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## ■ Financial Statement ■

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## | Directors' Report |

*for the year ended 31 December 1999*

The Directors have pleasure in submitting their 16<sup>th</sup> annual report together with the audited accounts of the Group and of the Company for the financial year ended 31 December 1999.

### PRINCIPAL ACTIVITIES

2. The Group is principally engaged in construction, property development, manufacturing and quarrying, plantation, education and investment holding. The Company is principally engaged in construction, property development and investment holding.

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

### RESULTS

	The Group RM'000	The Company RM'000
3. Profit for the financial year after taxation and minority interests	117,676	55,408
Retained profit brought forward	331,477	157,634
	<hr/>	<hr/>
Profit available for appropriation	449,153	213,042
Transfer from non-distributable reserves	914	-
	<hr/>	<hr/>
Dividends	450,067 (20,865)	213,042 (20,865)
	<hr/>	<hr/>
Retained profit carried forward	429,202	192,177
	<hr/>	<hr/>

### DIVIDENDS

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

	RM'000
a) In respect of the year ended 31 December 1998 as proposed in the Directors' Report for that year:	
A final dividend of 5% less tax paid on 18 August 1999	12,315
	<hr/>
b) In respect of the year ended 31 December 1999:	
A proposed final tax exempt dividend of 6% to be paid on 9 June 2000	20,758
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### 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 accounts.

### SHARE CAPITAL

6. During the year, the issued and paid up ordinary share capital of the Company was increased from RM342,089,654 to RM345,965,654 by way of issuance of 3,876,000 new ordinary shares of RM1 each at an option price of RM1.82 per share pursuant to the ESOS referred to in paragraph 7 below.

**EMPLOYEES SHARE OPTION SCHEME (ESOS)**

7. At an Extraordinary General Meeting held on 9 March 1995, the existing ESOS, which was originally due to expire on 12 March 1997, was approved to be extended for a period of five years to expire on 12 March 2002. The total number of shares that could be offered to eligible employees and Executive Directors of the Group was increased to a maximum of 10% of the issued share capital of the Company and the option price shall be the average of the middle market quotation of the Company's shares as shown in the Daily Official List issued by the KLSE for the five (5) trading days preceeding the Date of Offer or at par value of the ordinary shares of the Company, whichever is higher. As at 31 December 1999, the details of options granted but not exercised are as follows:-

<b>Date Granted</b>	<b>Number of Ordinary Shares ('000)</b>				<b>Exercise Price</b>
	<b>Granted</b>	<b>Exercised</b>	<b>Terminated</b>	<b>Balance</b>	
17.03.1995	* 19,894	6,047	1,787	12,060	RM4.01
29.12.1995	1,537	973	50	514	RM3.89
01.11.1997	10,832	3,894	461	6,477	RM1.82
	32,263	10,914	2,298	19,051	

\* Adjusted for the bonus issue in 1995.

The consideration is payable in full on application. The options granted do not confer any right to participate in any share issue of any other company.

**DIRECTORS**

8. The Directors in office since the date of the last report are:-

**Directors**

Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin, *Chairman*

Tan Boon Seng @ Krishnan, *Group Managing Director*

Goh Chye Koon, *Deputy Group Managing Director*

Ooi Poay Lum, *Group Executive Director*

Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor

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

Datuk Yahya bin Ya'acob

Dato' Goh Chye Keat

Dato' Arthur Tan Boon Shih

Choo Choon Yeow

Khoo Chew Meng

Lai Meng

Mior Abdul Rahman bin Miou Mohd Khan

Soo Heng Chin (alternate to Ooi Poay Lum)

Velayuthan A/L Tan Kim Song (alternate to Choo Choon Yeow)

9. According to the Register of Directors' Shareholdings, particulars of Directors' interests in the shares of the Company during the financial year are as follows:-

Name of Director	Number of Ordinary Shares of RM1 each			Balance 31.12.1999
	Balance 01.01.1999	Acquired	Disposed	
Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin				
Direct interest	155,000	-	-	155,000
Indirect interest	40,000	-	-	40,000
Tan Boon Seng @ Krishnan				
Direct interest	422,698	-	-	422,698
Indirect interest	311,698	10,000	-	321,698
Goh Chye Koon				
Direct interest	325,712	-	-	325,712
Ooi Poay Lum				
Direct interest	80,000	6,000	-	86,000
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor				
Direct interest	10,333	-	-	10,333
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob				
Direct interest	32,000	-	-	32,000
Dato' Goh Chye Keat				
Direct interest	558,362	-	-	558,362
Indirect interest	851,132	-	-	851,132
Dato' Arthur Tan Boon Shih				
Direct interest	110,000	30,000	-	140,000
Choo Choon Yeow				
Direct interest	250,000	-	60,000	190,000
Indirect interest	155,000	-	-	155,000
Khoo Chew Meng				
Direct interest	38,000	-	-	38,000
Soo Heng Chin				
Direct interest	146,000	-	-	146,000

10. Particulars of Directors' share options during the financial year pursuant to the ESOS referred to in paragraph 7 above are as follows:-

	Number of Ordinary Shares of RM1 each		
	Balance 01.01.1999	Options Exercised	Balance 31.12.1999
Tan Boon Seng @ Krishnan	318,000	-	318,000
Goh Chye Koon	250,000	-	250,000
Ooi Poay Lum	214,000	-	214,000
Dato' Goh Chye Keat	328,000	-	328,000
Choo Choon Yeow	234,000	-	234,000
Khoo Chew Meng	214,000	-	214,000
Soo Heng Chin	174,000	-	174,000
Velayuthan A/L Tan Kim Song	282,000	-	282,000

11. According to the Register of Directors' Shareholdings, none of the other Directors has any direct or indirect interests in the shares of the Company during the financial year.
12. Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the fees and other emoluments shown in the accounts) 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 substantial financial interest other than Dato' Goh Chye Keat who has substantial financial interests in Industrial Concrete Products Berhad, an associated company of the Group which trades with the Company in the ordinary course of business.
13. 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 STATUTORY INFORMATION

14. Before the accounts 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 provision for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts; and
  - (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.
15. At the date of this report, the Directors are not aware of any circumstances:-
- (a) which would render the amounts written off or provided for bad and 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;
  - (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; and
  - (c) not otherwise dealt with in this report or in the accounts that would render any amount stated in the accounts of the Group and of the Company misleading.
16. In the interval between the end of the financial year and the date of this report:-
- (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; and
  - (b) no charge has arisen on the assets of any company in the Group which secures the liability of any other person nor have any contingent liabilities arisen in any company in the Group.

17. 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 subsidiary companies to meet their obligations when they fall due.
18. In the opinion of the Directors:-
- (a) 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 other than the exceptional items as disclosed in Note 31 to the accounts; and
  - (b) the accounts of the Group and of the Company set out on pages 28 to 67 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 December 1999 and of their results and the cash flows of the Group for the year ended on that date in accordance with the applicable approved Accounting Standards in Malaysia.

#### **AUDITORS**

19. 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.

On behalf of the Board of Directors



**TAN SRI DATO' HAJI AHMAD AZIZUDDIN  
BIN HAJI ZAINAL ABIDIN**



**TAN BOON SENG @ KRISHNAN**

Petaling Jaya  
28 February 2000

## Balance Sheets

as at 31 December 1999

	<b>Note</b>	<b>The Group</b>		<b>The Company</b>	
		<b>1999 RM'000</b>	<b>1998 RM'000</b>	<b>1999 RM'000</b>	<b>1998 RM'000</b>
SHARE CAPITAL	4	345,966	342,090	345,966	342,090
RESERVES	5	746,755	648,127	395,923	357,762
TOTAL CAPITAL AND RESERVES		1,092,721	990,217	741,889	699,852
MINORITY INTERESTS		100,171	88,611	-	-
DEFERRED AND LONG TERM LIABILITIES	6 – 11	233,297	151,471	17,159	45,173
DEFERRED INCOME	12	18,931	-	-	-
		<u>1,445,120</u>	<u>1,230,299</u>	<u>759,048</u>	<u>745,025</u>
Represented by:-					
FIXED ASSETS	13	423,103	309,531	17,418	33,806
SUBSIDIARY COMPANIES	14	-	-	146,321	106,291
ASSOCIATED COMPANIES	15	482,185	203,106	173,562	97,485
INVESTMENTS	16	65,981	339,596	52,530	150,698
LONG TERM RECEIVABLES	17	73,024	85,163	-	4,965
GOODWILL ON CONSOLIDATION	18	3,109	3,421	-	-
DEFERRED EXPENDITURE	19	4,259	4,707	-	-
CURRENT ASSETS	20-26	968,790	1,024,037	748,616	759,740
Less:-					
CURRENT LIABILITIES	27-28	575,331	739,262	379,399	407,960
NET CURRENT ASSETS		393,459	284,775	369,217	351,780
		<u>1,445,120</u>	<u>1,230,299</u>	<u>759,048</u>	<u>745,025</u>

The above balance sheets are to be read in conjunction with the notes to the accounts on pages 31 to 67.

