

Financial Statements

• Directors' Report and Statement	72
• Income Statements	78
• Balance Sheets	79
• Statement of Changes in Equity	80
• Consolidated Cash Flow Statement	83
• Company Cash Flow Statement	84
• Summary of Significant Accounting Policies	85
• Notes to the Financial Statements	93
• List of Subsidiaries and Associates	132
• Statutory Declaration	138
• Report of the Auditors to the Members	139



Directors' Report and Statement

For the year ended 31 December 2002

The Directors have pleasure in submitting their 19th annual report together with the audited financial statements of the Group and Company for the financial year ended 31 December 2002.

PRINCIPAL ACTIVITIES

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

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	136,280	63,433
Minority interest	(16,079)	-
Net profit for the year	<u>120,201</u>	<u>63,433</u>

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 2001 as proposed in the Directors' Report and Statement for that year: -	
Final dividend of 5% less tax paid on 19 July 2002	<u>13,060</u>
(b) In respect of the year ended 31 December 2002: -	
First interim dividend of 5% less tax paid on 15 November 2002	13,087
Second interim dividend of 7% less tax to be paid on 22 May 2003	<u>18,342</u>

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2002.

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 RM352,722,654 to RM363,936,565 by way of: -
- (a) The issuance of 9,605,000 new ordinary shares of RM1 each pursuant to the ESOS referred to in paragraph 7 below: -
- (i) 8,888,000 new ordinary shares of RM1 each at the exercise price of RM4.01 per share;
 - (ii) 376,000 new ordinary shares of RM1 each at the exercise price of RM3.89 per share; and
 - (iii) 341,000 new ordinary shares of RM1 each at the exercise price of RM1.82 per share.
- (b) The issuance of 1,608,911 new ordinary shares of RM1 each arising from the conversion of Warrants 2000/2004 at the exercise price of RM2.99 in accordance with the Deed Poll dated 24 January 2000.

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

EMPLOYEES SHARE OPTION SCHEME (ESOS)

7. At an Extraordinary General Meeting held on 9 March 1995, the 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 exercise 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 preceding the Date of Offer or at par value of the ordinary shares of the Company, whichever is higher. The ESOS expired on 12 March 2002 and the remaining unexercised options lapsed on that date.

Date Granted	Number of Ordinary Shares ('000)				Exercise Price
	Granted	Exercised	Terminated	Lapsed at 12.03.2002	
17.03.1995	* 19,894	15,497	2,380	2,017	RM4.01 *
29.12.1995	1,537	1,393	72	72	RM3.89
01.11.1997	10,832	10,203	629	-	RM1.82
	32,263	27,093	3,081	2,089	

* Adjusted for the bonus issue in 1995.

WARRANTS

8. The Warrants 2000/2004 are constituted by a Deed Poll dated 24 January 2000.

During the financial year ended 31 December 2000, the Company issued RM150,000,000 nominal amount of 5% Redeemable Unsecured Bond 2000/2005 with 80,178,930 detachable warrants to a primary subscriber on a bought deal basis.

Each warrant entitles the registered holder to subscribe for one (1) new ordinary share in the Company at any time on or after 28 February 2000 to 28 August 2004 or such date extended in accordance with the provisions of the Deed Poll, at an exercise price of RM2.99 per share or such adjusted price in accordance with the provisions in the Deed Poll. Any Warrants 2000/2004 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 2000/2004 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 unless the exercise of Warrants 2000/2004 was effected before the book closure of the share register for the determination of the entitlement to such rights or distributions.

DIRECTORS

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

Tan Sri Dato' (Dr) Haji Ahmad Azizuddin bin Haji Zainal Abidin, *Independent Non-Executive Chairman*
 Tan Boon Seng @ Krishnan, *Group Managing Director*
 Goh Chye Koon, *Deputy Group Managing Director*
 Soo Heng Chin, *Group Executive Director*
 Velayuthan A/L Tan Kim Song, *Group Executive Director*
 Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor, *Senior Independent Non-Executive Director*
 Datuk Oh Chong Peng, *Independent Non-Executive Director (appointed on 12 April 2002)*
 Datuk Yahya bin Ya'acob, *Independent Non-Executive Director*
 Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob, *Non-Executive Director*
 Dato' Goh Chye Keat, *Non-Executive Director*
 Lai Meng, *Non-Executive Director*
 Haji Osman bin Haji Ismail, *Non-Executive Director*
 Choo Choon Yeow, *Non-Executive Director (retired on 22 May 2002)*
 Dato' Arthur Tan Boon Shih, *Non-Executive Director (resigned on 4 April 2002)*

10. 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 31.12.2002
	Balance 01.01.2002	Acquired	Disposed	
Tan Sri Dato' (Dr) Haji Ahmad Azizuddin bin Haji Zainal Abidin				
Direct interest	-	46,000	-	46,000
Indirect interest	45,000	-	15,000	30,000
Tan Boon Seng @ Krishnan				
Direct interest	432,698	328,000	-	760,698
Indirect interest	357,698	12,000	50,000	319,698
Goh Chye Koon				
Direct interest	258,712	250,000	210,000	298,712
Soo Heng Chin				
Direct interest	-	179,000	174,000	5,000
Velayuthan A/L Tan Kim Song				
Direct interest	8,000	274,000	-	282,000
Tan Sri Dato' (Dr) Haji Murad bin Mohamad Noor				
Direct interest	10,333	-	-	10,333
Dato' Goh Chye Keat				
Direct interest	658,362	178,000	260,000	576,362
Indirect interest	801,132	-	201,000	600,132

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

Name of Director	Number of Ordinary Shares of RM1 each		
	Balance 01.01.2002	Options Exercised	Balance * 12.03.2002
Tan Boon Seng @ Krishnan	318,000	318,000	-
Goh Chye Koon	250,000	250,000	-
Soo Heng Chin	174,000	174,000	-
Velayuthan A/L Tan Kim Song	274,000	274,000	-
Dato' Goh Chye Keat	178,000	178,000	-

