and maintenance of a water treatment plant
IT&T Builders Sdn Bhd	Malaysia	45	45	Building construction
Malaysian Construction Ventures (Overseas) Sdn Bhd	Malaysia	20	20	Project consultancy services
Nekadsatu Jaya Sdn Bhd	Malaysia	50	50	Construction and property development
THB-IJM Joint Venture Sdn Bhd	Malaysia	49	49	Construction
<b>Held by IJM International (BVI) Pty Ltd</b>				
Avillion Hotels International (Sydney) Pty Limited *	Australia	49	49	Hotel operator
Reliance-OSW (Nominees) Pty Limited *	Australia	49	49	Trustee company

## 50. LIST OF SUBSIDIARIES AND ASSOCIATES as at 31 March 2006 (cont'd)

Name	Country of incorporation	Effective equity interest		Principal activities
		31.3.2006 %	31.3.2005 %	
Held by IJM International Limited				
Grapevine Investments (Hong Kong) Limited #	Hong Kong	50	50	Investment holding
OSW Properties Pty Limited *	Australia	50	50	Property development
Held by IEMCEE Infra (Mauritius) Limited				
Gautami Power Private Limited *	India	20	20	Power generation
Held by IJMII (Mauritius) Limited				
Swarna Tollway Pte Ltd #	India	35	35	Infrastructure development
Pacific Alliance-Stradec Group Infrastructure Company LLC	Republic of Mauritius	50	48	Project management, investment holding and supply of toll equipments.
Held by IJM Overseas Ventures Sdn Bhd				
Earning Edge Sdn Bhd	Malaysia	22	22	Property development
MASSCORP-Namibia Sdn Bhd *	Malaysia	40	40	Investment holding
Held by IJM Properties Sdn Bhd				
Ever Mark (M) Sdn Bhd	Malaysia	50	50	Property development
MASSCORP-Vietnam Sdn Bhd	Malaysia	20	20	Investment holding
Wilmington Sdn Bhd	Malaysia	50	50	Property development
Worldwide Ventures Sdn Bhd	Malaysia	50	50	Property development and investment holding
Held by Malaysian Rock Products Sdn Bhd				
Batu Kenangan Sdn Bhd *	Malaysia	27	29	In members' voluntary liquidation
DML-MRP Resources (M) Sdn Bhd *	Malaysia	33	36	Dormant
Held by Styrobilt Sdn Bhd				
IJM Plantations Berhad *	Malaysia	48	49	Cultivation of oil palm and investment holding

# Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers, Malaysia

\* Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers, Malaysia



## STATUTORY DECLARATION

I, Loy Boon Chen, being the officer primarily responsible for the financial management of IJM Corporation Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements set out on pages 96 to 177 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at Petaling Jaya on 30 May 2006.

LOY BOON CHEN

Before me:-

G. VIJAYAN BASKARAN PPN  
Commissioner for Oaths  
Petaling Jaya

## REPORT OF THE AUDITORS TO THE MEMBERS



## Report of the auditors to the members of IJM Corporation Berhad

Company No: 104131-A

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

We have audited the financial statements set out on pages 96 to 177. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purposes. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and MASB approved accounting standards in Malaysia so as to give a true and fair view of:
  - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
  - (ii) the state of affairs of the Group and of the Company as at 31 March 2006 and of the results and cash flows of the Group and of the Company for the financial year ended on that date;
- and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiaries of which we have not acted as auditors are indicated in Note 50 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

PRICEWATERHOUSECOOPERS  
(AF-1146)  
Chartered Accountants

Kuala Lumpur  
30 May 2006

Eric Ooi Lip Aun  
(1517/06/06(J))  
Partner



# LIST OF PROPERTIES

As at 31 March 2006

Location	Description	Area (Hectares)	Tenure	Existing use	Expiry Date	Age of Building (years)	Date of Revaluation (R)/ Acquisition (A)	Net Book Value as at 31 March 2006 RM'000
----------	-------------	--------------------	--------	-----------------	----------------	-------------------------------	--	---

## PROPERTY, PLANT & EQUIPMENT

### JOHOR

Unit NO.13-A, Unit 08 Level 5, Unit 02 Level 6, City Plaza, Jalan Tebrau, 80250 Johor Bahru	Commercial	0.135	Freehold	Office space	–	5	A: 2000	4,651
Lot 1704 & 1705, City Plaza, Jalan Tebrau, 80250 Johor Bahru	Commercial	0.048	Freehold	Office space	–	9	A: 1996	1,430
Lot PTB 19233 H.S.(D) 210937 Unit 1701-1703 Jalan Tebrau, Johor Bahru	Commercial land	0.064	Freehold	Office space (3 years; 2,361 sq.m.)	–	9	A:1996	2,070
Lot Nos. 810, 811 and MLO 23, GM 66, 68 & H.S. (M) 937 Mukim Sedenak, Air Bambau, Kulai	Agriculture land	8.147	Freehold	Vacant; for future development	–	–	A:1998	2,000
E-2-1 Block Mawar, Anjung Seri Condominium, Jalan Persiaran, Seri Alam, 81750 Masai	Condominium	0.009	Freehold	Residential	–	6	A:1999	216
E-2-6, 3-2, 3-5 Block Mawar, Anjung Seri Condominium, Jalan Persiaran Seri Alam, 81750 Masai	Condominium	0.027	Freehold	Residential (Vacant)	–	6	A:1999	460