## Profit And Loss Accounts

for the year ended 31 December 1999

	Note	The Group 1999 RM'000	1998 RM'000	The Company 1999 RM'000	1998 RM'000
OPERATING REVENUE					
Company and subsidiary companies		549,598	730,629	164,171	132,511
Share of associated companies and joint ventures		660,370	417,887	169,845	155,027
	29	1,209,968	1,148,516	334,016	287,538
OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS	30	67,364	77,427	41,005	29,044
EXCEPTIONAL ITEMS	31	16,207	(5,418)	16,012	2,049
OPERATING PROFIT AFTER EXCEPTIONAL ITEMS		83,571	72,009	57,017	31,093
SHARE OF PROFITS LESS LOSSES OF ASSOCIATED COMPANIES		55,860	(1,065)	-	-
SHARE OF ASSOCIATED COMPANIES EXCEPTIONAL ITEMS		-	(201)	-	-
PROFIT BEFORE TAXATION		139,431	70,743	57,017	31,093
TAXATION					
Company and subsidiary companies	32	1,882	(19,251)	(1,609)	(10,089)
Share of associated companies		(3,552)	(1,216)	-	-
		(1,670)	(20,467)	(1,609)	(10,089)
PROFIT AFTER TAXATION		137,761	50,276	55,408	21,004
MINORITY INTERESTS					
Subsidiary companies		(18,855)	(10,550)	-	-
Share of associated companies		(1,230)	(596)	-	-
		(20,085)	(11,146)	-	-
NET PROFIT FOR THE YEAR		117,676	39,130	55,408	21,004
RETAINED PROFIT BROUGHT FORWARD		331,477	307,987	157,634	148,945
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS		449,153	347,117	213,042	169,949
Transferred from/(to) non-distributable reserves	33	914	(3,325)	-	-
PROFIT AVAILABLE FOR APPROPRIATION		450,067	343,792	213,042	169,949
DIVIDENDS	34	(20,865)	(12,315)	(20,865)	(12,315)
RETAINED PROFIT CARRIED FORWARD		429,202	331,477	192,177	157,634
Retained by: -					
The Company		192,177	157,634		
Subsidiary Companies		183,638	136,748		
Associated Companies		53,387	37,095		
		429,202	331,477		
EARNINGS PER SHARE:-					
Basic	35 (a)	34.2 Sen	11.4 Sen		
Fully diluted	35 (b)	33.4 Sen	11.4 Sen		

The above profit and loss accounts are to be read in conjunction with the notes to the accounts on pages 31 to 67.



## Consolidated Cash Flow Statement

For the year ended 31 December 1999

	Note	The Group 1999 RM'000	1998 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		633,942	726,711
Payments to contractors, suppliers and employees		(403,966)	(600,313)
Payments to non trade suppliers, deposits and advances		(133,147)	(51,799)
Interests paid		(20,041)	(37,956)
Income taxes paid		(25,517)	(17,724)
<b>Net cash from operating activities</b>		<b>51,271</b>	<b>18,919</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of shares in a subsidiary company		-	2,422
Proceeds from disposal of shares in associated companies		59,665	25,262
Proceeds from disposal of fixed assets		77,024	12,757
Proceeds from disposal of long term investments		238	7,066
Proceeds from disposal of short term investments		1,492	634
Dividends received from associated companies		23,497	1,872
Dividends received from other investments		344	1,438
Acquisition of subsidiaries, net of cash acquired	36	(2,486)	-
Acquisition of shares from minority shareholders		(280)	(520)
Investments in associated companies		(11,500)	(24,033)
Acquisitions in long term investments		(5,221)	(18,640)
Acquisitions in short term investments		(839)	(426)
Purchases of fixed assets		(87,757)	(29,106)
<b>Net cash from/(used in) investing activities</b>		<b>54,177</b>	<b>(21,274)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from bonds issued by a subsidiary company		95,068	-
Proceeds from shares issued by the Company:-			
- Employees Share Option Scheme		7,054	33
Proceeds from share issued by subsidiary companies to minority shareholders		60	-
Receipts of bank borrowings		3,825	126,086
Repayments of hire purchase and lease borrowings		(21,527)	(9,073)
Dividends paid by subsidiaries to minority shareholders		(2,214)	(2,485)
Dividends paid by the Company		(12,429)	(13,904)
Repayments of bank borrowings		(211,958)	(90,195)
Associated companies balances		122,447	(63,526)
Placement of short term deposits		(7,872)	-
<b>Net cash used in financing activities</b>		<b>(27,546)</b>	<b>(53,064)</b>
<b>Net increase/(decrease) in cash and cash equivalents during the financial year</b>		<b>77,902</b>	<b>(55,419)</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>(35,884)</b>	<b>19,535</b>
Foreign exchange differences on opening balances		567	-
<b>Cash and cash equivalents at end of financial year</b>	37	<b>42,585</b>	<b>(35,884)</b>

The above consolidated cash flow statement is to be read in conjunction with the notes to the accounts on pages 31 to 67.

## Notes To The Accounts

*For the year ended 31 December 1999*

### PRINCIPAL ACTIVITIES

1. The Group is principally engaged in construction, property development, manufacturing and quarrying, plantation, education and investment holding. The Company is principally engaged in construction, property development and investment holding.

### BASIS OF PREPARATION OF THE ACCOUNTS

2. The accounts of the Group and of the Company have been prepared in accordance with the applicable approved Accounting Standards in Malaysia and the applicable provisions of the Companies Act, 1965.

### SIGNIFICANT GROUP ACCOUNTING POLICIES

3. All significant group accounting policies set out below are consistent with those applied in the previous year.

#### (a) Accounting Convention

The accounts are prepared under the historical cost convention, modified by the revaluation of certain fixed assets.

#### (b) Basis of Consolidation

The consolidated profit and loss account and balance sheet include the accounts of the Company and its subsidiary companies made up to the end of the financial year. The results of the subsidiary companies acquired or disposed during the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal respectively. Intercompany transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

Goodwill arising on consolidation represents the excess of the purchase price over the Group's share of the fair value of the separable net assets of the subsidiary companies at the date of acquisition and is amortised through the profit and loss account on a straight line basis over the expected useful economic life.

#### (c) Subsidiary Companies

A subsidiary company is a company in which the Group has a long term equity investment of more than 50 percent and where the Group controls the composition of its board of directors or more than half of its voting power.

Investments in subsidiary companies are stated at cost except where the Directors are of the opinion that there is a permanent diminution in the value of the investment, in which case provision is made for the diminution in value.

#### (d) Associated Companies

The Group treats as associated companies those companies in which a long term equity interest with voting power of between 20 to 50 percent is held and where it holds significant but less than 20 percent of the equity interest and voting power, it is able to exercise significant influence by representation on the board of directors or participation in the financial and operating decision making processes of the investee.

Investments in associated companies are stated at cost except where the Directors are of the opinion that there is a permanent diminution in the value of the investment, in which case provision is made for the diminution in value.

The Group's share of profits less losses of associated companies is included in the consolidated profit and loss account. In the consolidated balance sheet, the Group's interest in associated companies is stated at cost plus the Group's share of post acquisition profits and reserves. These amounts are taken from the audited accounts made up to a date which is not more than six months before the date of the Company's accounts, or management accounts made up to the date of the Company's accounts if audited accounts are not available, for each of the companies concerned.

Premium or reserve arising on acquisition represents the difference between the cost of investment and the Group's share of the fair value of the separable net assets of the associated companies at the date of acquisition and is stated at cost except where the Directors are of the opinion that it is permanently impaired, in which case a provision is made.

**(e) Joint Ventures**

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 using the equity method where the Group's share of results of the joint ventures is included in the consolidated accounts.

**(f) Investments**

Long term investments are stated at cost unless in the opinion of the Directors, there has been permanent decline in value, in which case a provision is made for the diminution in value.

Short term investments in quoted shares are stated at the lower of cost and market value on the aggregate basis.

**(g) 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 profit and loss account.

Exchange differences arising on foreign currency borrowings that have been used to finance equity investments in foreign currencies are dealt with through exchange translation reserve to the extent that they are covered by exchange differences arising on the net assets represented by the equity investments.

Assets and liabilities of foreign subsidiary and associated companies, both monetary and non-monetary, are translated into Ringgit Malaysia at the rates of exchange ruling at 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.

**(h) Fixed Assets and Depreciation**

Fixed assets are stated at cost or at valuation less accumulated depreciation except for freehold land, long term leasehold land of 50 years and above and capital work-in-progress which are not depreciated. The Directors are of the opinion that the non-amortisation of the long term leasehold land has no material effect on the accounts.

Plantation land and development expenditure comprise land stated at cost or valuation and expenditure incurred on new planting, estate administration and upkeep of plantation up to its maturity. Long term leasehold plantation land and development expenditure of 50 years and above are not depreciated. All expenditure incurred subsequent to maturity and replanting expenditures are charged to profit and loss account when incurred.

Leasehold land of less than 50 years are amortised over the remaining period of the leases ranging from 40 to 50 years.

On other assets, depreciation is calculated to write off the cost or revalued amount of fixed assets 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:-

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%

The Directors have applied the transitional provisions of International Accounting Standards No. 16 (Revised) Property, Plant and Equipment as adopted by the Malaysian Accounting Standards Board which allow the assets to be stated at their last revalued amounts less depreciation. Accordingly, these valuations have not been updated.

**(i) Revenue and Profit Recognition**

**(i) Revenue and Profit from Construction Works**

Construction contract revenue represents the value of construction works based on survey of work performed and does not include advances from customers.

Profit from construction contracts, including joint venture contracts, is recognised based on the percentage of completion method in cases where the outcome of the contract can be reliably estimated. In other cases where the outcome cannot be reliably estimated or if the contract is of a short term nature, the completed contract method is used. In all cases, anticipated losses are provided for in full.

**(ii) Revenue and Profit from Property Development**

Progress billings from property development represent the value of the development properties sold recognised by reference to the stage of completion of the properties.

Profit from property development is recognised on the percentage of completion method in cases where the outcome of the development can be reliably estimated. Anticipated losses are provided for in full.

**(iii) Income from Sale of Goods**

Income from sale of goods is recognised based on invoiced value of goods sold less discounts and returns.

**(iv) Investment Income**

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

**(j) Capitalisation of Borrowing Costs**

Interest incurred on borrowings directly associated with development projects and new planting activities, up to completion and maturity, is capitalised and included as part of development expenditure and plantation development expenditure respectively. Capitalisation of borrowing costs will cease on completion of the projects.