* Expiry date of the ESOS

12. Particulars of Directors' warrant holdings during the financial year are as follows: -

Name of Director	Balance 01.01.2002	Number of Warrants		Balance 31.12.2002
		Acquired	Disposed/ Exercised	
Tan Sri Dato' (Dr) Haji Ahmad Azizuddin bin Haji Zainal Abidin				
Direct interest	31,000	-	31,000	-
Indirect interest	8,200	-	-	8,200
Tan Boon Seng @ Krishnan				
Direct interest	1,647,000	-	-	1,647,000
Indirect interest	234,000	-	-	234,000
Goh Chye Koon				
Direct interest	1,126,000	-	150,000	976,000
Soo Heng Chin				
Direct interest	940,000	4,000	302,000	642,000
Velayuthan A/L Tan Kim Song				
Direct interest	801,600	20,000	273,000	548,600
Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob				
Direct interest	33,400	-	-	33,400
Dato' Goh Chye Keat				
Direct interest	132,000	100,000	-	232,000
Indirect interest	172,000	-	-	172,000

13. 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.

14. 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 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 substantial financial interest other than Dato' Goh Chye Keat who has substantial financial interests in Industrial Concrete Products Berhad, an associate of the Group which trades with the Company and the Group in the ordinary course of business and Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman bin Wan Yaacob who has substantial financial interest in Minconsult Sdn Bhd, which trades with the Company and the Group in the ordinary course of business as disclosed in Note 45 to the financial statements.

15. 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

16. Before the financial statements of the Group and 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 which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
17. 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 Company inadequate to any material extent or the values attributed to current assets of the Group and Company misleading; or
 - (b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and 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 Company misleading.
18. 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 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 have any contingent liabilities arisen in any company in the Group.
19. 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.
20. In the opinion of the Directors: -
- (a) the results of the operations of the Group and 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 Company set out on pages 78 to 137 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 31 December 2002 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

AUDITORS

21. 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**



TAN BOON SENG @ KRISHNAN

Petaling Jaya
27 February 2003

Income Statements

For the year ended 31 December 2002

	Note	THE GROUP		THE COMPANY	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
OPERATING REVENUE	3	1,295,195	857,391	236,802	192,306
COST OF SALES		(1,063,471)	(696,909)	(137,883)	(86,851)
GROSS PROFIT		231,724	160,482	98,919	105,455
OTHER OPERATING INCOME		43,464	31,726	40,515	37,378
TENDERING, SELLING AND DISTRIBUTION EXPENSES		(12,557)	(8,746)	-	-
ADMINISTRATIVE EXPENSES		(50,608)	(39,940)	(12,798)	(12,244)
OTHER OPERATING EXPENSES		(33,257)	(15,918)	(10,538)	127
OPERATING PROFIT BEFORE FINANCE COST	4	178,766	127,604	116,098	130,716
FINANCE COST	5	(24,124)	(27,769)	(17,194)	(16,307)
OPERATING PROFIT AFTER FINANCE COST		154,642	99,835	98,904	114,409
SHARE OF RESULTS OF ASSOCIATES		44,090	22,351	-	-
IMPAIRMENT OF INVESTMENT IN ASSOCIATES	6	(10,800)	(47,000)	(10,800)	(45,000)
GAIN/(LOSS) ON DISPOSAL OF ASSOCIATES	7	-	122,257	-	(11,697)
SHARE OF RESULTS OF JOINTLY CONTROLLED ENTITIES		3,838	12,966	-	-
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION		191,770	210,409	88,104	57,712
TAXATION					
Company and subsidiaries		(50,989)	(24,668)	(24,671)	(12,823)
Associates		(3,479)	(5,912)	-	-
Jointly controlled entities		(1,022)	(3,838)	-	-
	8	(55,490)	(34,418)	(24,671)	(12,823)
PROFIT FROM ORDINARY ACTIVITIES AFTER TAXATION		136,280	175,991	63,433	44,889
MINORITY INTEREST		(16,079)	(6,993)	-	-
NET PROFIT FOR THE YEAR		120,201	168,998	63,433	44,889
EARNINGS PER SHARE: -					
Basic	9(a)	33.3 Sen	48.0 Sen		
Fully diluted	9(b)	30.7 Sen	45.7 Sen		
DIVIDENDS PER SHARE	10	12.0 Sen	20.0 Sen		

		THE GROUP		THE COMPANY	
	Note	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
CAPITAL AND RESERVES					
Share capital	12	363,937	352,723	363,937	352,723
Share premium		241,880	210,559	241,880	210,559
Revaluation reserve		73,853	73,853	-	-
Exchange translation reserve		5,402	5,946	1,276	1,272
Capital reserves	13	34,383	34,161	-	-
Retained profits	14	737,453	643,399	257,261	219,975
Shareholders' equity		1,456,908	1,320,641	864,354	784,529
Minority interest		102,825	95,587	-	-
		1,559,733	1,416,228	864,354	784,529
NON-CURRENT LIABILITIES					
Bonds	15	246,671	246,178	150,000	150,000
Term loans	16	523	982	-	-
Hire purchase and lease creditors	17	4,338	21,935	-	-
Deferred taxation	18	13,105	8,598	4,899	2,903
Amount due to an associate	19	36,956	36,628	-	-
Trade payable	20	12,000	12,000	-	-
Retirement benefits	21	2,262	1,514	871	936
		315,855	327,835	155,770	153,839
DEFERRED INCOME					
	22	6,661	12,515	-	-
		1,882,249	1,756,578	1,020,124	938,368
NON-CURRENT ASSETS					
Property, plant and equipment	23	674,218	586,007	18,818	19,637
Subsidiaries	24	-	-	277,596	266,586
Associates	25	320,084	261,176	105,417	120,427
Long term investments	26	66,638	60,987	50,961	51,015
Long term receivables	27	53,701	85,618	-	-
Intangible assets	28	11,718	5,814	-	-
		1,126,359	999,602	452,792	457,665
CURRENT ASSETS					
Development properties	29	351,013	217,896	281	281
Inventories	30	47,492	47,380	6,584	6,669
Trade and other receivables	31	826,699	776,317	843,443	643,257
Short term investments	32	101,048	84,009	10,053	10,688
Deposits with licensed banks	33	87,705	141,895	59,262	73,297
Cash and bank balances	34	49,572	22,823	7,015	2,272
		1,463,529	1,290,320	926,638	736,464
CURRENT LIABILITIES					
Trade and other payables	36	626,614	452,248	289,041	200,894
Interest bearing bank borrowings	37	68,246	61,041	66,446	54,703
Bank overdrafts	38	880	1,686	5	164
Taxation liabilities		11,899	18,369	3,814	-
		707,639	533,344	359,306	255,761
NET CURRENT ASSETS					
		755,890	756,976	567,332	480,703
		1,882,249	1,756,578	1,020,124	938,368