### NEGERI SEMBILAN

H.S. (D) 77335, P.T. 6322 Mukim Labu, Daerah Seremban	Industrial land	14.164	Leasehold	Quarrying	2053	–	A:1993	1,033
H.S. (D) 75235, P.T. 6054 Mukim Labu, Daerah Seremban	Industrial land	16.997	Leasehold	Quarrying	2053	–	A:1993	2,989
H.S. (D) 151681, P.T. 23506 Mukim Labu, Daerah Seremban	Industrial land	4.047	Leasehold	Quarrying	2063	–	A:2003	594

Location	Description	Area (Hectares)	Tenure	Existing use	Expiry Date	Age of Building (years)	Date of Revaluation (R)/ Acquisition (A)	Net Book Value as at 31 March 2006 RM'000
<b>PENANG</b>								
Parcel No. M/0/05/20 & M/0/05/21, Pusat Perdagangan Tanjung	Office	0.05	Leasehold	Office (548 sq.m.)	2089	10	A:1994	623
PT 35, No HS (D) 11743, Seksyen 4, Daerah Timur Laut, Bandar Jelutong	Industrial land	6.423	Freehold	Vacant; for future development	–	–	A:2001	14,545
9th Floor, Wisma Penang Garden, 42, Jalan Sultan Ahmad Shah, 10050 Penang	Office	0.082	Freehold	Office (8,833 sq ft)	–	13	A:2004	1,827
PT 1935, HS (D) 5541, Mukim 13, DTL, Pulau Pg	Commercial land	0.9999	Leasehold	Under development	2099	–	A:2004	1,300
PT 1935, HS (D) 5541, Mukim 13, DTL, Pulau Pg	Commercial land	0.9999	Leasehold	Work In Progress	2099	–	A:2004	4,466
<b>PERAK</b>								
Lot 11004, 4-3/4 Miles, Jalan Lahat, Mukim Ulu Kinta	Industrial land & building	2.718	Leasehold	Plant 1, Office building & workshop (8.757 sq.m.)	2053	26	R:1981	1,491
				Workshop extension (1,344 sq.m.)	2053	1	A:2005	784
PT No. 595, H.S. (D) Dgs 1276/88 and PT No. 538, H.S. (D) Dgs 1272/88, Mukim Lumut, Daerah Manjung	Industrial land & building	2.016	Leasehold	Plant 2A, C& D, Office building & workshop (6.930 sq.m.)	2087	11	R:1993	3,437
Lot 1, Mukim Lumut, Daerah Manjung	Industrial land & building	2.497	Leasehold	Plant 2B, Workshop (3,600 sq.m.)	2094	5	A:1995	3,407
				Plant 2E (1,800 sq.m.)	2094	3	A:2002	1,043
				Workshop extension (3,300 sq.m.)	2094	1	A:2005	2,543
Lot D-2, Mukim Lumut, Daerah Manjung	Industrial land & building	5.075	Leasehold	Plant 3, Office building, workshop & jetty (4,480 sq.m.)	2093	4	A:1996	10,737

## LIST OF PROPERTIES (cont'd)

As at 31 March 2006

Location	Description	Area (Hectares)	Tenure	Existing use	Expiry Date	Age of Building (years)	Date of Revaluation (R)/ Acquisition (A)	Net Book Value as at 31 March 2006 RM'000
<b>SARAWAK</b>								
Lot 1176 Block 32, Kemena Crossing, Bintulu	Industrial Land & Building	3.710	Leasehold	Office & workshop (1,344 sq.m.)	2050	19	A:1987	1,630
Lot 2945, Block 32, Kemena Land District Bintulu	Industrial Land Building	2.676	Title yet to be issued	Vacant for future development	–	10	A:1996	903
Lot 1402, Block 31, Kemena Land District Jalan Tanjung Batu 97000 Bintulu	Commercial Land & Building	0.016	Leasehold	Shop-office (154 sq.m.)	2048	16	A:1996	242
Lot 3822, Block 31, Kemena Land District Jalan Tanjung Batu 97000 Bintulu	Building	0.003	Leasehold	Residential (333 sq.m.)	2056	10	A:1995	153
<b>SELANGOR</b>								
Lot 170, Section 7, Jalan Yong Shook Lin, 46050 Petaling Jaya	Commercial land & Building	0.759	Leasehold	2 office buildings (7,088 sq.m.)	2069	23	A: 1985	27,137
55 Jalan TS6/10A, Subang Industrial Park, Subang Jaya, H.S.(D) 97263, P.T. 27731 Mukim of Petaling	Industrial land	0.018	Leasehold	3 storey industrial building (178 sq.m.)	2090	10	A: 1996	636
21D Jalan BRP 6/10, Seksyen U20, Bukit Rahman Putra, 47000 Sungai Buluh	Building	0.018	Freehold	Kuang Rock Products Shop-office (181 sq.m.)	–	5	A:2004	153
Workshop 3.5KM, Jalan Kampung Jawa Klang	Workshop	0.020	Leasehold	Workshop	–	4	A:2000	18
EMR 5364, Lot 2775 District of Klang	Workshop	0.037	Rented	For repair & maintenance of steel scaffolding	–	5	A:1999	29
Lot No 197, Mukim Rawang, Daerah Gombak, Kundang Industrial Park	Industrial land	0.185	Freehold	Vacant; for future development	–	–	A:2000	459
P.T 17308, H.S. (D) 30887, Mukim Kapar, Daerah Klang	Industrial	1.698	Freehold	Vacant; for future development	–	–	A:2003	6,397