**(k) Development Property and Expenditure**

The cost of land held for development and related development costs are carried forward as development property and expenditure respectively. Where applicable, the fair value of land at the date of acquisition of subsidiary companies is carried forward in place of cost. Costs charged to the profit and loss accounts are in respect of completed properties sold and comprise proportionate cost of land and related development costs.

The Group considers as current assets that portion of development properties where significant development work has been undertaken and is expected to be completed within the normal operating cycle of two to three years.

(l) **Stocks**

(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 costs.

(ii) **Finished Goods, Raw Materials, Construction Materials, Stores and Spares**

Stocks are valued at the lower of cost and net realisable value after adequate provision has been made for all deteriorated, damaged, obsolete or slow-moving stocks. Cost is determined on a weighted average basis. The costs of raw materials, stores and spares comprise the original cost of purchase plus the cost of bringing the stocks to their present location and for finished goods, it consists of direct materials, direct labour, direct charges and variable production overheads.

(m) **Contract Work-in-Progress**

Contract work-in-progress comprising construction expenditure is valued as follows: -

- (i) Under the completed contract method, at cost less foreseeable losses; and
- (ii) Under the percentage of completion method, at cost plus attributable profits less foreseeable losses.

In both cases, cost includes direct materials, labour, sub-contract cost and attributable overheads.

(n) **Trade Debtors**

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

(o) **Leased Assets**

Finance leases are capitalised and the finance charges are allocated to periods during the lease term so as to produce a constant periodic rate of return on the remaining balance of the liability for each period.

For sale and leaseback transactions involving fixed assets which resulted in finance leases, the excess of sales proceeds over the carrying amount of the aforesaid assets are amortised on a straight line basis over the period of the lease.

(p) **Deferred Expenditure**

- (i) Premium paid on the conversion of leasehold mining land to industrial land is written off on a straight line basis over the leasehold period.
- (ii) Expenses incurred on the development of quarry face are written off on straight line basis over the economic useful lives of the quarries.
- (iii) Pre-operating expenses are stated at cost and will be amortised on straight line basis over five years upon commencement of operations of the respective companies.

(q) **Deferred Taxation**

Provision is made, by the liability method, for taxation deferred in respect of all timing differences except where it is thought reasonably probable that the tax effects of such deferrals will continue in the foreseeable future.

No future income tax benefit is recognised in respect of unutilised tax losses and timing differences that result in a net debit unless it can be demonstrated that these benefits can be realised in the foreseeable future.

**(r) Retirement Benefits**

The Company and certain subsidiary companies 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 by an actuarial valuation carried out every three years by a qualified actuary based on the projected benefits valuation method. The last valuation was carried out in December 1999.

The cost of providing retirement benefits based on the latest actuarial valuation obtained is charged against profits on a systematic basis so as to be sufficient to meet the liability of the scheme over the future working lives of the existing employees. The difference between the amount charged in the profit and loss account and payments made to the fund is treated as a deferred liability.

**(s) Cash and Cash Equivalents**

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

**SHARE CAPITAL**

	<b>The Group and The Company</b>	
	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>
4. Ordinary shares of RM1 each:-		
(a) Authorised	1,000,000	1,000,000
(b) Issued and fully paid:-		
At 1 January	342,090	342,072
Issued under the Employees Share Option Scheme (ESOS)	3,876	18
At 31 December	345,966	342,090

During the financial year, the issued and paid-up share capital of the Company was increased from RM342,089,654 to RM345,965,654 by way of the issuance of 3,876,000 new ordinary shares of RM1 each pursuant to the ESOS at an option price of RM1.82 per share. The new shares issued rank pari passu in all respects with the existing issued shares of the Company.

(c) As at 31 December 1999, the unexercised options under the ESOS are as follows: -

<b>Exercise Price</b>	<b>No. of ordinary shares of RM1 each ('000)</b>	
	<b>1999</b>	<b>1998</b>
RM 4.01 *	12,060	12,527
RM 3.89	514	529
RM 1.82	6,477	10,533
	19,051	23,589

\* Adjusted for bonus issue in 1995.

**RESERVES**

	<b>The Group</b>		<b>The Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
5. Non-Distributable Reserves:-				
Share Premium:				
As at 1 January	200,304	200,289	200,304	200,289
Premium on shares issued	3,178	15	3,178	15
As at 31 December	203,482	200,304	203,482	200,304
Revaluation Reserve:-				
As at 1 January	78,592	78,504	-	-
Disposal of shares in an associated company	(4,018)			
Disposal of fixed assets by a subsidiary company	(2,791)	-	-	-
Share of associated companies' revaluation reserves	2,668	-	-	-
Capitalisation of revaluation surplus as bonus shares by an associated company	-	88	-	-
As at 31 December	74,451	78,592	-	-
Exchange Translation Reserve:-				
As at 1 January	16,359	6,311	(176)	137
Exchange differences arising from foreign equity investments net of foreign currency borrowings	1,199	6,718	494	(1,154)
Reserves arising from translation of foreign subsidiary and associated companies	1,520	3,330	(54)	841
Realisation of revaluation reserve on disposal of an associated company	(772)	-	-	-
As at 31 December	18,306	16,359	264	(176)
Other Capital Reserve:-				
As at 1 January	21,395	18,513	-	-
Capitalisation of retained profit as bonus shares by a subsidiary company	-	3,325	-	-
Dilution of interest in an associated company	-	(443)	-	-
Dilution of interest in a subsidiary company	61	-	-	-
Realisation of capital reserve on disposal of an associated company	(142)	-	-	-
As at 31 December	21,314	21,395	-	-
Total non-distributable reserves	317,553	316,650	203,746	200,128
Distributable Reserve:-				
Retained profit	429,202	331,477	192,177	157,634
Total Reserves	746,755	648,127	395,923	357,762

- (a) The non-distributable reserves are not distributable as cash dividends.
- (b) The Company has sufficient tax exempt income and tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends of approximately RM51,613,000 (1998: RM20,756,000) and RM129,443,000 (1998: RM130,289,000) respectively out of its retained profit as at 31 December 1999 without incurring any additional tax liabilities.
- (c) Pursuant to the requirement of sub-section 365 (1A) of Companies Act, 1965, the future distribution of dividends out of the Company's retained profit may only be declared for a financial year up to an amount not exceeding the after tax profit of that financial year, or not exceeding the average dividends declared in respect of the two financial years immediately preceeding that financial year, whichever is greater. It was proposed in the 2000 Malaysian Budget that the above restriction be removed. However, the Ministerial Order has yet to be gazetted.

## DEFERRED AND LONG TERM LIABILITIES

	Note	The Group		The Company	
		1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
6. 8% Secured Fixed Rate Bond	7	95,191	-	-	-
Term loans	8	55,295	137,342	12,877	41,107
Hire purchase and lease creditors	9	35,043	1,324	-	123
Deferred taxation	10	10,900	11,716	3,103	3,103
Amount due to an associated company	11	35,071	-	-	-
Retirement benefits		1,797	1,089	1,179	840
		<u>233,297</u>	<u>151,471</u>	<u>17,159</u>	<u>45,173</u>

## 8% SECURED FIXED RATE BOND

	The Group	
	1999 RM'000	1998 RM'000
7. 10 years 8% Secured Fixed Rate Bond	100,000	-
Less:		
Discount on issuance	4,932	-
Amortisation	(123)	-
	<u>4,809</u>	<u>-</u>
	<u>95,191</u>	<u>-</u>

The principal features of the bond are as follows:

The RM100,000,000 nominal amount of 10 years 8% Secured Fixed Rate Bond was issued by a subsidiary company at RM95.068 per RM100 nominal value to two local licensed banks, being the primary subscribers, on a bought deal basis. The bond is secured by way of assignment of all rights under the Concession Agreement between the subsidiary company and the Government of Malaysia referred to in Note 17 to the accounts. The bond ranks parri passu and rateably among themselves and in priority to all other unsecured indebtedness.

The bond carries a fixed coupon rate of 8% per annum payable semi-annually in arrears. At the end of its tenure, the bond will be redeemed at 100% of its nominal value on 15 October 2009.



**TERM LOANS**

	<b>The Group</b>		<b>The Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
8. (a) The details of term loans are:-				
Secured	85,314	134,783	-	-
Unsecured	39,785	84,786	39,785	74,654
	125,099	219,569	39,785	74,654
Less:				
Repayment within 12 months (included in current liabilities -Note 27)	69,804	82,227	26,908	33,547
Repayment after 12 months	55,295	137,342	12,877	41,107
Repayment due after 12 months consists of: -				
> one to five years	55,295	132,967	12,877	41,107
> five years	-	4,375	-	-
	55,295	137,342	12,877	41,107

(b) The Group's term loans are obtained at interest rates ranging between 0.5% and 1.75% (1998: 0.5% and 2%) per annum above the base lending rates or cost of funds of the lending institutions.

	<b>The Group</b>	
	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>
(c) Secured by a debenture incorporating fixed and floating charges over a subsidiary company's present assets	522	772
Secured by fixed and floating charges over a subsidiary company's assets and guaranteed by the Company	77,520	96,900
Secured by fixed and floating charges over certain subsidiary companies' development properties	7,272	10,861
Secured by way of an assignment of all rights under a concession agreement of a subsidiary company	-	26,250
	85,314	134,783

**HIRE PURCHASE AND LEASE CREDITORS**

	<b>The Group</b>		<b>The Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
9. Hire purchase and lease creditors net of interest-in-suspense	46,492	6,402	123	745
Less:				
Amount due within 12 months (included in other creditors and accruals)	11,449	5,078	123	622
Amount due after 12 months	35,043	1,324	-	123

**DEFERRED TAXATION**

	<b>The Group</b>		<b>The Company</b>	
	<b>1999 RM'000</b>	<b>1998 RM'000</b>	<b>1999 RM'000</b>	<b>1998 RM'000</b>
10. (a) At 1 January	11,716	15,020	3,103	3,103
Effect of acquisition of additional equity interest in a subsidiary company	196	706	-	-
Transfer to profit and loss account (Note 32)	(1,012)	(4,010)	-	-
At 31 December	10,900	11,716	3,103	3,103

(b) Deferred taxation has been provided for all timing differences.