Statements of Changes in Equity

For the year ended 31 December 2002

THE GROUP	Note	Non-distributable				Distributable		Total RM'000
		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	
At 1 January 2002		352,723	210,559	73,853	5,946	34,161	643,399	1,320,641
Reserve on consolidation		-	-	-	-	277	-	277
Amortisation of reserve on consolidation		-	-	-	-	(55)	-	(55)
Reserves arising from translation of foreign subsidiaries, associates and branch		-	-	-	(544)	-	-	(544)
Net gain / (loss) not recognised in income statement		-	-	-	(544)	222	-	(322)
Net profit for the year		-	-	-	-	-	120,201	120,201
Dividends for the year ended: -								
31 December 2001	10	-	-	-	-	-	(13,060)	(13,060)
31 December 2002	10	-	-	-	-	-	(13,087)	(13,087)
Issue of shares under ESOS	12	9,605	28,120	-	-	-	-	37,725
Conversion of warrants	12	1,609	3,201	-	-	-	-	4,810
At 31 December 2002		363,937	241,880	73,853	5,402	34,383	737,453	1,456,908

THE GROUP	Note	Non-distributable				Distributable		Total RM'000
		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	
At 1 January 2001:-								
- as previously reported		351,517	208,913	73,853	12,317	55,990	490,607	1,193,197
- prior year adjustment	46	-	-	-	-	-	12,655	12,655
- as restated		351,517	208,913	73,853	12,317	55,990	503,262	1,205,852
Reserves arising from translation of foreign subsidiaries, associates and branch		-	-	-	(390)	-	-	(390)
Exchange differences arising from foreign equity investments, net of foreign currency borrowings		-	-	-	1,171	-	-	1,171
Realisation of exchange translation reserves on disposal of an associate		-	-	-	(7,152)	-	-	(7,152)
Realisation of reserves on disposal of an associate		-	-	-	-	(21,829)	21,829	-
Net gain / (loss) not recognised in income statement		-	-	-	(6,371)	(21,829)	21,829	(6,371)
Net profit for the year		-	-	-	-	-	168,998	168,998
Dividends for the year ended: -								
31 December 2000		-	-	-	-	-	(12,665)	(12,665)
31 December 2001	10	-	-	-	-	-	(38,025)	(38,025)
Issue of shares under ESOS	12	1,127	1,489	-	-	-	-	2,616
Conversion of warrants	12	79	157	-	-	-	-	236
At 31 December 2001		352,723	210,559	73,853	5,946	34,161	643,399	1,320,641

Statements of Changes in Equity (Continued)

For the year ended 31 December 2002

THE COMPANY	Note	←Non-distributable→			Distributable	
		Share capital RM'000	Share premium RM'000	Exchange translation reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2002		352,723	210,559	1,272	219,975	784,529
Reserves arising from translation of a foreign branch		-	-	4	-	4
Net profit for the year		-	-	-	63,433	63,433
Dividends for the year ended: -						
31 December 2001	10	-	-	-	(13,060)	(13,060)
31 December 2002	10	-	-	-	(13,087)	(13,087)
Issue of shares under ESOS	12	9,605	28,120	-	-	37,725
Conversion of warrants	12	1,609	3,201	-	-	4,810
At 31 December 2002		363,937	241,880	1,276	257,261	864,354
At 1 January 2001:-						
- as previously reported		351,517	208,913	176	213,121	773,727
- prior year adjustment	46	-	-	-	12,655	12,655
- as restated		351,517	208,913	176	225,776	786,382
Reserves arising from translation of a foreign branch		-	-	(140)	-	(140)
Realised exchange differences arising from foreign equity investments net of foreign currency borrowings		-	-	1,236	-	1,236
Net gain not recognised in income statement		-	-	1,096	-	1,096
Net profit for the year		-	-	-	44,889	44,889
Dividends for the year ended: -						
31 December 2000		-	-	-	(12,665)	(12,665)
31 December 2001	10	-	-	-	(38,025)	(38,025)
Issue of shares under ESOS	12	1,127	1,489	-	-	2,616
Conversion of warrants	12	79	157	-	-	236
At 31 December 2001		352,723	210,559	1,272	219,975	784,529

Consolidated Cash Flow Statement

For the year ended 31 December 2002



IJM CORPORATION BERHAD
(104131-A)