Location	Description	Area (Hectares)	Tenure	Existing use	Expiry Date	Age of Building (years)	Date of Revaluation (R)/ Acquisition (A)	Net Book Value as at 31 March 2006 RM'000
Part of Lot 2787 & 2789 (original lot), Lot 25547-25560, 25778-25929, 26003-26039, 26078-26120, Part of Lot 26311-26313, 26314, Part of Lot 26315-26317, 26318-26321, Part of Lot 26322, 26328-26341 (new lot), Mukim Petaling, Wilayah Persekutuan	Residential & Commercial	0.391	Leasehold	Sales office	2078	2	A:2003	946
Lot 6497 Sungai Buloh Estate Off 6th Mile, Jalan Kapar, 42100 Kapar, Klang	Land & building	5.75	Freehold	Office, Store, Workshop & Workers' Quarters	–	4	A:2001	2,827
Lot No 52177, Mukim Batu Daerah Gombak, KM 15 Jalan Rawang	Land & Building	0.013	Leasehold	Store	2089	12	A:1992	104
Lot No M45 Unit M45-2A & 2B Block 6 Seremban	Land & Building	0.013	Freehold	Vacant	–	5	A:1999	120
Unit No. K2/01/05 & K1/02/01 (23-1 & 1-2, Desa Seri Puteri, Jalan 2/125G, 57100 KL)	Commercial	0.034	Leasehold	Commercial Office	2093	3	A:2002	286
Unit No K1/02/04, Desa Seri Puteri, Jalan 2/125G, 57100 KL	Commercial	0.015	Leasehold	Commercial Office	2093	4	A:2003	169
PN7225 Lot726, PN7224 Lot727 & HSD175348 PT1, Bandar Petaling, Daerah Petaling, Selangor	Commercial	0.098	Leasehold	Work In Progress	–	–	–	3,017
HS(D) 66844, PT2925, Mukim Ampang, Daerah Ulu Langat, Selangor	Residential land	0.023	Leasehold	Work In Progress	–	–	–	40
Lot 100, Seksyen 7, Jalan Ru, Petaling Jaya, Selangor	Residential land	0.084	Leasehold	Work In Progress	n/a	n/a	n/a	84



## LIST OF PROPERTIES (cont'd)

As at 31 March 2006

Location	Description	Area (Hectares)	Tenure	Existing use	Expiry Date	Age of Building (years)	Date of Revaluation (R)/ Acquisition (A)	Net Book Value as at 31 March 2006 RM'000
<b>SABAH</b>								
Part of CL 075477584, District of Sandakan	Commercial	6.850	Leasehold	Under development	2081	–	A:2005	715
Part of CL 075477584, District of Sandakan	Commercial	6.850	Leasehold	Work In Progress	2081	–	A:2005	1,087
<b>WILAYAH PERSEKUTUAN KUALA LUMPUR</b>								
B7-6 Puncak Prima Condo Sri Hartamas	Condominium	0.009	Freehold	Residential	–	7	A:2001	317
Golden City Condominium No: 19-05, 19th Floor Jalan Ipoh, 51200	Condominium	0.010	Freehold	Residential	–	9	A:1995	182
<b>INDIA</b>								
Village & Post Bodhanam, Chillakur Mandal, Kadivedu Sub-post, Nellore District, Andhra Pradesh - 524410	Commercial land & Building	19.18	Freehold	For installing plants, quarrying & office	–	–	A:2002	287
Koppuravuru Village, Peddakakani Village, Guntur District, Andhra Pradesh.	Dry Land for Quarry	8.89	Freehold	For installing plants, quarrying & office	–	–	A:2005	2,161
Survey No -135, Khedili Village, Dausa District, Rajasthan	Commercial	4.00	Leasehold	For installing plants, quarrying & office	2104	–	A:2005	262
Survey No- 20, Kalwan Village, Dausa District, Rajasthan	Commercial	2.00	Leasehold	For installing plants, quarrying & office	2030	–	A:2005	114
Plot No- 21, S.V. Co.operative Industrial Estate, Quthbullapur Mandal, Bachupally Revenue Village, R.R.District Hyderabad-500062.	Industrial Land & Building	1.06	Freehold	For setting up Concrete Plant	–	–	A:2004	1,132
Survey No. 1009/ (1 Part), KPHB Colony, Kukatpally Village, Ranga Reddy District, Hyderabad, Andhra Pradesh	Residential Building	13.62	Freehold	Under development	–	–	A:2003	30,435

Location	Description	Area (Hectares)	Tenure	Existing use	Expiry Date	Age of Building (years)	Date of Revaluation (R)/ Acquisition (A)	Net Book Value as at 31 March 2006 RM'000
Niripak Mandal Rampur Naikin Panchayat Budgaon Tehsil, Rampur Naikin District	Commercial	0.17	Freehold	Bhagwar Tollplaza			Apr-04	21
Grampanchayat Baruka Block Sohagpur Mouza Rohaniya	Commercial	0.204	Freehold	Rohaniya Tollplaza			Apr-04	12
Gram Kirar, Panchayat Kirar Tehsil Annupur	Commercial	0.639	Freehold	Amarkantak Toll plaza			Jul-04	6
Sonvari Saralanagar	Commercial	0.648	Freehold	Sonvari Tollplaza			Jul-04	37
Survey No 806/1 Katni District	Commercial	0.63	Freehold	Barhi Tollplaza			Jun-04	39
Plot No.58 Gat No.227 of village Devghar	Commercial	0.056	Freehold	Under development			May-03	44
Koppuravuru Village, Kantheru Village, Guntur District, Andhra Pradesh.	Residential Building	47.68	Freehold	Under development	-	-	A:2005	47,826
Plot No- 33, Survey No- 13/1, 14/1,15/2. & 17/1, Mouje Vadgaon of Village, Vadagaon of City Talula Malwal, Pune.	Commercial	0.028	Freehold	Mortgaged to Bankers	-	-	A:2005	84