**AMOUNT DUE TO AN ASSOCIATED COMPANY**

11. The amount due to an associated company is secured by way of a fixed charge over certain long term leasehold plantation land and development expenditure of the Group at a net book value of RM61,838,000. The amount is repayable by way of a bullet payment, 7 years from the first drawdown date on 25 October 1999 and bears interest at a fixed rate of 9.95% per annum. The proceeds were utilised for the plantation division's capital expenditure.

**DEFERRED INCOME**

12. Deferred income represents the excess of sales proceeds over the carrying amount of fixed assets arising from the sale and leaseback arrangements which resulted in finance leases.

**FIXED ASSETS**

13. The details of fixed assets are as follows: -

(a) **The Group****1999**

	Land				Long term leasehold plantation land & development expenditure At cost RM'000	Long term leasehold plantation land & development expenditure At valuation RM'000
	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>Cost or valuation:-</b>						
At 1 January	2,405	28,994	955	4,981	5,552	146,948
Additions	1,012	5,460	-	-	32,119	-
Acquisition of subsidiary companies	-	-	-	-	28,468	-
Disposals	(149)	-	-	-	-	-
Written off	-	-	-	-	-	-
Transfers / reclassification	-	878	-	(276)	-	-
Exchange differences arising from translation of assets of a foreign entity	-	-	-	-	-	-
At 31 December	3,268	35,332	955	4,705	66,139	146,948
<b>Less:</b>						
<b>Accumulated depreciation:</b>						
At 1 January	-	-	-	244	-	-
Charge for the year	-	-	-	139	-	-
Acquisition of subsidiary companies	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Written off	-	-	-	-	-	-
Transfers / reclassification	-	-	-	-	-	-
Exchange differences arising from translation of assets of a foreign entity	-	-	-	-	-	-
At 31 December	-	-	-	383	-	-
<b>Net book value</b>						
At 31 December 1999	3,268	35,332	955	4,322	66,139	146,948

Buildings	Buildings	Plant, machinery & equipment	Plant, machinery, equipment & vehicles	Office equipment, furniture & fittings & renovations	Capital work in progress	
At cost RM'000	At valuation RM'000	At valuation RM'000	At cost RM'000	At cost RM'000	At cost RM'000	Total RM'000
27,159	9,130	20,815	152,710	11,604	927	412,180
7,481	-	-	67,841	935	35,898	150,746
175	-	-	2,552	147	1,795	33,137
-	-	(20,815)	(83,941)	(177)	-	(105,082)
-	-	-	(270)	(43)	-	(313)
(205)	-	-	1,673	67	(1,313)	824
-	-	-	5	-	-	5
34,610	9,130	-	140,570	12,533	37,307	491,497
11,090	847	2,081	80,855	7,532	-	102,649
1,692	847	2,082	17,682	1,287	-	23,729
47	-	-	646	26	-	719
-	-	(4,163)	(55,079)	(122)	-	(59,364)
-	-	-	(129)	(37)	-	(166)
(229)	-	-	834	219	-	824
-	-	-	3	-	-	3
12,600	1,694	-	44,812	8,905	-	68,394
22,010	7,436	-	95,758	3,628	37,307	423,103

**FIXED ASSETS**

13. The details of fixed assets are as follows: -

**The Group****1998**

	Land		Long term leasehold	Short term leasehold	Long term leasehold plantation land & development expenditure	Long term leasehold plantation land & development expenditure
	Freehold	Long term leasehold				
	At cost RM'000	At cost RM'000	At valuation RM'000	At cost RM'000	At cost RM'000	At valuation RM'000
<b>Cost or valuation:-</b>						
At 1 January	1,946	24,325	955	3,355	-	146,948
Additions	2,000	4,669	-	1,635	5,552	-
Disposal of subsidiary companies	-	-	-	-	-	-
Disposals	(1,541)	-	-	(9)	-	-
Written off	-	-	-	-	-	-
Transfers / reclassification	-	-	-	-	-	-
Exchange differences arising from translation of assets of a foreign entity	-	-	-	-	-	-
At 31 December	2,405	28,994	955	4,981	5,552	146,948
<b>Less:</b>						
<b>Accumulated depreciation:</b>						
At 1 January	-	-	-	69	-	-
Charge for the year	-	-	-	184	-	-
Disposal of subsidiary companies	-	-	-	-	-	-
Disposals	-	-	-	(9)	-	-
Written off	-	-	-	-	-	-
Exchange differences arising from translation of assets of a foreign entity	-	-	-	-	-	-
At 31 December	-	-	-	244	-	-
<b>Net book value</b>						
At 31 December 1998	2,405	28,994	955	4,737	5,552	146,948

Buildings	Buildings	Plant, machinery & equipment	Plant, machinery, equipment & vehicles	Office equipment, furniture & fittings & renovations	Capital work in progress	
At cost RM'000	At valuation RM'000	At valuation RM'000	At cost RM'000	At cost RM'000	At cost RM'000	Total RM'000
21,745	9,130	20,815	168,784	10,999	4,288	413,290
2,983	-	-	9,676	1,305	1,838	29,658
-	-	-	(878)	(440)	-	(1,318)
-	-	-	(26,359)	(210)	-	(28,119)
(3)	-	-	(1,262)	(55)	-	(1,320)
2,434	-	-	2,760	5	(5,199)	-
-	-	-	(11)	-	-	(11)
27,159	9,130	20,815	152,710	11,604	927	412,180
9,899	-	-	76,586	6,379	-	92,933
1,191	847	2,081	23,006	1,757	-	29,066
-	-	-	(283)	(261)	-	(544)
-	-	-	(17,557)	(294)	-	(17,860)
-	-	-	(893)	(49)	-	(942)
-	-	-	(4)	-	-	(4)
11,090	847	2,081	80,855	7,532	-	102,649
16,069	8,283	18,734	71,855	4,072	927	309,531

## (b) The Company

## 1999

	Land		Buildings	Plant, machinery, equipment & vehicles	Office equipment, furniture & fittings & renovations	Capital work-in- progress	
	Freehold land	Long term leasehold land & building					Total
	At cost RM'000	At cost RM'000	At cost RM'000	At cost RM'000	At cost RM'000	At cost RM'000	RM'000
<b>Cost or valuation:-</b>							
At 1 January	149	11,500	3,619	38,903	3,963	-	58,134
Additions	-	-	-	1,059	65	-	1,124
Disposals	(149)	-	-	(31,414)	-	-	(31,563)
At 31 December	-	11,500	3,619	8,548	4,028	-	27,695
<b>Less:</b>							
<b>Accumulated depreciation</b>							
At 1 January	-	1,779	287	18,984	3,278	-	24,328
Charge for the year	-	137	63	4,526	245	-	4,971
Disposals	-	-	-	(19,022)	-	-	(19,022)
At 31 December	-	1,916	350	4,488	3,523	-	10,277
<b>Net book value</b>							
At 31 December 1999	-	9,584	3,269	4,060	505	-	17,418

## 1998

	Land		Buildings	Plant, machinery, equipment & vehicles	Office equipment, furniture & fittings & renovations	Capital work-in- progress	
	Freehold land	Long term leasehold land & building					Total
	At cost RM'000	At cost RM'000	At cost RM'000	At cost RM'000	At cost RM'000	At cost RM'000	RM'000
<b>Cost or valuation:-</b>							
At 1 January	781	11,500	1,799	44,562	3,864	1,457	63,963
Additions	-	-	-	530	108	363	1,001
Disposals	(632)	-	-	(6,189)	(9)	-	(6,830)
Reclassification	-	-	1,820	-	-	(1,820)	-
At 31 December	149	11,500	3,619	38,903	3,963	-	58,134
<b>Less:</b>							
<b>Accumulated depreciation</b>							
At 1 January	-	1,642	237	19,341	2,853	-	24,073
Charge for the year	-	137	50	4,937	433	-	5,557
Disposals	-	-	-	(5,294)	(8)	-	(5,302)
At 31 December	-	1,779	287	18,984	3,278	-	24,328
<b>Net book value</b>							
At 31 December 1998	149	9,721	3,332	19,919	685	-	33,806

## (c) Valuation

The buildings, long term leasehold land, long term leasehold plantation land and development expenditure, plant, machinery and equipment of certain plantation subsidiary companies were revalued in 1997 on an open market value basis by a firm of independent professional valuers. The net book values of these assets stated at valuation that would otherwise be stated in the accounts had the assets been carried at cost less depreciation amounts to RM65,369,522 (1998: RM77,190,662).

The tax effect in connection with the surplus arising on the above revaluation is not provided for in the accounts as there is no foreseeable intention to dispose these properties.

## (d) Plantation development expenditure

The expenses incurred during the year which have been charged to the Group's plantation development expenditure include depreciation charge amounting to RM1,413,000 (1998: RM552,253) and interest expenses amounting to RM6,637,343 (1998: RM4,959,804).

## (e) Assets acquired under finance lease agreements

The value of fixed assets of the Group and the Company includes the following assets acquired under finance lease agreements:-

<b>The Group</b>	<b>Cost RM'000</b>	<b>Accumulated depreciation RM'000</b>	<b>Net Book value RM'000</b>
Plant, machinery, equipment & vehicles			
1999	67,558	2,868	64,690
1998	24,117	11,470	12,647
<b>The Company</b>	<b>Cost RM'000</b>	<b>Accumulated depreciation RM'000</b>	<b>Net Book value RM'000</b>
Plant, machinery, equipment & vehicles			
1999	565	373	192
1998	4,165	1,880	2,285

- (f) Certain long term leasehold plantation land and development expenditure of the Group, at a net book value of RM61,838,000 have been charged as security for the amount due to an associated company referred to in Note 11 to the accounts.