Note	THE GROUP	
	2002 RM'000	2001 RM'000
OPERATING ACTIVITIES		
Receipts from customers	1,233,223	943,001
Payments to contractors, suppliers and employees	(988,523)	(765,519)
Interest received	16,131	12,741
Interest paid	(24,124)	(32,418)
Income tax refunded	883	-
Income tax paid	(52,952)	(14,170)
Net cash flow from operating activities	184,638	143,635
INVESTING ACTIVITIES		
Acquisition of subsidiaries	40 (7,928)	-
Acquisition of shares from minority shareholders	(5,610)	(2,400)
Investments in associates	(44,390)	(2,976)
Acquisition of investments	(29,984)	(284)
Capital distribution by associates	7,825	19,416
Purchases of property, plant and equipment	(126,996)	(111,429)
Disposal of subsidiaries	41 672	-
Disposal of shares in associates	-	249,178
Disposal of property, plant and equipment	7,699	1,798
Disposal of investments	275	850
Dividends received from associates	7,498	19,710
Dividends received from other investments	5,489	987
Net advances and repayments to associates	(28,027)	(84,450)
Net cash flow (used in) / from investing activities	(213,477)	90,400
FINANCING ACTIVITIES		
Issue of shares by the Company: -		
- Employees Share Option Scheme	37,725	2,616
- Conversion of warrants	4,810	236
Issues of shares by subsidiaries to minority interest	510	-
Bank borrowings	6,746	(112,402)
Repayments of hire purchase and lease creditors	(19,210)	(14,443)
Dividends paid by subsidiaries to minority shareholders	(3,658)	(4,665)
Dividends paid by the Company	(26,164)	(50,667)
Redemption / (placement) of short term deposits	7,376	(8,362)
Net cash flow from / (used in) financing activities	8,135	(187,687)
Net (decrease) / increase in cash and cash equivalents during the financial year	(20,704)	46,348
Cash and cash equivalents at beginning of the financial year	143,045	97,067
Foreign exchange differences on opening balances	1,444	(370)
Cash and cash equivalents at end of the financial year	123,785	143,045

Company Cash Flow Statement

For the year ended 31 December 2002

		THE COMPANY	
	Note	2002 RM'000	2001 RM'000
OPERATING ACTIVITIES			
Receipts from customers		163,394	235,780
Payments to contractors, suppliers and employees		(114,792)	(92,408)
Trade advances, deposits and prepayments		10,696	(16,915)
Interest received		1,625	15,983
Interest paid		(11,695)	(16,307)
Income tax refunded		883	-
Income tax paid		(9,230)	(11,167)
Net cash flow from operating activities		40,881	114,966
INVESTING ACTIVITIES			
Acquisition of subsidiaries		(4,980)	-
Acquisition of shares in associates		(3,330)	(2,012)
Acquisition of short term investments		(5)	(8)
Disposal of subsidiaries		-	39,912
Disposal of shares in associates		-	3,903
Disposal of investments		144	-
Disposal of property, plant and equipment		227	450
Dividends received from subsidiaries		33,362	76,972
Dividends received from associates		6,276	18,135
Dividends received from other investments		658	832
Purchase of property, plant and equipment		(380)	(481)
Advances to subsidiaries		(169,977)	(320,718)
Advances to associates		-	(51,639)
Advances to jointly controlled entities		(464)	(1,940)
Advances from subsidiaries		7,625	-
Advances from associates		1,480	-
Advances from jointly controlled entities		887	-
Capital distribution by associates		7,800	-
Repayment of advances from subsidiaries		-	178,339
Repayment of advances from associates		42,549	5,248
Net cash flow used in investing activities		(78,128)	(53,007)
FINANCING ACTIVITIES			
Issue of shares by the Company: -			
- Employees Share Option Scheme		37,725	2,616
- Conversion of warrants		4,810	236
Bank borrowings		11,743	(29,466)
Dividends paid by the Company		(26,164)	(50,667)
Net cash flow from / (used in) financing activities		28,114	(77,281)
Net decrease in cash and cash equivalents during the financial year		(9,133)	(15,322)
Cash and cash equivalents at beginning of the financial year		75,405	90,727
Cash and cash equivalents at end of the financial year	43	66,272	75,405

For the year ended 31 December 2002

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 Company have been prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The new applicable approved accounting standards adopted in these financial statements are as follows: -

(a) Early adoption in financial year 2001

- (i) MASB 19 "Events After the Balance Sheet Date"
- (ii) MASB 20 "Provisions, Contingent Liabilities And Contingent Assets"
- (iii) MASB 21 "Business Combinations"
- (iv) MASB 22 "Segment Reporting"

(b) New standards adopted during the financial year

- (i) MASB Standard 23 "Impairment of Assets"

This Standard does not allow retrospective application. Therefore, this Standard has been applied prospectively.

- (ii) MASB Standard 24 "Financial Instruments: Disclosure and Presentation"

The Group has availed itself of the exemption provided to apply this Standard prospectively. Comparatives are not disclosed upon first application of MASB Standard 24, as permitted by the Standard.

The preparation of financial statements in conformity with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the Directors to make 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. Actual results could 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. 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.

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, accounting policies for subsidiaries have been changed to ensure consistency with policies adopted by the Group. 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 reserve on acquisition and exchange differences which were not previously recognised in the consolidated income statement.

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.

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.

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.

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.

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 credited to reserves in the year of acquisition. 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.

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 derived 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 value 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 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.

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 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.

H. Currency Translations (Continued)

The principal closing rates used in translation of foreign currency amounts are as follows: -

Foreign currency	31.12.2002 RM	31.12.2001 RM
1 US Dollar	3.800	3.800
1 Australian Dollar	2.153	1.942
1 Singapore Dollar	2.192	2.054
1 Hongkong Dollar	0.487	0.487
1 Chinese Renminbi	0.459	0.459
1 Indian Rupee	0.079	0.079
1 Argentine Peso	1.128	3.800

I. Property, Plant and Equipment and Depreciation

All property, plant and equipment are stated at cost or at valuation less accumulated depreciation and impairment losses except for freehold land, plantation development expenditure incurred for new planting and capital work-in-progress which are not depreciated. Freehold land is not depreciated as it has an infinite life.