#### DEVELOPMENT PROPERTIES & LAND HELD FOR PROPERTY DEVELOPMENT

##### JOHOR

Lot 13904-13980, 14007-14060 and 14067 & 19215 Kampung Muafakat Jalan Tun Abdul Razak	Commercial & Residential	10.24	Leasehold	Under development	2105	-	A:1992	17,220
PN 10938 Lot 25076 , PN 10939 Lot 25077, PN 10940 Lot 25078, (H.S. (D) 330192 PTB 21114 to H.S. (D) 330201 PTB 21123, Bandar & Daerah Johor Bahru	Commercial & Residential	8.45	Leasehold	Under development	2101	-	A:1992	27,185
Mount Austin- PTD 117039, Mukim Tebrau	Commercial & Residential	101.21	Freehold	Vacant; for future development	-	-	A:2005	37

## LIST OF PROPERTIES (cont'd)

As at 31 March 2006

Location	Description	Area (Hectares)	Tenure	Existing use	Expiry Date	Age of Building (years)	Date of Revaluation (R)/ Acquisition (A)	Net Book Value as at 31 March 2006 RM'000
Lot PTD 48124A, Mukim Plentong Johor Bahru (TM Land)	Commercial & Residential	10.12	Freehold	Vacant; for future development	–	–	A:2005	14
<b>SINGAPORE</b>								
Lot No. 1384K (Parcel No. B10B-3), Lot No. 1385N (Parcel No. B10B-4), Lot No. 1386X (Parcel No. B10B-5)	Bungalow	0.21	Leasehold	Under development	2106	–	A:2005	18,683
Land Parcel T2/2 Lot 1410A of Mukim 34	Terrace	0.24	Title yet to be issued	Under development	–	–	A:2005	16,167
<b>PENANG</b>								
Lots 721 to 739 & 745, 1721 and 1727, Seksyen 4, Bandar Butterworth, Daerah Seberang Prai Utara	Commercial & residential land, Agricultural	5.378	Freehold	Vacant; for future development	–	–	A:1992	10,085
Lots 395 & 396, Mukim 1, Pulau Betong, Daerah Barat Daya	Agriculture land	2.104	Freehold	Vacant; for future development	–	–	A:1992	1,306
Lots 34, 35, 38, 40, 41, 1245 & 101, Mukim 12, Daerah Seberang Prai Tengah	Agriculture land	5.508	Freehold	Vacant; for future development	–	–	A:1994	1,229
Holding No. 299, 300 & 304, Mukim 14, Seberang Prai Selatan	Commercial and residential land	7.257	Freehold	Under development	–	–	A:1994	6,529
Lot No. 501, Mukim 14, Seberang Prai Selatan (comprised in Geran No. 38943)	Commercial and residential land	3.655	Freehold	Under development	–	–	A:1994	3,288

Location	Description	Area (Hectares)	Tenure	Existing use	Expiry Date	Age of Building (years)	Date of Revaluation (R)/ Acquisition (A)	Net Book Value as at 31 March 2006 RM'000
Lot No. 862, Mukim 14, Seberang Prai Selatan (comprised in No. Pendaftaran 3754)	Commercial and residential land	2.224	Freehold	Vacant; for future development	–	–	A:1994	2,001
Lot No. 583, Mukim 14, Seberang Prai Tengah (comprised in Geran Mukim No. 381)	Commercial and residential land	1.453	Freehold	Vacant; for future development	–	–	A:1994	1,307
Lot No. 590, Mukim 14, Seberang Prai Tengah (comprised in No. Pendaftaran 12126)	Commercial and residential land	21.032	Freehold	Vacant; for future development	–	–	A:1994	18,923
Lot No. 591, No. GM 168, Mukim 14, Seberang Prai Tengah	Commercial and residential land	2.635	Freehold	Vacant; for future development	–	–	A:1994	2,371
Lot No. 592, Mukim 14, Seberang Prai Tengah (comprised in No. Pendaftaran 12127)	Commercial and residential land	11.153	Freehold	Vacant; for future development	–	–	A:1994	10,034
Lot No. 1639, Mukim 14, Seberang Prai Tengah, (comprised in Geran Mukim No. 299)	Commercial and residential land	2.978	Freehold	Vacant; for future development	–	–	A:1994	2,679
Lot No. 1640, Mukim 14, Seberang Prai Tengah (comprised in Geran Mukim No. 300)	Commercial and residential land	0.121	Freehold	Vacant; for future development	–	–	A:1994	109