**SUBSIDIARY COMPANIES**

	<b>The Company</b>	
	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>
14. Unquoted shares, at cost		
- in Malaysia	140,958	100,959
- outside Malaysia	5,363	5,332
	<u>146,321</u>	<u>106,291</u>

Details of subsidiary companies are set out in Note 44 to the accounts.

**ASSOCIATED COMPANIES**

	<b>The Group</b>		<b>The Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
15. At cost:-				
Quoted shares				
- in Malaysia	45,649	45,649	45,649	45,649
- outside Malaysia	154,224	13,155	19,080	-
	<u>199,873</u>	<u>58,804</u>	<u>64,729</u>	<u>45,649</u>
Unquoted shares				
- in Malaysia	80,925	79,854	57,014	54,336
- outside Malaysia	121,887	11,893	54,319	-
	<u>402,685</u>	<u>150,551</u>	<u>176,062</u>	<u>99,985</u>
Share of post acquisition retained profits and reserves less losses	86,304	58,895	-	-
	<u>488,989</u>	<u>209,446</u>	<u>176,062</u>	<u>99,985</u>
Less:				
Provision for diminution in value	6,804	6,340	2,500	2,500
	<u>482,185</u>	<u>203,106</u>	<u>173,562</u>	<u>97,485</u>
Represented by:-				
Group's share of tangible assets	452,901	191,555		
Group's share of intangible assets	3,433	395		
	<u>456,334</u>	<u>191,950</u>		
Group's share of net assets	456,334	191,950		
Premium arising on acquisition	25,851	11,156		
	<u>482,185</u>	<u>203,106</u>		
Market value of:-				
Quoted shares				
- in Malaysia	51,173	52,314	51,173	52,314
- outside Malaysia	142,962	18,476	33,420	-
	<u>194,135</u>	<u>70,790</u>	<u>84,593</u>	<u>52,314</u>

Details of associated companies are set out in Note 44 to the accounts.

Pursuant to a shareholders' agreement, the Company undertook to ensure an associated company's performance of the terms and conditions in a Facilities Agreement entered into by the associated company to raise financing of approximately RM160 million for a mixed development project in Australia which has been completed in April 1999. Approximately RM80 million has been repaid in the current financial year.

In view of the successful sales of the properties by the associated company to date, the Directors are of the opinion that the associated company will be able to meet its obligation under the Facilities Agreement.

## INVESTMENTS

	The Group		The Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
16. At cost:-				
Quoted shares of corporations				
- in Malaysia	48,911	43,717	48,911	43,717
- outside Malaysia	238	128,885	54	91
	49,149	172,602	48,965	43,808
Unquoted shares				
- in Malaysia	7,755	7,855	6,500	6,600
- outside Malaysia	260	150,483	260	103,484
	8,015	158,338	6,760	110,084
Quoted corporate non-convertible loan stock				
- outside Malaysia	359	359	359	359
Unquoted unit trusts				
- outside Malaysia	13,153	12,580	-	-
	70,676	343,879	56,084	154,251
Less:				
Provision for diminution in value of investments	4,695	4,283	3,554	3,553
	65,981	339,596	52,530	150,698
Market value of:-				
Quoted shares				
- in Malaysia	29,187	27,505	29,187	27,505
- outside Malaysia	371	73,220	207	321
	29,558	100,725	29,394	27,826
Quoted corporate non-convertible loan stock				
- outside Malaysia	599	611	599	611
	30,157	101,336	29,993	28,437

Although at balance sheet date, the cost of the Group's quoted long term investments exceed its market value, these investee companies are profitable and their attributable net tangible assets are above the cost of the Group. As such, the Directors are of the opinion that provision for diminution is not necessary.

**LONG TERM RECEIVABLE**

	<b>The Group</b>		<b>The Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
17. Receivable	80,188	98,327	-	10,965
Less:				
Amount due within 12 months (included in trade debtors)	7,164	13,164	-	6,000
Amount due after 12 months	73,024	85,163	-	4,965

Included in the Group balance is an amount of RM73,024,000 (1998: RM80,198,000) which represents the cost of construction incurred up to 31 December 1997 on the Kementerian Kerja Raya Office Blocks by a subsidiary company. The cost of construction upon completion is reimbursable 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 company will receive payments 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 7 to the accounts.

**GOODWILL ON CONSOLIDATION**

	<b>The Group</b>	
	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>
18. Goodwill arising from the acquisition of subsidiary companies	9,085	9,085
Less:		
Accumulated amortisation	5,976	5,664
	3,109	3,421

**DEFERRED EXPENDITURE**

	<b>The Group</b>	
	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>
19. Deferred expenditure comprises:-		
At cost:-		
Premium paid on the conversion of leasehold mining land to industrial land	110	110
Expenses incurred on the development of quarry face	10,115	11,278
Pre-operating expenses	684	286
Flotation exercise expenses of a subsidiary company	-	426
	10,909	12,100
Less:		
Accumulated amortisation	6,650	7,393
	4,259	4,707

**CURRENT ASSETS**

	Note	The Group		The Company	
		1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
20. Development property and expenditure	21	197,314	224,403	281	22,947
Stocks	22	47,531	51,807	6,252	14,000
Trade debtors		305,327	356,149	139,387	129,407
Less: Provision for doubtful debts		38,751	17,252	25,317	6,317
		266,576	338,897	114,070	123,090
Amount owing by subsidiary companies		-	-	383,186	403,919
Amount owing by associated companies		178,358	221,601	90,962	85,786
Less: Provision for doubtful debts		1,903	1,187	716	-
		176,455	220,414	90,246	85,786
Amount owing by joint ventures	26	28,528	17,474	23,437	13,903
Other debtors and prepayments		172,168	141,339	86,027	86,087
Short term investments	23	12,646	9,065	11,554	8,185
Short term deposits with licensed bank	24	7,872	-	-	-
Fixed deposits with licensed banks		11,773	1,654	10,388	1,138
Cash and bank balances	25	47,927	18,984	23,175	685
		968,790	1,024,037	748,616	759,740

**DEVELOPMENT PROPERTY AND EXPENDITURE**

		The Group		The Company	
		1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
21. Freehold land and development expenditure:					
At fair value		7,585	8,983	-	-
At cost		131,292	238,035	281	22,947
Leasehold land and development expenditure:					
At cost		121,075	182,428	-	-
		259,952	429,446	281	22,947
Estimated profit accrued		10,812	17,396	-	-
		270,764	446,842	281	22,947
Less:					
Progress payments received and receivable		73,450	222,439	-	-
		197,314	224,403	281	22,947

Included in the development expenditure of the Group are interests incurred and capitalised during the year amounting to RM416,000 (1998: RM1,407,000).

**STOCKS**

	<b>The Group</b>		<b>The Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
22. Stocks comprise the following:-				
Completed buildings	24,907	35,417	5,959	13,720
Construction materials	4,620	6,200	256	243
Raw materials	887	1,016	-	-
Finished goods	3,388	4,440	-	-
Stores and spares	5,261	1,970	37	37
Oil palm nurseries	6,671	2,137	-	-
Work-in-progress	-	14	-	-
Consumables	110	613	-	-
Fertilisers and chemicals	1,687	-	-	-
	<u>47,531</u>	<u>51,807</u>	<u>6,252</u>	<u>14,000</u>

**SHORT TERM INVESTMENTS**

	<b>The Group</b>		<b>The Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
23. At cost:-				
Quoted shares				
- in Malaysia	21,675	22,352	20,387	21,202
- outside Malaysia	-	90	-	90
	<u>21,675</u>	<u>22,442</u>	<u>20,387</u>	<u>21,292</u>
Quoted debentures				
- in Malaysia	221	386	-	-
	<u>21,896</u>	<u>22,828</u>	<u>20,387</u>	<u>21,292</u>
Less:				
Provision for diminution in value in investments	9,250	13,763	8,833	13,107
	<u>12,646</u>	<u>9,065</u>	<u>11,554</u>	<u>8,185</u>
Market value:				
Quoted shares				
- in Malaysia	12,583	8,651	11,554	7,948
- outside Malaysia	-	237	-	237
	<u>12,583</u>	<u>8,888</u>	<u>11,554</u>	<u>8,185</u>
Quoted debentures				
- in Malaysia	63	177	-	-
	<u>12,646</u>	<u>9,065</u>	<u>11,554</u>	<u>8,185</u>

**SHORT TERM DEPOSITS WITH LICENSED BANK**

24. The short term deposits are assigned to the trustee of the bond holders to hold as security in connection with the 8% Secured Fixed Rate Bond issued by a subsidiary company during the year referred to in Note 7 to the accounts. The short term deposits are maintained by the trustee for payment of interest, income tax and for the redemption of the bond. Any surplus monies will only be released to the subsidiary company with the consent of the trustee.

**CASH AT BANK**

25. Cash at bank includes balances amounting to RM2,303,607 (1998: RM1,522,106) 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.

**AMOUNT OWING BY JOINT VENTURES**

	<b>The Group</b>		<b>The Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
26. (a) Amount owing by joint ventures	21,061	2,174	20,284	-
Share of profit	7,467	15,300	3,153	13,903
	<u>28,528</u>	<u>17,474</u>	<u>23,437</u>	<u>13,903</u>

- (b) Details of the joint ventures are as follows: -

	<b>Group's Effective Interest In Joint Venture</b>		<b>Principal Activity</b>
	<b>1999</b>	<b>1998</b>	
IJM-Nishimatsu Joint Venture	40%	40%	Construction
IJM-Gammon Joint Venture	50%	50%	Construction
Dywidag-IJM Joint Venture	49%	49%	Construction
IJM-IT&T Joint Venture	51%	51%	Construction
IJM-Rezeki Joint Venture	70%	70%	Construction
IJM-Perkasa Sutera Joint Venture	70%	70%	Construction
IJM-SCL Joint Venture	50%	50%	Construction
IJM-Salcon Joint Venture	50%	50%	Construction
IJM-Gayatri Joint Venture	60%	-	Construction
WGI-IJM Joint Venture	40%	-	Construction

- (c) The following amounts represent the Group's and the Company's share of assets, liabilities, turnover and profit less losses before taxation of the joint ventures.