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. All expenditure incurred subsequent to maturity and replanting expenditure are charged to the income statement when incurred.

The Group amortises all leasehold lands 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%
Leasehold plantation land	0.1 - 2.5%
Buildings	2.0 - 20.0%
Plant, machinery and equipment	10.0 - 20.0%
Office equipment, furniture and fittings	5.0 - 33.3%
Office renovations	10.0 - 20.0%
Motor vehicles	20.0 - 25.0%

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 provision of MASB 15 on Property, Plant and Equipment which allows the assets to be stated at their last revalued amounts less depreciation. Accordingly, these valuations have not been updated.

Depreciation on assets under construction commences when the assets are ready for their intended use.

Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount.

J. Revenue and Profit Recognition**(i) Construction Contract Revenue and Expenditure**

Where 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) 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.

Profits on sale of development properties are recognised using the percentage of completion method. Anticipated losses are provided for in full.

(iii) Revenue from 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) 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.

K. Capitalisation of Finance Cost

Interest incurred on borrowings directly associated with development properties and new planting activities, up to completion and maturity respectively, is capitalised and included as part of development expenditure and plantation development expenditure respectively.

Interest cost on borrowings to finance the construction of 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.

L. Development Properties

The cost of land held for development and related development costs are carried forward as development property and expenditure. Where applicable, the fair value of land at the date of acquisition of subsidiaries is carried forward in place of cost. Costs charged to the income statement 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.

M. 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, Raw Materials, Construction Materials, Stores and Spares

Inventories are valued at the lower of cost and net realisable value. 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 inventories to their present location and for finished goods, it consists of direct materials, direct labour, direct charges and variable 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.

N. 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.

O. 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.

P. Leased Assets

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.

For sale and leaseback transactions involving certain plant and equipment which resulted in finance leases, the excess of sales proceeds over the carrying value of the aforesaid assets are amortised on a straight line basis over the period of the leases which have duration of three to four years.

Q. Deferred Expenditure

- (i) Expenses incurred on the development of quarry face are capitalised and written off on a straight line basis over the useful lives of the quarry face developed. The development is normally undertaken in phases and the useful lives of each phase is approximately two to three years.
- (ii) Premium paid on the conversion of leasehold mining land to industrial land is written off on a straight line basis over the leasehold periods.

Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount.

R. 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.

S. Deferred Taxation

Provision is made using the liability method, for taxation deferred by 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.

T. Retirement Benefits

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 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 2002.

The cost of providing retirement benefits based on the latest actuarial valuation obtained is charged to income statement 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 to the income statement and payments made to the fund is treated as a non-current liability.

U. 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.

V. 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 in equity.

(iii) Dividends

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

W. 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 mainly foreign currency forward contracts. These instruments are not recognised in the financial statements on inception, but are disclosed in the relevant notes to the financial statements.

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 transaction, 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.

(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.

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

1. GENERAL INFORMATION

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

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of the Kuala Lumpur Stock Exchange.

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 number of employees in the Group and Company as at 31 December 2002 amounted to 1,368 (2001: 1,270) and 84 (2001: 77) respectively.

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 exchange contracts to hedge certain exposure, 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 and Argentine Peso. 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 forward foreign exchange 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.

Market risk

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

Credit risk

Credit risk arises when derivative instruments are used or sales are made on deferred 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	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Construction contract revenue	953,828	509,653	183,875	99,552
Sale of development properties and property management services	129,452	135,223	-	2,122
Sale of quarry and manufactured products	111,855	160,969	-	-
Sale of crude palm oil and by-products	96,836	47,604	-	-
Dividend income	863	961	50,062	87,896
Rental of properties	2,361	2,981	2,865	2,736
	1,295,195	857,391	236,802	192,306
Share of operating revenue of: -				
Associates	244,333	245,366	-	-
Jointly controlled entities	120,984	83,379	-	-
	365,317	328,745	-	-
	1,660,512	1,186,136	236,802	192,306

4. OPERATING PROFIT BEFORE FINANCE COST

	THE GROUP		THE COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Operating profit before finance cost is stated after charging: -				
Depreciation	29,547	24,446	1,060	1,364
Hire of plant and equipment	449	934	-	-
Property, plant and equipment: -				
- written off	237	1,521	-	-
- loss on disposal	199	38	-	-
Rental of land and buildings	764	659	-	-
Auditors' remuneration: -				
- current year	545	541	125	113
- under provision in respect of prior year	2	46	-	33
Other non-audit fees paid/payable to: -				
- auditors of the Company and their associates	203	209	29	95
- other auditors of the subsidiaries	26	6	-	-
Foreign exchange loss: -				
- unrealised	-	6,531	-	2,666
- realised	-	738	-	-
Allowance for diminution in value of investments	6,886	12,643	640	3,416
Amortisation of deferred expenditure	1,767	1,235	-	-
Amortisation of goodwill	407	335	-	-
Amortisation of discount on bond issue	493	493	-	-
Allowance for doubtful debts	14,262	3,031	5,939	376
Construction contract costs	796,186	409,081	137,883	86,376
Cost of quarry and manufactured products sold	87,276	135,830	-	-
Staff cost*	66,905	55,774	11,528	12,510
and crediting: -				
Gross dividends received from:				
- subsidiaries (unquoted)	-	-	40,803	73,022
- associates				
(quoted)	-	-	2,245	14,002
(unquoted)	-	-	6,151	39
- other investments				
(quoted)	1,813	858	863	832
(unquoted)	3,917	129	-	-
Interest income	16,131	12,741	21,662	15,893
Foreign exchange gain: -				
- realised	200	3,077	-	149
- unrealised	10,309	-	9,770	-
Gain on disposal of property, plant and equipment	233	181	88	47
Rental income from properties	3,902	3,255	2,865	2,736
Write back of allowance for doubtful debts	906	13,960	-	12,000
Write back of allowance for diminution in value of investments	5	2,690	-	1,612
Gain on disposal/liquidation of investments	639	262	90	16,430

4. OPERATING PROFIT BEFORE FINANCE COST (Continued)

	THE GROUP		THE COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
*Included in staff cost above for the financial year is Directors' remuneration as follows:				
Directors of the Company: -				
Fees				
- Current year	231	173	231	173
- Under/(over) provision in respect of prior year	72	(15)	72	(15)
Other emoluments	2,713	2,375	2,024	1,773
Directors of subsidiaries: -				
Other emoluments	2,479	2,190	-	-

The estimated monetary value of benefits-in-kind provided to the Directors of the Group and Company by way of usage of the Group's and Company's assets and the provision of other benefits amounted to RM138,000 (2001: RM146,000) and RM77,000 (2001: RM77,000) respectively.

