



“Year 2001 was an eventful year for us - good profits, an excellent order book, recognition from the industry through the Builder of the Year Award, the second best performing stock on the KLSE and many more.”



Mr Krishnan Tan
Group Managing Director

review of operations



Construction

Construction has been IJM's core business since its formation. Today, IJM has grown to be one of Malaysia's largest and most diversified construction groups in terms of work done and geographical spread. This has served as a solid foundation and as a springboard to venture into new growth areas.

Having earned a solid reputation in each of its specialised construction fields, IJM is effectively Malaysia's largest "Construction Supermarket". Its expertise ranges from civil engineering, foundation and building systems. Power, oil and gas projects and provision of project management and construction management services are also among its portfolio.

During the mid 80's, IJM Group ventured into overseas markets actively. It has since carried out construction activities in Australia, Hong Kong, Singapore, Mauritius, Myanmar, Pakistan, Bangladesh, Sri Lanka, India, China and Vietnam.



Construction Division Management Team

Seated (L to R): Project Directors - Mr Tan Gim Foo, Mr Debojit Chowdhury, Mr How See Hock, Mr Phoon Wai Weng, Mr Hiew Yet Kuei, Mr Goh Chye Koon (Deputy Group Managing Director), Mr Soo Heng Chin (Group Executive Director) & Mr Soo Sik Sang (Project Director)

Standing (L to R): Mr Kok Fook Yu (Project Director), Mr Ng Chin Meng (Country Director - India) & Mr Tan Kiam Choon (Project Director)

During 2001, as the Malaysian economy slowed, the construction sector was again thrust into the limelight by the fiscal stimulus packages provided by the Government, particularly for infrastructure projects and the construction of low and medium-cost residential houses. As a result, GDP for the construction sector grew 2.3% in 2001 against 1.0% in 2000.

Accordingly, the Construction Division continued to be the main engine of growth in 2001, contributing 53.0% to group revenue and 58.6% to group pre-tax profit, excluding the exceptional items. The Division's pre-tax profit rose 35.2% to RM86.60 million (2000: RM64.04 million) on the back of a marginal increase in revenue to RM628.31 million (2000: RM621.38 million), reflecting improving margins on contracts executed. The better margins were the result of a subdued cost environment and intensive management of projects.

The Construction Division started off 2001 with a bang, beginning in January, with a RM470 million contract from Jabatan Kerja Raya to construct the Putrajaya Primary Distributor Road – Jalan Lingkaran Bandar U4 and a RM229 million job from Putrajaya Holdings Sdn. Bhd. to build four office blocks under Parcel E, Sub-Package 1. The Division also succeeded in winning a RM132 million contract for Building Works Package for the Electrified Double Track Project between Rawang and Ipoh.

The highlight of the year came in June when the RM603 million Putrajaya Convention Centre contract was clinched. The design-and-build project is expected to take twenty two months to complete, in time for the proposed Conference of Organisation Of The Islamic Countries in the third quarter of 2003. A technically demanding and time sensitive project, it will be, when completed, a symbolic testimony of IJM's capability and professionalism in taking on and completing difficult jobs.

Overseas activities continued to be spearheaded by our office in India, which brought in two additional road construction projects with a total value of RM287 million.

The year saw the division securing contracts totalling RM1.77 billion, with local projects contributing RM1.48 billion. This has been a record year for the division in so far as procurement of project is concerned.



Pantai Hospital Ayer Keroh



Year 2001 also saw the completion and handing over of eight projects to our clients. Notable projects completed include the civil works for Pelabuhan Tanjung Pelepas Rail Link Project, the Pantai Medical Centre Extension in Bukit Pantai, both in Malaysia; and Chennai Bypass Phase 1 (connecting NH-4 and NH-5) in Tamil Nadu State, India. The total value of the completed projects was RM368.67 million.



Pelabuhan Tanjung Pelepas Rail Link

Untiring efforts of the Division towards enhanced performance with special emphasis on safety and quality saw the Company being awarded the prestigious Builder of the Year 2001 Award by the Construction Industry Development Board during the year. This award, following closely on last year's Malaysian International Contractor of the Year Award, stands testimony to the industry's recognition of the Company's capability and reputation for performance and quality.

We can be justifiably proud of the recognition given. Today, our products and services are widely recognised for the quality of the end results, be it the construction projects we undertake or the property units that we sell. IJM's quality motto "Excellence Through Quality" is the driving force for every IJM person to ensure projects are completed expeditiously to achieve total customer satisfaction.

Prospects for 2002 appear bright for the Construction Division. Our optimism is based on our healthy order book, continuing high government development expenditure in 2002 and a promising construction market overseas, especially in India. A benign cost environment will support the earnings outlook.



Pantai Medical Centre, Kuala Lumpur.



Construction Support Services

L to R: Mr Ng Yock Yin (General Manager - Contracts), Mr Liew Chee Khong (Senior Manager - Accounts), En Mohammad Albakri bin Tajuddin (Manager - Safety & Health), Ms Choo Lai Fong (Sr. Manager - Purchasing & Store), Mr Chang Khee (Sr. Manager - Workshop), Ms Pang Sek Loh (Sr. Manager - Technical) & Mr Siva Kumar s/o Rajappan (Manager - Quality System)



Construction work in progress at the Putrajaya Convention Centre (PCC). When completed, the PCC would consist of a circular Banquet Hall with a clear span of 75 metres, a Plenary Hall with 2,880 seating capacity, a Head of State Hall, Exhibition Halls and other state-of-the-art facilities.