	<b>The Group</b>		<b>The Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fixed Assets	10,224	1,074	10,189	1,074
Current Assets	57,499	36,063	36,331	30,607
Current Liabilities	69,365	30,042	45,944	26,759
Turnover	202,042	157,836	169,845	155,027
Profit / (Loss) before taxation	<u>1,428</u>	<u>9,143</u>	<u>(1,321)</u>	<u>9,243</u>

There are no contingent liabilities relating to the Group's and the Company's interest in the joint ventures.

**CURRENT LIABILITIES**

	Note	The Group		The Company	
		1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
27. (a) Progress billings on uncompleted contracts		818,983	901,376	271,965	418,293
Less:-					
Contract work-in-progress based on percentage of completion method		810,860	873,138	258,931	405,582
		8,123	28,238	13,034	12,711
Trade creditors		129,334	163,166	38,878	46,825
Amount owing to subsidiary companies		-	-	124,426	41,279
Amount owing to associated companies		93,498	50,081	30,797	28,174
Amount owing to joint ventures		8,301	11,613	-	8,982
Other creditors and accruals		110,878	77,464	31,055	28,532
Term loans	8	69,804	82,227	26,908	33,547
Short term borrowings		96,014	146,231	76,500	128,500
Bankers' acceptances		16,554	80,059	14,254	31,293
Bank overdrafts	28	17,115	56,522	355	28,024
Taxation		4,911	31,298	2,393	7,730
Proposed dividend		20,758	12,315	20,758	12,315
Dividend payable		41	48	41	48
		575,331	739,262	379,399	407,960

- (b) The expenses incurred during the year which have been charged to the Group's contract work-in-progress include depreciation charges amounting to RM892,000 (1998: RM1,235,000).
- (c) The bankers' acceptances and short term borrowings are unsecured, bear interest at rates ranging between 0.5% and 2.0% (1998: 0.5% and 2.0%) per annum above the cost of funds of the lending institutions.
- (d) The amounts owing to subsidiary companies, associated companies and joint ventures are unsecured, interest free and have no fixed terms of repayment.

**BANK OVERDRAFTS**

	<b>The Group</b>		<b>The Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
28. (a) Secured by leasehold land of subsidiary companies	623	591	-	-
Secured by development properties of subsidiary companies	5,103	5,528	-	-
Unsecured	5,726 11,389	6,119 50,403	- 355	- 28,024
	17,115	56,522	355	28,024

(b) The Group's interest rates for the year ranged between 0.5% and 1.75% (1998: 0.5% and 2%) per annum above the base lending rates or prime rates of the lending institutions.

**OPERATING REVENUE**

	<b>The Group</b>		<b>The Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
29. Operating revenue comprises: -				
Construction contract revenue	255,625	338,365	98,641	109,218
Progress billings from property development and property management services	117,435	128,951	44,933	5,738
Sale of quarry and manufactured products	58,515	74,080	-	-
Sale of crude palm oil and by-products	114,964	158,269	-	-
Dividend income	327	28,226	17,567	14,340
Rental of properties	2,732	2,738	3,030	3,215
	549,598	730,629	164,171	132,511
Share of operating revenue of: -				
Associated companies	458,328	260,051	-	-
Joint ventures	202,042	157,836	169,845	155,027
	1,209,968	1,148,516	334,016	287,538



**OPERATING PROFIT**

	<b>The Group</b>		<b>The Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30. Operating profit is stated after charging: -</b>				
Depreciation	21,424	27,279	4,971	5,557
Hire of plant and equipment	757	1,030	-	-
Directors' remuneration:				
Fees -				
Directors of the Company	157	105	157	105
- over provision in respect of				
previous year	(7)	-	(7)	-
Other directors	60	71	-	-
Other emoluments -				
Directors of the Company	3,644	2,381	2,720	1,983
Other directors	2,209	1,318	-	-
Interest expense	36,740	43,808	19,161	22,596
Auditors' remuneration:				
- current	440	429	103	100
- over provision in respect of				
previous year	(1)	(11)	-	(19)
Amortisation of deferred expenditure	774	1,968	-	-
Rental of land and buildings	817	674	-	-
Amortisation of goodwill	312	275	-	-
Lease rental	106	1,070	-	-
Stocks written off	0	194	-	-
Fixed assets written off	154	378	-	-
Bad debts written off	28	394	-	-
Cost of quarry and manufactured products	28,864	46,861	-	-
<b>and crediting: -</b>				
Dividends received (gross) from:				
- subsidiary companies (unquoted)	-	-	9,227	10,146
- associated companies				
(quoted)	-	-	7,134	872
(unquoted)	-	-	879	1,934
- other investments				
(quoted)	344	1,438	327	1,389
(unquoted)	34	-	-	-
Interest income	17,254	10,019	29,626	25,974
Profit on disposal of fixed assets	12,374	2,498	9,348	2,163
Rental income from properties	3,797	3,915	3,030	3,215
Plant rental income	1,511	218	-	-
Bad debts recovered	334	591	-	-
Gain on foreign exchange translation	8,817	-	6,011	-

The estimated monetary value of benefits-in-kind provided to the Directors of the Group and the Company amounted to RM125,600 (1998: RM70,250) and RM65,300 (1998: RM46,250) respectively.

Professional fees of RM78,000 (1998: RM48,000) was paid to a company in which a director of a subsidiary company has interest. This transaction is based on commercial terms and conditions mutually agreed by the parties.

**EXCEPTIONAL ITEMS**

	<b>The Group</b>		<b>The Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
31. Provision for diminution in value of long term unquoted investments	(875)	(2,613)	-	(2,757)
Provision for diminution in value of investment in associated companies	-	(6,340)	-	(2,500)
Write-back of provision for diminution in value of short term quoted investments	4,495	3,535	4,275	3,417
Profit on disposal of shares in a subsidiary company	-	-	-	3,889
Disposal of shares in associated companies: -				
Profit arising	8,569	-	11,737	-
Realisation of revaluation reserve	4,018	-	-	-
	12,587	-	11,737	-
	16,207	(5,418)	16,012	2,049

**TAXATION**

	<b>The Group</b>		<b>The Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
32. (a) Taxation based on the profit for the year: -				
Malaysian income tax	(77)	(21,219)	(1,572)	(8,183)
Overseas taxation	(37)	(446)	(37)	(446)
Transfer from deferred taxation (Note 10)	1,012	4,010	-	-
	898	(17,655)	(1,609)	(8,629)
Over/(Under) provision in respect of prior years	984	(1,596)	-	(1,460)
	1,882	(19,251)	(1,609)	(10,089)

In accordance with Section 8 of the Income Tax (Amendment) Act, 1999, tax on income, except for dividend income, derived in 1999 will be waived. Accordingly, the Group and the Company have not made any tax provision, except for dividend income, for the financial year ended 31 December 1999.

**TRANSFER FROM/(TO) NON-DISTRIBUTABLE RESERVE**

	<b>The Group</b>		<b>The Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
33. Realisation of revaluation reserve on disposal of an associated company	772	-	-	-
Realisation of capital reserve on disposal of an associated company	142	-	-	-
Capitalisation of retained profit as bonus shares by a subsidiary company	-	(3,325)	-	-
	<u>914</u>	<u>(3,325)</u>	<u>-</u>	<u>-</u>

**DIVIDENDS**

	<b>The Company</b>	
	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>
34. In respect of the year ended 31 December 1999: -		
Proposed final dividend of 6% (tax exempt) (1998: 5% less tax)	20,758	12,315
Underprovision of dividends declared in respect of previous years	107	-
	<u>20,865</u>	<u>12,315</u>

The proposed final dividend is based on the issued and paid-up share capital at balance sheet date.

**EARNINGS PER SHARE**

35. (a) The basic earnings per ordinary share for the year has been calculated based on the Group profits attributable to shareholders for the year of RM117,676,000 (1998: RM39,130,000) and on the weighted average number of ordinary shares in issue during the year of 343,807,000 (1998: 342,072,000). The weighted average number of ordinary shares in issue was derived at after taking into account the issuance of shares pursuant to the ESOS.
- (b) The fully diluted earnings per share has been calculated based on adjusted Group profit attributable to shareholders of RM122,151,000 after adding back notional interest savings after tax on the deemed exercise of 19,051,000 options issued pursuant to the ESOS and the proceeds of these options being used for the repayment of borrowings and investment of surplus funds at the rate of 10% per annum. The fully diluted earnings per share for 1998 after taking into account the assumed full conversion of the ESOS would be anti-dilutive; accordingly, the basic and fully diluted earnings per share were the same.