5. FINANCE COST

	THE GROUP		THE COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Interest expense on borrowings	8,624	12,248	9,694	8,807
Interest expense on bonds	15,500	15,521	7,500	7,500
	24,124	27,769	17,194	16,307

6. IMPAIRMENT OF INVESTMENT IN ASSOCIATES

- During the year, an impairment loss of RM10,800,000 has been recognised for the Company's investment in Sin Kean Boon Group Berhad, a 20.1% associate of the Group in the "Manufacturing & Quarrying" segment, as the market value of the investment is below the Group's carrying value.
- During the preceding year, following its economic crisis, Argentina repegged, devalued and subsequently floated the Peso resulting in a severe depreciation of the currency. This has resulted in an impairment of RM47,000,000 of the Group's investment in Grupo Concesionario del Oeste S.A., a 20.1% associate.

7. GAIN/(LOSS) ON DISPOSAL OF ASSOCIATES

- (a) In the preceding financial year, the Group partially disposed of its equity interest in Guangdong Provincial Expressway Development Co. Ltd, which had ceased to be an associate of the Group following the intention to dispose of the investment. Total gain arising from the disposal amounted to RM122,257,000. The carrying value of the remaining investment is now included in short term investments of the Group.
- (b) Also, during the preceding financial year, the Company disposed of an associate to one of its subsidiaries as part of its internal restructuring. The loss on disposal for the Company amounted to RM11,697,000. However, the disposal had no financial effect on the Group.

8. TAXATION

	THE GROUP		THE COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Taxation charge for the year: -				
Malaysian income tax	(42,648)	(31,534)	(22,675)	(13,007)
Overseas taxation	(6,032)	(7,363)	-	(16)
Transfer (to) / from deferred taxation (Note 18)	(4,507)	112	(1,996)	200
	(53,187)	(38,785)	(24,671)	(12,823)
(Under)/over provision in prior years	(2,303)	4,367	-	-
	(55,490)	(34,418)	(24,671)	(12,823)

The effective tax rate of the Group of 29% is higher than the statutory tax rate of 28% as certain expenses are not allowable for taxation purposes. The effective tax rate of the associates of 8% is low as certain gains are not chargeable to tax.

The position of tax losses is as follows:-

	THE GROUP	
	2002 RM'000	2001 RM'000
Tax losses :-		
Tax savings as a result of the utilisation of current year tax losses for which credit is recognised during the year	-	1,283
Tax savings as a result of the utilisation of tax losses brought forward for which the related credit is recognised during the year	676	5
Tax losses, subject to the agreement by the tax authorities, for which the related credit has not been recognised in the financial statement	93,544	90,742

Subject to the agreement by the tax authorities, as at 31 December 2002, the Group has unutilised tax allowances, amounting to RM128,705,000 (2001:RM107,006,000). The estimated potential tax benefits from unutilised tax allowances for which no credit has been taken in amounts to RM36,037,000 (2001: RM29,961,680).

9. 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 financial year of RM120,201,000 (2001: RM168,998,000) and on the weighted average number of ordinary shares in issue during the financial year of 360,556,000 (2001: 351,908,000) 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 ESOS and from the conversion of 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 RM120,201,000 (2001: RM168,998,000) by the weighted average number of ordinary shares in issue adjusted to assume the conversion of all dilutive potential ordinary shares, i.e. the 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 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 warrants calculation.

	THE GROUP	
	2002 RM'000	2001 RM'000
Net profit for the year	120,201	168,998
	'000	'000
Weighted average number of ordinary shares in issue	360,556	351,908
Adjustments for: -		
- share options	-	180
- warrants	30,749	18,030
Weighted average number of ordinary shares for diluted earnings per share	391,305	370,118
Diluted earnings per share	30.7 Sen	45.7 Sen

10. DIVIDENDS

	2002		2001	
	Gross dividend per share Sen	Amount of dividend, net of tax RM'000	Gross dividend per share Sen	Amount of dividend, net of tax RM'000
Special interim dividend	-	-	10	25,332
First interim dividend	5	13,087	5	12,693
	5	13,087	15	38,025
Second interim dividend	7	18,342	-	-
Proposed final dividend	-	-	5	13,060
	12	31,429	20	51,085

The financial statements do not reflect the second interim dividend declared after the financial year end amounting to RM18,342,000 (2001: Nil), which will only be accrued as a liability in the financial year ending 31 December 2003. No final dividend for the financial year ended 31 December 2002 (2001: 5 sen less tax) has been proposed by the Board of Directors.