## LIST OF PROPERTIES (cont'd)

As at 31 March 2006

Location	Description	Area (Hectares)	Tenure	Existing use	Expiry Date	Age of Building (years)	Date of Revaluation (R)/ Acquisition (A)	Net Book Value as at 31 March 2006 RM'000
Lot Nos. 1686 & 1729 Mukim 14, Seberang Prai Tengah	Agriculture land	5.233	Freehold	Vacant; for future development	–	–	A:1995	3,395
Lot No. 1627, Mukim 14, Seberang Prai Tengah	Agriculture land	7.282	Leasehold	Vacant; for future development	2876	–	A:1995	3,507
Lot No. 1628, Mukim 14, Seberang Prai Tengah	Agriculture land	1.174	Freehold	Vacant; for future development	–	–	A:1995	565
Lot 1725, 1727, 1728, 1768, 1781 & 1789, Mukim 14, Seberang Prai Tengah	Agriculture land	8.72	Freehold	Vacant; for future development	–	–	A:1995-96	1,153
Lot 419 No HS (D) 13356, Seksyen 9W, No HS (D) 5169, Daerah Timur Laut, Bandar Georgetown	Industrial	6.07	Leasehold	Under development	2100	–	A:2001	692
Lot 742, 743, 776, 779 Seksyen 4, No HS (D) 70691, 70692, 13257-13261, Bandar Jelutong, Daerah Timur Laut	Mixed development	5.706	Freehold	Under development	–	–	A:2001	27,675
Lot 777, 775 Seksyen 4, No HS (D) 13258, 13260, Bandar Jelutong, Daerah Timur Laut	Mixed development	13.74	Freehold	Vacant; for future development	–	–	A:2001	12,831
Lot 425, 426, 428, 461-496, 498-517, 524, 525, 586, 447, 585, 426, 425, 446, 522 Ferringhi, Seksyen 2, Daerah Timur Laut	Residential land	17.530	Freehold	Vacant; for future development	–	–	A:2005	4,667
Parcel A1-1 to A1-12, A3-1 to A3-4 Seksyen 4 Jelutong, Daerah Timur Laut	Mixed development	55.24	Freehold	Yet to be reclaimed	–	–	–	66,021
Parcel A2-1 to A2-3, Seksyen 8 Georgetown, Daerah Timur Laut	Mixed development, residential	10.627	Freehold	Yet to be reclaimed	–	–	–	21,815

Location	Description	Area (Hectares)	Tenure	Existing use	Expiry Date	Age of Building (years)	Date of Revaluation (R)/ Acquisition (A)	Net Book Value as at 31 March 2006 RM'000
HS (D) 14015 to 14092 PT 88 to PT 165; HS (D) 14096 PT 169; HS (D) 13788 to 13801 PT 70 to PT 83; HS (D) 13782 PT 64; HS (D) 13803 PT85, Seksyen 8, Bandar Georgetown, DTL, Penang	Residential & Commercial	9.077	Leasehold	Under development	2104 & 2105	–	–	14,198
Parcel B1-1 to B1-8, B2-1 to B2-3, C1-2 to C1-3, C1-7 to C1-9, C2-1 to C2-7, C3-1 & C3-2 Seksyen 8 Georgetown, Daerah Timur Laut	Mixed development	35.604	Leasehold	Parcel B1 - yet to be reclaimed	–	–	–	19,067
PT 1953, HS (D) 8207, Mukim 13, DTL, Penang	Residential	6.133	Leasehold	Under development	2100	–	A:2004	5,783
<b>PERAK</b>								
Lot HS (D) KA 27107 - 9, PT No, 123935 - 7, Mukim of Hulu Kinta, Daerah Kinta	Residential land	5.071	Leasehold	Vacant; for future development	2092	–	A:2001	3,936
<b>SABAH</b>								
CL 075477584, District of Sandakan, 6th North Road	Residential	134.7	Leasehold	Under development	2081	–	A:1998	35,675
CL 075204269, District of Sandakan	–	3.97	Leasehold	Vacant; for future development	–	–	A:2002	882
CL 075204241, District of Sandakan	–	5.91	Leasehold	Vacant; for future development			A:2003	1,354
<b>SARAWAK</b>								
Lot 7978, Section 65 KTLD, (Balance of Lot 5238, Section 65 KTLD, Kuching)	Agricultural	11.338	Leasehold	Under development	2024	–	A:1991	4,535
Lot 5536, Section 65 KTLD, Kuching	Agricultural	2.752	Leasehold	Under conversion to residential	2038	–	A:1996	1,902



# LIST OF PROPERTIES (cont'd)

As at 31 March 2006

Location	Description	Area (Hectares)	Tenure	Existing use	Expiry Date	Age of Building (years)	Date of Revaluation (R)/ Acquisition (A)	Net Book Value as at 31 March 2006 RM'000
<b>SELANGOR</b>								
Lot 4446, Mukim Kapar, 41400 Kelang	Agriculture land	1.214	Freehold	Under development	–	–	A:1984	300
HSD0069884 PT85480, HSD0070256 PT85857, HSD0070255 PT85856 & HSD0070254 PT85855, Mukim Klang, Daerah Klang, Negeri S'gor.	Commercial & Residential	2.508	Freehold	Vacant; for future development	–	–	A:1994	5,211
HSD70033 PT85634, HSD69984 PT85585, HSD69933 PT85534, HSD69930 PT85528, HSD69878 PT85474, HSD69873 PT85469, HSD69869 PT85465, HSD69868 PT85464, HSD0070258 PT0085862, HSD69931 PT85529 & HSD 69932 PT85530, Mukim Klang, Daerah Klang, Sg'or	Agricultural land	6.471	Freehold	Under development	–	–	A:1994	14,905
PT 27334 -27494, HS(D) 56569-56729 Mukim Kapar, Daerah Klang	Industrial land	7.79	Freehold	Under development	–	–	A:1989	16,459
Lot 6497 C.T. 26645 Mukim Kapar, Daerah Klang	Industrial land	5.969	Freehold	Vacant; for future development	–	–	A:1996	9,102
HS(D) 66844, PT2925 Mukim Ampang, Daerah Ulu Langat, S'gor.	Residential land	3.161	Leasehold	Under development	5/31/2100	–	A:11/03/2005	9,398
PN7225 Lot726, PN7224 Lot727 & HSD175348 PT1, Bandar Petaling, Daerah Petaling, Selangor	Commercial	1.563	Leasehold	Under development	4/01/2069 – & 30/08/2070	–	23/04/2004	8,083
HSD143296 PT50610 (Lot16928), Mukim Petaling, Daerah Petaling, Selangor	Agricultural	17.414	Leasehold	Vacant; for future development	6/12/2091	–	A:08/04/2005	33,086