**SUMMARY OF EFFECTS ON ACQUISITION OF INTEREST IN SUBSIDIARY COMPANIES**

36. During the year, the Group increased equity interest in the following subsidiary companies:

- Excellent Challenger (M) Sdn Bhd (Increased on 17 September 1999)
- Berakan Maju Sdn Bhd (Increased on 28 April 1999)
- Rakanan Jaya Sdn Bhd (Increased on 28 April 1999)

	<b>1999 RM'000</b>
Net assets acquired: -	
Fixed assets	35,138
Stocks	5,396
Debtors	24,972
Cash and bank balances	214
Deferred expenditure	167
Creditors	(62,887)
Minority interests	(300)
Net assets acquired	2,700
Less: Cash and bank balances of subsidiary companies acquired	(214)
Cash flows on acquisition, net of cash acquired	2,486

The turnover and loss after taxation generated by the above stated subsidiaries from the date of acquisition of interest to 31 December 1999 are as follows: -

	<b>1999 RM'000</b>
Turnover	-
Loss after taxation	(202)

The assets and liabilities arising from the increase in equity interest of the above stated subsidiaries included in the Group's results are as follows: -

	<b>As at 31.12.1999 RM'000</b>
Fixed assets	54,436
Intangible assets	211
Current assets	25,256
Current liabilities	(77,106)
Net assets	2,797

**CASH AND CASH EQUIVALENTS**

37. Cash and cash equivalents included in the consolidated cash flow statement comprise the following: -

	<b>The Group 1999 RM'000</b>	<b>1998 RM'000</b>
Fixed deposit with licensed banks	11,773	1,654
Cash and bank balances	47,927	18,984
Bank overdrafts	(17,115)	(56,522)
	42,585	(35,884)

**SIGNIFICANT RELATED PARTY TRANSACTIONS**

38. Details of significant transactions between the Group and the Company with related parties are as follows:-

**The Group**

- (a) In 1997, the Company has entered into a joint venture with a 100% owned subsidiary company of a significant shareholder, IGB Corporation Berhad to undertake a turnkey contract at an original contract sum of RM968 million, subject to variation, to design and construct Phase 1 of Mid Valley. The progress billings made by the joint venture during the year amounted to RM245,777,000 (1998: RM233,427,000).
- (b) In respect of a construction contract, IJM Construction Sdn Bhd, a 100% owned subsidiary made progress billings amounting to RM13,085,000 (1998: RM30,397,000) during the year to a subsidiary company of IGB Corporation Berhad.

**The Company**

	<b>1999 RM'000</b>	<b>1998 RM'000</b>
Subsidiary companies:		
Dividend income	9,227	10,146
Sale of development properties	42,295	-
Crushing operating income	1,327	-
Rental income	443	477
Interest income	20,118	19,369
Interest expense	(372)	(818)
Advances/(Repayment)	(176,918)	(12,811)
Associated companies:		
Rental income	235	235
Dividend income	8,013	2,806
Purchase of building materials	441	295
Interest income	8,244	5,600
Interest expense	350	325
Advances/(Repayment)	(33,666)	57,342
Joint Ventures:		
Rental income	307	-
Plant rental	102	338
Interest income	280	280

The above transactions are based on commercial terms and conditions mutually agreed by the parties concerned.

The related party balances which arose from related party transactions and remained outstanding at the financial year end are disclosed in the balance sheets.

**CAPITAL COMMITMENTS**

	<b>The Group</b>	
	<b>1999 RM'000</b>	<b>1998 RM'000</b>
39. Approved and contracted for	9,319	24,100
Approved but not contracted for	12,883	9,526
	<u>22,202</u>	<u>33,626</u>

**CONTINGENT LIABILITIES**

	<b>The Group</b>		<b>The Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
40. Bank borrowings of subsidiary companies guaranteed by the Company	-	-	160,680	142,040
Bank borrowings of associated companies guaranteed by the Company	106,633	87,802	106,633	87,802
	<u>106,633</u>	<u>87,802</u>	<u>267,313</u>	<u>229,842</u>

**SUBSEQUENT EVENTS**

41. The Company had issued RM150 million nominal value of 5% Redeemable Unsecured Bond with 80,178,930 detachable warrants on a "bought deal basis" to a primary subscriber on 28<sup>th</sup> February 2000. The primary subscriber will offer the 80,178,930 warrants to the shareholders of the Company and key management staff of the Group.

**COMPARATIVE FIGURES**

42. The comparative figures in the consolidated accounts have been reclassified to conform with current year's presentation. A summary of the reclassifications made are as follows: -

Consolidated balance sheet as at 31 December 1998

	<b>The Group</b>		<b>The Company</b>	
	<b>As</b>	<b>As</b>	<b>As</b>	<b>As</b>
	<b>previously</b>	<b>reclassified</b>	<b>previously</b>	<b>reclassified</b>
	<b>reported</b>		<b>reported</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amount owing by/(to) joint ventures	(9,439)	2,174	(8,982)	-
Share of profit	15,300	15,300	13,903	13,903
	<u>5,861</u>	<u>17,474</u>	<u>4,921</u>	<u>13,903</u>
Amount owing to joint ventures	-	11,613	-	8,982

**SEGMENTAL REPORTING**

43. The analysis of Group operations for the year ended 31 December 1999 are as follows: -

(a) Analysis by activity

	<b>Turnover RM'000</b>	<b>Profit/ (loss) before taxation RM'000</b>	<b>Assets employed RM'000</b>
<b>1999</b>			
Construction	612,122	42,083	558,347
Property development	252,594	25,864	417,013
Manufacturing and quarrying	155,607	8,693	187,647
Plantation	114,964	24,314	400,105
Education and investment	18,345	2,247	106,918
Infrastructure	56,336	36,230	350,421
	<u>1,209,968</u>	<u>139,431</u>	<u>2,020,451</u>
<b>1998</b>			
Construction	636,462	15,247	585,937
Property development	180,226	8,527	496,997
Manufacturing and quarrying	132,962	(8,472)	157,063
Plantation	158,269	40,025	334,055
Education and investment	9,130	393	62,051
Infrastructure	31,467	15,023	333,458
	<u>1,148,516</u>	<u>70,743</u>	<u>1,969,561</u>

(b) Analysis by geographical location

	<b>Turnover RM'000</b>	<b>Profit/ (loss) before taxation RM'000</b>	<b>Assets employed RM'000</b>
<b>1999</b>			
Malaysia	853,615	86,510	1,492,584
Australia	142,754	7,314	144,296
China	27,093	17,065	190,040
Argentina	24,929	18,459	77,993
Vietnam	13,418	8,945	41,471
Singapore	97,016	4,680	13,850
Other countries	51,143	(3,542)	60,217
	<u>1,209,968</u>	<u>139,431</u>	<u>2,020,451</u>
<b>1998</b>			
Malaysia	952,892	45,832	1,465,805
Australia	64,051	4,536	140,098
China	31,467	19,696	182,586
Argentina	-	(1,109)	100,170
Vietnam	-	483	26,711
Singapore	96,274	1,508	10,017
Other countries	3,832	(203)	44,174
	<u>1,148,516</u>	<u>70,743</u>	<u>1,969,561</u>

## List Of Subsidiary And Associated Companies

*as at 31 December 1999*

### SUBSIDIARIES

44. Name of Company	Place Incorporated	% Holding 1999      1998		Principal Activities
Damansara Rock Products Sdn Bhd	Malaysia	70	70	Quarrying, road pavement construction, manufacture and sale of premix products
GR Concrete Sdn Bhd	Malaysia	72	72	Production and supply of ready-mixed concrete
IJM Argentina Sociedad Anomina *	Argentina	100	100	Investment holding
IJM Australia Pty Limited +	Australia	80	80	Engineering and construction consultancy and property development
IJM Construction Sdn Bhd	Malaysia	100	100	Civil and building construction and 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
IJM Plantations Sdn Bhd	Malaysia	100	100	Cultivation of oil palm and investment holding
IJM Properties Sdn Bhd	Malaysia	100	100	Property development and investment holding
Jurutama Sdn Bhd	Malaysia	100	100	Civil and building construction and property development
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
Malaysian Rock Products Sdn Bhd	Malaysia	100	100	Quarrying, sale of rock products and investment holding



<b>Name of Company</b>	<b>Place Incorporated</b>	<b>% Holding 1999    1998</b>		<b>Principal Activities</b>
Maxharta Sdn Bhd	Malaysia	100	100	Property development, civil and building construction
Nilai Cipta Sdn Bhd *	Malaysia	70	70	Office complex concession holder
Regal Glamour Sdn Bhd	Malaysia	100	100	Dormant
Scaffold Master Sdn Bhd	Malaysia	100	100	Sale and rental of steel scaffolding
Styrobilt Sdn Bhd	Malaysia	100	100	Dormant
Suria Bistari Development Sdn Bhd	Malaysia	51	51	Property development
Torsco Berhad *	Malaysia	90	90	Engineering, fabrication and construction
<b>Held by GR Concrete Sdn Bhd</b>				
Strong Mixed Concrete Sdn Bhd	Malaysia	100	100	Production and supply of ready-mixed concrete
<b>Held by IJM Australia Pty Limited</b>				
Billmex Pty Limited +	Australia	70	70	Property development
D.E.M. Limited +	Australia	50	50	Architectural and design services
Quay Link Enterprises Pty Limited +	Australia	50	50	Property development
<b>Held by IJM Construction Sdn Bhd</b>				
Crendon Building Systems Sdn Bhd	Malaysia	100	100	Prefabricated building construction
IJM Binamaju Sdn Bhd	Malaysia	50	50	Civil and building construction
Malaysian Construction Ventures (Overseas) Sdn Bhd	Malaysia	20	20	Project consultancy services
Prebore Piling & Engineering Sdn Bhd *	Malaysia	50.1	50.1	Piling, engineering and other construction works
THB-IJM Joint Venture Sdn Bhd	Malaysia	50	50	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