11. SEGMENTAL REPORTING

(a) Primary reporting – Business segments

	Construction RM '000	Property Development RM '000
2002		
<u>REVENUE:</u>		
Total sales	1,197,373	221,745
Less: Inter-segment sales*	(76,703)	(61,093)
External sales	1,120,670	160,652
Less: Group's share of revenue of associates and jointly controlled entities	(166,842)	(30,479)
Total segment revenue	953,828	130,173
<u>RESULT:</u>		
Segment result	97,093	18,056
Share of results of associates and jointly controlled entities	7,512	1,672
Impairment of investment in an associate	-	-
Total segment profit before taxation	104,605	19,728
Taxation		
Profit from ordinary activities after taxation		
Minority interest		
Net profit for the year		
<i>* Inter-segment sales are transacted on an arms length basis</i>		
<u>OTHER INFORMATION:</u>		
Segment assets	759,366	592,168
Investment in associates	61,365	20,970
Total segment assets	820,731	613,138
Total segment liabilities	702,722	133,377
<u>Incurring for the year :-</u>		
Capital expenditure	38,049	10,909
Depreciation charged to income statement	8,386	633
Amortisation of goodwill	73	34
Amortisation of deferred expenditure	-	-
Other significant non-cash expenses: -		
- Allowance for diminution in value of investments	-	-

Manufacturing & Quarrying RM '000	Plantation RM '000	Infrastructure RM '000	Investment & Others RM '000	Group RM '000
266,163 (73,345)	130,569 -	35,118 -	67,581 (46,896)	1,918,549 (258,037)
192,818	130,569	35,118	20,685	1,660,512
(80,963)	(33,733)	(35,118)	(18,182)	(365,317)
111,855	96,836	-	2,503	1,295,195
14,483 4,570 (10,800)	26,363 3,398 -	(4,688) 35,388 -	3,335 (4,612) -	154,642 47,928 (10,800)
8,253	29,761	30,700	(1,277)	191,770
				(55,490)
				136,280 (16,079)
				120,201
126,246 55,416	558,557 27,829	52,824 143,404	180,643 11,100	2,269,804 320,084
181,662	586,386	196,228	191,743	2,589,888
52,982	226,323	10,497	7,079	1,132,980
10,524 11,042 65 1,767 71	70,737 9,486 123 - - -	- - - - -	- - 112 - 6,815	130,219 29,547 407 1,767 6,886

11. SEGMENTAL REPORTING (Continued)

(a) Primary reporting – Business segments (Continued)

	Construction RM '000	Property Development RM '000
2001		
REVENUE:		
Total sales	698,989	148,575
Less: Inter-segment sales*	(70,675)	-
External sales	628,314	148,575
Less: Group's share of revenue of associates and jointly controlled entities	(118,661)	(13,352)
Total segment revenue	509,653	135,223
RESULT:		
Segment result	69,623	17,042
Share of results of associates and jointly controlled entities	16,976	(169)
Impairment of investment in an associate arising from devaluation of foreign currency	-	-
Gain on disposal of an associate	-	-
Total segment profit before taxation	86,599	16,873
Taxation		
Profit from ordinary activities after taxation		
Minority interest		
Net profit for the year		
* Inter-segment sales are transacted on an arms length basis		
OTHER INFORMATION:		
Segment assets	591,611	493,138
Investment in associates	20,354	31,851
Total segment assets	611,965	524,989
Total segment liabilities	533,849	84,445
<u>Incurred for the year :-</u>		
Capital expenditure	23,798	1,500
Depreciation charged to income statement	5,872	497
Amortisation of goodwill	73	27
Amortisation of deferred expenditure	-	-
Other significant non-cash expenses: -		
- Allowance for diminution in value of investments	-	-

Manufacturing & Quarrying RM '000	Plantation RM '000	Infrastructure RM '000	Investment & Others RM '000	Group RM '000
271,765 (34,054)	72,554 -	80,068 -	107,200 (88,286)	1,379,151 (193,015)
237,711 (76,742)	72,554 (24,950)	80,068 (78,472)	18,914 (16,568)	1,186,136 (328,745)
160,969	47,604	1,596	2,346	857,391
14,515 2,863	6,722 74	4,182 19,854	(12,249) (4,281)	99,835 35,317
- -	- -	(47,000) 122,257	- -	(47,000) 122,257
17,378	6,796	99,293	(16,530)	210,409
				(34,418)
				175,991 (6,993)
				168,998
164,004 64,771	494,941 24,508	168,042 107,752	117,010 11,940	2,028,746 261,176
228,775	519,449	275,794	128,950	2,289,922
96,550	229,603	21,020	3,815	969,282
7,711 11,950 - 1,235 -	81,787 6,127 123 - -	- - - - -	- - 112 - 12,643	114,796 24,446 335 1,235 12,643

11. SEGMENTAL REPORTING (Continued)

(b) Secondary reporting – Geographical segments

Geographical markets	Revenue from external customers RM'000	Total segment assets RM'000	Capital expenditure incurred during the year RM'000
2002: -			
Malaysia	1,314,787	2,044,404	112,871
Singapore	68,910	23,272	-
Vietnam	12,613	38,122	-
China	1,606	100,032	-
India	219,204	182,174	17,348
Australia	20,902	110,824	-
Argentina	21,428	73,704	-
Other countries	1,062	17,356	-
	<hr/> 1,660,512	<hr/> 2,589,888	<hr/> 130,219
Less: Group's share of revenue of associates and jointly controlled entities	(365,317)	-	-
	<hr/> 1,295,195	<hr/> 2,589,888	<hr/> 130,219
2001: -			
Malaysia	961,602	1,794,867	108,372
Singapore	34,386	20,235	-
Vietnam	13,378	33,168	-
China	3,511	147,419	-
India	83,938	103,509	6,424
Australia	24,406	110,554	-
Argentina	63,757	45,683	-
Other countries	1,158	34,487	-
	<hr/> 1,186,136	<hr/> 2,289,922	<hr/> 114,796
Less: Group's share of revenue of associates and jointly controlled entities	(328,745)	-	-
	<hr/> 857,391	<hr/> 2,289,922	<hr/> 114,796

12. SHARE CAPITAL

	THE GROUP AND THE COMPANY			
	2002		2001	
	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 January	352,723	352,723	351,517	351,517
Issued under the Employees Share Option Scheme (ESOS)	9,605	9,605	1,127	1,127
Conversion of Warrants	1,609	1,609	79	79
At 31 December	363,937	363,937	352,723	352,723

(a) During the financial year, the issued and paid up ordinary share capital of the Company was increased from RM352,722,654, to RM363,936,565 by way of :-

(i) The issuance of 9,605,000 new ordinary shares of RM1 each pursuant to ESOS at the following option prices: -

- 8,888,000 new ordinary shares of RM1 each at the exercise price of RM4.01 per share;
- 376,000 new ordinary shares of RM1 each at the exercise price of RM3.89 per share; and
- 341,000 new ordinary shares of RM1 each at the exercise price of RM1.82 per share.