Location	Description	Area (Hectares)	Tenure	Existing use	Expiry Date	Age of Building (years)	Date of Revaluation (R)/ Acquisition (A)	Net Book Value as at 31 March 2006 RM'000
<b>WILAYAH PERSEKUTUAN KUALA LUMPUR</b>								
Geran 30000 Lot 1724, Geran 7162 Lot 1512, Geran 7158 Lot 1508 & Geran 7157 Lot 1507, Seksyen 46, KL	Commercial & Residential	2.070	Freehold	Under development	–	–	A:20/01/2004	87,948
HS(D) NO. 16953 - 16962, 16979 - 16988, 17014 - 17023, 17072 - 17076, 17087 - 17096, 17106 - 17115, 17146 - 17153, 17383 - 17384, 18385, 17407 - 17417, 17440 - 17450, 17461 - 17472, 16843, 16885 - 16896, 16918 - 16932, 16943 - 16952, 16989, 16842, 17078 - 17086, 17116 - 17125, 17178 - 17187, 17251 - 17260, 17296 - 17305, 17316 - 17325, 16761 - 16764, 16990, 17169, and 17077 LOT NO. 25547 - 25560, 25778 - 25781, 25783 - 25839, 25841 - 25929, 26003 - 26039, 26078 - 26111, 26113 - 26120, 26308 - 26322, Mukim of Petaling, Kuala Lumpur	Residential & commercial	26.709	Leasehold	Vacant; for future development	2078	–	A:2003	58,819
Wilayah Persekutuan Daerah Kuala Lumpur, PN 27017, Lot 80, Seksyen 63, Kuala Lumpur	Residential	0.41	Leasehold	Under development	2021	–	A:2004	26,601
GRN35124 Lot1173 & GRN64327 Lot311, Mukim Pelin, & GRN74041 Lot472 & GRN71580 Lot879 Mukim Kundur, District of Rembau, NS	Agricultural	295.51	Freehold	Vacant; for future development	–	–	A:2005	25,824





# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting (AGM) of IJM CORPORATION BERHAD (104131-A) will be held at the Registered Office at 2nd Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 16 August 2006, at 11.30 a.m. to transact the following matters:-

1. To receive the audited financial statements for the year ended 31 March 2006 together with the reports of the Directors and Auditors thereon. (Resolution 1)
2. To elect retiring Directors as follows:-
  - a) Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob (Resolution 2)
  - b) Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor (Resolution 3)
  - c) Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad (Resolution 4)
3. To reappoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. (Resolution 5)
4. As special business to consider and pass the following ordinary resolutions:-
  - a) "That the Directors' fees of RM245,000 for the year ended 31 March 2006 be approved to be divided amongst the Directors in such manner as they may determine." (Resolution 6)
  - b) "That the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act 1965, to allot and issue not more than ten percent (10%) of the issued share capital of the Company at any time upon such terms and conditions and for such purposes as the Directors in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof." (Resolution 7)

By Order of the Board

Jeremie Ting Keng Fui  
MAICSA 0777605  
Company Secretary

Petaling Jaya  
25 July 2006

## Notes:

### 1. APPOINTMENT OF PROXY

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and such a proxy need not be a member of the Company. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised. The instrument appointing a proxy must be deposited at the Registered Office not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting. The Annual Report and Form of Proxy are available for access and download at IJM website at <http://www.ijm.com>.

### 2. RETIREMENT OF DIRECTORS

The Resolution 3, if approved, will authorise the continuity in office of the Director (who is over the age of 70 years) until the next AGM pursuant to Section 129 (6) of the Companies Act, 1965 (the Act). The particulars of all Directors including those seeking re-election are contained in the Annual Report.

### 3. DIRECTORS' FEES

The Resolution 6, if approved, will authorise the payment of Directors' fees pursuant to Article 100 of the Articles of Association.

### 4. AUTHORITY TO ISSUE SHARES UNDER SECTION 132D

The Resolution 7, if approved, will renew the authorisation obtained at the last AGM, pursuant to Section 132D of the Act, for issuance of up to 10% of the issued share capital of the Company, subject to compliance with the regulatory requirements. The approval is sought to avoid any delay and cost in convening a general meeting for such issuance of shares. The authorisation, unless in pursuance of offers, agreements or options granted by the Directors while the approval is in force, will expire at the next AGM.