Name of Company	Place Incorporated	% Holding 1999	% Holding 1998	Principal Activities
<b>Held by IJM International Limited</b>				
Amcol Pacific Infrastructure Pte Limited *	Singapore	20	20	Dormant
Amcol Pacific Management Pte Limited *	Singapore	40	40	Dormant
Grapevine Investments (Hong Kong) Limited #	Hong Kong	50	50	Investment holding
OSW Properties Pty Limited *	Australia	50	50	Property development
Park-Lee Construction Limited #	Hong Kong	62.5	62.5	Dormant
<b>Held by IJM Overseas Ventures Sdn Bhd</b>				
Crendon Holdings Limited *	England	25	25	In members' voluntary liquidation
Earning Edge Sdn Bhd	Malaysia	20	20	Property development
Gautami Power Pte Limited *	India	60	60	Power generation
Guangdong Provincial Expressway Development Co. Ltd *	China	15.1	15.6	Development, operation and management of expressways and large bridges
IJM Construction (Vietnam) Sdn Bhd	Malaysia	100	100	Dormant
MASSCORP-Namibia Sdn Bhd	Malaysia	40	-	Investment holding
Meaga Corporation Sdn Bhd *	Malaysia	25	25	Dormant
<b>Held by IJM Plantations Sdn Bhd</b>				
Berakan Maju Sdn Bhd *	Malaysia	100	50	Cultivation of oil palm
Cekap Tropikal Sdn Bhd*	Malaysia	60	-	Special purpose vehicle for financing
Desa Talisai Sdn Bhd *	Malaysia	60	60	Cultivation of oil palm
Dynasive Enterprise Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Excellent Challenger (M) Sdn Bhd *	Malaysia	70	50	Cultivation of oil palm
Gunaria Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
IJM Agri Services Sdn Bhd *	Malaysia	70	70	Provision of agricultural management services to plantations
Loongsyn Sdn Bhd *	Malaysia	50	50	Trading in agricultural fertilizers and chemicals

Name of Company	Place Incorporated	% Holding 1999 1998		Principal Activities
Minat Teguh Sdn Bhd *	Malaysia	35	50	Cultivation of oil palm
Rakanan Jaya Sdn Bhd *	Malaysia	100	50	Cultivation of oil palm
Ratus Sempurna Sdn Bhd *	Malaysia	100	100	Property holding
Sabang Mills Sdn Bhd * (formerly known as JDSB Holdings Sdn Bhd)	Malaysia	100	-	Palm oil milling
Sijas Plantations Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Trunkline Plantations Sdn Bhd *	Malaysia	50	50	Cultivation of oil palm
<b>Held by Desa Talisai Sdn Bhd</b>				
Desa Talisai Palm Oil Mill Sdn Bhd *	Malaysia	60	60	Operates a palm oil mill
<b>Held by Excellent Challenger (M) Sdn Bhd</b>				
Ampas Maju Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Gapas Mewah Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Golden Grip Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Kulim Mewah Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Laserline Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Macmillian Group Sdn Bhd *	Malaysia	100	100	Dormant
Rantajasa Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
Sri Kilau Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
<b>Held by Rakanan Jaya Sdn Bhd</b>				
Isu Mutiara Sdn Bhd *	Malaysia	100	100	Cultivation of oil palm
<b>Held by IJM Properties Sdn Bhd</b>				
BDA-Kidurong Development Sdn Bhd *	Malaysia	53	53	Property development
Bukit Permata Sdn Bhd	Malaysia	-	50	Property development
Chen Yu Land Sdn Bhd	Malaysia	100	100	Property development
Ever Mark (M) Sdn Bhd	Malaysia	50	50	Property development
IJM Management Services Sdn Bhd	Malaysia	100	100	Project and construction management services
Jalanan Masyhur Sdn Bhd	Malaysia	51	51	Property development

<b>Name of Company</b>	<b>Place Incorporated</b>	<b>% Holding 1999</b>	<b>% Holding 1998</b>	<b>Principal Activities</b>
Liberty Heritage (M) Sdn Bhd	Malaysia	100	100	Property management and car parking services
Sinaran Intisari (M) Sdn Bhd	Malaysia	51	51	Property development
Wedec Sdn Bhd	Malaysia	100	100	Interior fit-out services, upgrades and renovation works
Wilmington Sdn Bhd	Malaysia	50	50	Property development
Xylocorp (M) Sdn Bhd	Malaysia	100	86	Property development
<b>Held by Kemena Industries Sdn Bhd</b>				
Kipal Industries Sdn Bhd *	Malaysia	51	51	Sale of ready-mixed concrete and manufacture of cement bricks
<b>Held by Malaysian Rock Products Sdn Bhd</b>				
Aggregate Marketing Sdn Bhd	Malaysia	51	51	Sale of rock products
Azam Ekuiti Sdn Bhd	Malaysia	100	100	Quarry owner
Batu Kenangan Sdn Bhd *	Malaysia	40	40	Leaseholder of quarry land
Bohayan Industries Sdn Bhd	Malaysia	70	70	Quarrying, sale of quarry products, production and sale of ready-mixed concrete
DML-MRP Resources (M) Sdn Bhd	Malaysia	50	50	Dormant
Global Rock Marketing Sdn Bhd	Malaysia	100	100	Sale of rock products
Highway Master Sdn Bhd	Malaysia	51	51	Road pavement construction
Kuang Rock Products Sdn Bhd	Malaysia	50	50	Quarrying and sale of rock products
Masello (M) Sdn Bhd	Malaysia	100	100	Sale of rock products
Oriental Empire Sdn Bhd	Malaysia	100	100	Quarry owner
Pulai Maju Sdn Bhd	Malaysia	50	50	Leaseholder of quarry land
<b>Held by Torsco Berhad</b>				
Mercury Trading Sdn Bhd *	Malaysia	100	100	Dormant
Sang Kee Enterprise Sdn Bhd *	Malaysia	100	100	Property investment
Sang Kee Feedmills Sdn Bhd *	Malaysia	100	100	Property investment

**ASSOCIATES**

<b>Name of Company</b>	<b>Place Incorporated</b>	<b>% Holding</b>		<b>Principal Activities</b>
		<b>1999</b>	<b>1998</b>	
Akademi Binaan Malaysia (Selangor) Sdn Bhd *	Malaysia	-	25	Dormant
CIDB Inventures Sdn Bhd	Malaysia	25.6	-	Construction
Cofreth (M) Sdn Bhd *	Malaysia	20	20	Electro-mechanical services
Community Resort Development System Sdn Bhd*	Malaysia	20	20	Consultancy services for community resort development
Emas Utilities Corporation Sdn Bhd *	Malaysia	40	40	Investment holding
Grupo Concesionario del Oeste S.A. ~	Argentina	17.38	24.83	Construction, renovation, repair, conservation and operation of Acceso Oeste highway
Hexacon Construction Pte Limited ^	Singapore	49	49	Civil and building construction
Nekadsatu Jaya Sdn Bhd (formerly known as IJM-Hip Hing Sdn Bhd)	Malaysia	50	50	Construction and property development
IJM-Yorkville (BVI) Pty Ltd *	British Virgin Islands	50	50	Special purpose vehicle for financing
Industrial Concrete Products Berhad *	Malaysia	21.2	21.2	Manufacture of precast concrete products
IT&T Builders Sdn Bhd	Malaysia	45	45	Building construction
Inversiones e Inmobiliaria Sur-Sur S.A.®	Chile	25	25	Property Development
Jelutong Development Sdn Bhd	Malaysia	50	100	Civil construction and property development
JWS Projects Sdn Bhd	Malaysia	50	50	Investment holding
Kami Builders Sdn Bhd *	Malaysia	50	100	Civil construction and property development
Macroland Holdings Sdn Bhd	Malaysia	30	30	Dormant
MASSCORP-Chile Sdn Bhd	Malaysia	31.4	31.4	Investment holding
MASSCORP-Vietnam Sdn Bhd	Malaysia	20	20	Investment holding
Precast Products Sdn Bhd *	Malaysia	25	25	Manufacturing and trading of precast concrete slabs and concrete elements

<b>Name of Company</b>	<b>Place Incorporated</b>	<b>% Holding</b>		<b>Principal Activities</b>
<b>1999</b>	<b>1998</b>			
Precast Property Sdn Bhd *	Malaysia	50	50	Dormant
Precast Technology Sdn Bhd *	Malaysia	50	50	Dormant
Sin Kean Boon Group Berhad *	Malaysia	20.1	20.1	Manufacture of roller shutters and aluminium extrusions and investment holding
Spirolite (M) Sdn Bhd *	Malaysia	37.5	37.5	Manufacture of straight extruded pipes and "spiral" pipes, tubes, tanks and containers
Worldwide Ventures Sdn Bhd	Malaysia	50	50	Property development and investment holding

^ Audited by PricewaterhouseCoopers, Singapore

# Audited by PricewaterhouseCoopers, Hong Kong

+ Audited by PricewaterhouseCoopers, Australia

~ Audited by PricewaterhouseCoopers, Argentina

@ Audited by PricewaterhouseCoopers, Chile

\* Not audited by PricewaterhouseCoopers

## Statutory Declaration

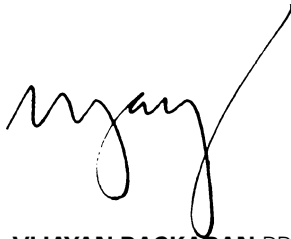
I, Loy Boon Chen, being the officer primarily responsible for the financial management of IJM Corporation Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accounts set out on pages 28 to 67 are correct and I make this solemn declaration conscientiously believing 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 28 February 2000



**LOY BOON CHEN**

Before me: -



**G. VIJAYAN BASKARAN** PPN  
Commissioner for Oaths  
Petaling Jaya

## Report of the Auditors to the Members

We have audited the accounts set out on pages 28 to 67. These accounts are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these accounts based on our audit.

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 accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion: -

- (a) the accounts give a true and fair view of the state of affairs of the Group and the Company as at 31 December 1999 and of their profits and the cash flows of the Group for the year ended on that date in accordance with the applicable approved Accounting Standards in Malaysia, and comply with the Companies Act, 1965; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies 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 on pages 61 to 67 to the accounts. We have considered the accounts of these subsidiaries and the auditors' reports thereon.

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

The auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any adverse comment made under subsection (3) of Section 174 of the Act.



PRICEWATERHOUSECOOPERS  
[AF: 1146]  
Public Accountants



SHIRLEY GOH  
[1778/8/00 (J)]  
Partner

Kuala Lumpur

28 February 2000