# FORM OF PROXY

I/We \_\_\_\_\_

of \_\_\_\_\_

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

hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the 22nd Annual General Meeting (AGM) of IJM CORPORATION BERHAD (104131-A) to be held on Wednesday, 16 August 2006, at 11.30 a.m. and, at any adjournment thereof, in the manner indicated below:

No.	Resolutions	For	Against
1.	To receive the audited financial statements for the year ended 31 March 2006 together with the reports of the Directors and Auditors		
2.	To reappoint Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob as Director		
3.	To reappoint Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor as Director to hold office until the next AGM		
4.	To reappoint Dato' (Dr) Megat Abdul Rahman bin Megat Ahmad as Director		
5.	To reappoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration		
6.	To approve the payment of Directors' fees of RM245,000		
7.	To authorise the issuance of up to 10% of the issued share capital of the Company		

Please indicate with "X" how you wish your vote to be cast. In the absence of specific instruction, your Proxy will vote or abstain as he/she thinks fit.

Number of Shares Held

Signed (and sealed) this \_\_\_\_\_ day of \_\_\_\_\_ 2006

Signature(s): \_\_\_\_\_

## Notes:

A member or holder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and such a proxy need not be a member of the Company. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised. The instrument appointing a proxy must be deposited at the Registered Office not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting. The Annual Report and Form of Proxy are available for access and download at the website at <http://www.ijm.com>.

Please Fold Here

Stamp

The Company Secretary  
**IJM CORPORATION BERHAD** (104131-A)  
2nd Floor, Wisma IJM  
Jalan Yong Shook Lin  
46050 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

Please Fold Here



# Corporate Information



## IJM CORPORATION BERHAD (104131-A)

### HEAD OFFICE

Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya,  
Selangor Darul Ehsan, Malaysia  
Tel : +603-79858288 Fax : +603-79529388  
E-mail : [ijm@ijm.com](mailto:ijm@ijm.com) Website : <http://www.ijm.com>



## BRANCH OFFICES

### JOHOR, MALAYSIA

17th Floor, Unit 17-05, City Plaza  
Jalan Tebrau, 80250 Johor Bahru  
Johor Darul Ta'zim, Malaysia  
Tel : +607-3334895, +607-3334896  
Fax : +607-3334918  
E-mail : [ijmjb@ijm.com](mailto:ijmjb@ijm.com)  
Contact : Encik Zulkarnain Abu Kassim

### PENANG, MALAYSIA

Unit 2-6-20, Harbour Trade Centre  
Gat Lebu Macallum  
10300 Penang, Malaysia  
Tel : +604-2644057/58  
Fax : +604-2644054  
Email : [ijmpg@ijm.com](mailto:ijmpg@ijm.com)  
Contact : Mr Liew Hau Seng

### SARAWAK, MALAYSIA

1st Floor, Lots 7886 & 7887  
Queen's Court, Jalan Wan Alwi  
93350 Kuching, Sarawak, Malaysia  
Tel : +6082-463496, +6082-463497  
Fax : +6082-461581  
E-mail : [ijmkch@ijm.com](mailto:ijmkch@ijm.com)  
Contact : Mr Kok Fook Yu

## DIVISIONAL OFFICES

### CONSTRUCTION

IJM CONSTRUCTION SDN BHD (195650-H)  
2nd Floor, Wisma IJM, Jalan Yong Shook Lin  
P.O.Box 504 (Jalan Sultan)  
46760 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603-79858288  
Fax : +603-79529388  
E-mail : [ijm@ijm.com](mailto:ijm@ijm.com)  
Contact : Dato' Goh Chye Koon

### INDUSTRIES

#### INDUSTRIAL CONCRETE PRODUCTS BERHAD (32369-W)

2nd Floor, Wisma IJM, Jalan Yong Shook Lin  
P.O.Box 191, 46720 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603-79529388  
Fax : +603-79581111  
E-mail : [enquiry@icpb.com](mailto:enquiry@icpb.com)  
Website : [www.icpb.com](http://www.icpb.com)  
Contact : Mr Harry Khoo

#### MALAYSIAN ROCK PRODUCTS SDN BHD (4780-T)

Lower Ground Floor, Wisma IJM  
Jalan Yong Shook Lin, P.O. Box 191  
46720 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603-79571580  
Fax : +603-79529388  
E-mail : [ijm@ijm.com](mailto:ijm@ijm.com)  
Website : <http://www.ijm.com>  
Contact : Mr Mah Teck Oon

### PLANTATIONS

#### IJM PLANTATIONS BERHAD (133399-A)

Wisma IJM Plantations  
Lot 1, Jalan Bandar Utama, Mile 6  
Jalan Utara, 90000 Sandakan, Sabah  
Postal Address: BQ 3933  
Mail Bag No. 8, 90009 Sandakan  
Sabah, Malaysia  
Tel : +6089-667721  
Fax : +6089-667728  
E-mail : [ijmplt@ijm.com](mailto:ijmplt@ijm.com)  
Contact : Mr Velayuthan Tan

### PROPERTIES

#### IJM PROPERTIES SDN BHD (100180-M)

Ground Floor, Wisma IJM  
Jalan Yong Shook Lin  
P.O.Box 504 (Jalan Sultan)  
46760 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603-79858288  
Fax : +603-79529388  
E-mail : [ijm@ijmproperties.com](mailto:ijm@ijmproperties.com)  
Website : <http://www.ijmproperties.com>  
Contact : Mr Teh Kean Ming

Ground Floor, Menara Penang Garden  
42A, Jalan Sultan Ahmad Shah  
10050 Penang, Malaysia  
Tel : +604-2293999  
Fax : +604-2286342  
E-mail : [ijm@ijmproperties.com](mailto:ijm@ijmproperties.com)  
Website : <http://www.ijmproperties.com>  
Contact : Mr Teh Kean Ming

17th Floor, Unit 17-04  
City Plaza, Jalan Tebrau  
80250 Johor Bahru,  
Johor Darul Ta'zim, Malaysia  
Tel : +607-3391888  
Fax : +607-3334803  
E-mail : [ijm@ijmproperties.com](mailto:ijm@ijmproperties.com)  
Website : <http://www.ijmproperties.com>  
Contact : Mr Tham Huen Cheong

Ground Floor, Wisma IJM Plantations  
Lot 1, Jalan Bandar Utama  
Mile 6, Jalan Utara  
90000 Sandakan, Sabah  
Postal Address: BQ 3933  
Mail Bag No. 8, 90009 Sandakan  
Sabah, Malaysia  
Tel : +6089-672888  
Fax : +6089-673860  
E-mail : [ijm@ijmproperties.com](mailto:ijm@ijmproperties.com)  
Website : <http://www.ijmproperties.com>  
Contact : Mr Patrick Oye

### INTERNATIONAL VENTURES

#### IJM (INDIA) INFRASTRUCTURE LIMITED

H.No. 1-90/A, Plot No. 20 & 21  
RBI Colony, Near Durgam Cheruvu  
Madhapur, Hyderabad - 500 081 India  
Tel : +91 40 23114661/62/63/64  
Fax : +91 40 23114669  
E-mail : [hyd2\\_ijmil@sancharnet.in](mailto:hyd2_ijmil@sancharnet.in)  
Website : <http://www.ijmindia.com>  
Contact : Mr Ng Chin Meng

#### IJM AUSTRALIA PTY LTD (ACN 002 042 088)

Suite 211, Manning Building  
451 Pitt Street, Sydney NSW 2000, Australia  
Tel : +61 02 92803355  
Fax : +61 02 92803377  
E-mail : [info@ijmaustralia.com.au](mailto:info@ijmaustralia.com.au)  
Website : <http://www.ijmaustralia.com.au>  
Contact : Mr Tan Joo Kee

#### IJM CONSTRUCTION (MIDDLE EAST) LLC (560467)

Office 203, Level 2, Arcade Building  
Al Garhoud, P. O. Box 36634  
Dubai, United Arab Emirates  
Tel : +971 4 2827007  
Fax : +971 4 2830411  
E-mail : [ijmme@ijmmellc.ae](mailto:ijmme@ijmmellc.ae) and [ijm@ijmme.com](mailto:ijm@ijmme.com)  
Contact : Encik Mohd Ghazali Ali

#### IJM CONSTRUCTION (PAKISTAN) (Pvt.) Ltd

503, Ibrahim Trade Tower, Plot No. 1 Block 7 & 8  
Maqbool Cooperative Housing Society  
Shahrah-e-Faisal, Karachi, Pakistan  
Tel : +92214327643/4  
Fax : +92214327646  
E-mail : [ijmpk@ijm.com](mailto:ijmpk@ijm.com)  
Contact : Encik Mohd Razin bin Ghazali

#### HEXACON CONSTRUCTION PTE LTD (198204843K)

432, Balestier Road, #02-432  
Public Mansion, Singapore 329813  
Tel : +65-62519388  
Fax : +65-62531638  
E-mail : [hexacon@singnet.com.sg](mailto:hexacon@singnet.com.sg)  
Contact : Mr Pang Hoe Sang

## REGISTERED OFFICE

2nd Floor, Wisma IJM, Jalan Yong Shook Lin  
46050 Petaling Jaya, Selangor Darul Ehsan  
Malaysia  
Tel : +603-79858288  
Fax : +603-79521200  
E-mail : [ijmir@ijm.com](mailto:ijmir@ijm.com)  
Website : <http://www.ijm.com>

## PRINCIPAL BANKERS

ABN AMRO Bank Berhad  
BumiPutra-Commerce Bank Berhad  
HSBC Bank Malaysia Berhad  
Malayan Banking Berhad  
RHB Bank Berhad  
Standard Chartered Bank Malaysia Berhad  
United Overseas Bank (Malaysia) Berhad

## AUDITORS

PricewaterhouseCoopers  
11th Floor, Wisma Sime Darby, Jalan Raja Laut  
50350 Kuala Lumpur, Malaysia  
Tel : +603-26931077  
Fax : +603-26930997  
Website : <http://www.pwc.com/my>

## SHARE REGISTRARS

IGB Corporation Berhad (5745-A)  
23rd Floor, Menara IGB, 1 The Boulevard  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur, Malaysia  
Tel : +603-22898989  
Fax : +603-22898899  
E-mail : [corporate-enquiry@igbcorp.com](mailto:corporate-enquiry@igbcorp.com)

## STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities  
Berhad since 29 September 1986  
BMSB Code : 3336  
Reuters Code : IJMS.KL  
Bloomberg Code : IJM MK

[www.ijm.com](http://www.ijm.com)

**IJM CORPORATION BERHAD** (104131-A)

Wisma IJM, Jalan Yong Shook Lin

46050 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Tel: +603-79858288

Fax: +603-79529388

E-mail: [ijm@ijm.com](mailto:ijm@ijm.com)