(ii) The issuance of 1,608,911 new ordinary shares of RM1 each arising from the conversion of Warrants 2000/2004 at the exercise price of RM2.99 in accordance with the Deed Poll dated 24 January 2000.

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

(b) The ESOS expired on 12 March 2002 and the scheme has not been extended.

(c) As at the balance sheet date, the total number of Warrants 2000/2004 which remained unexercised amounted to 78,387,019 (2001: 79,995,930).

13. CAPITAL RESERVES

	THE GROUP	
	2002 RM'000	2001 RM'000
Capitalisation of post acquisition reserves in subsidiaries and associates: -		
At 1 January/At 31 December	12,563	12,563
Share of capital reserves of associates: -		
At 1 January	21,555	43,384
Realisation on disposal of an associate	-	(21,829)
At 31 December	21,555	21,555
Reserve on consolidation: -		
At 1 January	43	43
Arising from acquisition of a subsidiary	277	-
	320	43
Less: Amortisation	(55)	-
At 31 December	265	43
Total capital reserves	34,383	34,161

14. RETAINED PROFITS

Subject to the agreement by the tax authorities, as at 31 December 2002, 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 out of all its retained profits without incurring any additional tax liabilities.

15. BONDS

	THE GROUP		THE COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
(a) 8% Secured Fixed Rate Bond 1999/2009	100,000	100,000	-	-
Less:				
Discount on issuance	4,932	4,932	-	-
Amortisation	(1,603)	(1,110)	-	-
	3,329	3,822	-	-
	96,671	96,178	-	-
(b) 5% Redeemable Unsecured Bond 2000/2005	150,000	150,000	150,000	150,000
	246,671	246,178	150,000	150,000

The principal features of the bonds are as follows:

- (a) The RM100,000,000 nominal amount of 8% Secured Fixed Rate Bond 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 bond is 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(a) to the financial statements. 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.

- (b) The RM150,000,000 nominal amount of 5% Redeemable Unsecured Bond 2000/2005 was issued by the Company with 80,178,930 detachable warrants to a primary subscriber on a bought deal basis.

The bond was issued at 100% nominal amount and carries a fixed coupon rate of 5% per annum payable semi-annually in arrears. At the end of its tenure, the bond will be redeemed at 100% nominal value together with interest accrued to the date of maturity on 28 February 2005.

Each warrant entitles the registered holder to subscribe for one (1) new ordinary share in the Company at any time on or after 28 February 2000 to 28 August 2004 or such date extended in accordance with the Deed Poll, at an exercise price of RM2.99 per share or such adjusted price in accordance with the provisions in the Deed Poll. Any Warrants 2000/2004 not exercised at the date of maturity will lapse and cease to be valid for any purpose.

The warrants are recognised in the financial statements only when they are converted into ordinary shares of the company.

16. TERM LOANS

	THE GROUP	
	2002 RM'000	2001 RM'000
Secured		
Payable within 1 year	-	58
Payable between 2 and 5 years	-	60
Payable after 5 years	523	483
Payable after 1 year	523	543
	523	601
Unsecured		
Payable within 1 year	-	2,159
Payable between 2 to 5 years	-	439
	-	2,598
Total	523	3,199
Payable within 1 year (Note 37)	-	2,217
Payable between 2 and 5 years	-	499
Payable after 5 years	523	483
Payable after 1 year (included in non-current liabilities)	523	982
	523	3,199
The currency exposure profile of term loan is as follows: - Australian Dollar	523	

The term loan is repayable on 30 April 2023. During the year, the term loan bore interest at rates ranged from 6.05% to 6.40% (2001: 6.49% to 8.6%) per annum while as at 31 December 2002, the effective interest rate was at 6.40% per annum.

	THE GROUP	
	2002 RM'000	2001 RM'000
The secured term loans are secured by: -		
- a debenture incorporating fixed and floating charges over a subsidiary's present assets	-	118
- fixed and floating charges over certain subsidiaries' development properties	523	483
	523	601

17. HIRE PURCHASE AND LEASE CREDITORS

	THE GROUP	
	2002 RM'000	2001 RM'000
Minimum payments: -		
- payable within 1 year	19,047	22,477
- payable between 1 and 5 years	4,434	23,044
	23,481	45,521
Less: Future finance charges	(1,116)	(3,946)
Present value of liabilities	22,365	41,575
Present value of liabilities: -		
Payable within 1 year (Note 36)	18,027	19,640
Payable between 1 and 5 years (included in non-current liabilities)	4,338	21,935
	22,365	41,575

Included in the above are hire purchase creditors of RM970,000 (2001: RM2,579,000). The remaining balance comprises finance lease liabilities under the basis of Islamic Principles.

18. DEFERRED TAXATION

	THE GROUP		THE COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
At 1 January	8,598	8,710	2,903	3,103
Transfer from/(to) income statement (Note 8)	4,507	(112)	1,996	(200)
At 31 December	13,105	8,598	4,899	2,903

- (a) No provision has been made for the deferred tax effects of revalued assets as the Group has no intention to dispose these assets in the foreseeable future.
- (b) Except for (a) above and certain tax losses and unutilised tax allowances mentioned in Note 8, deferred taxation has been provided for all timing differences.

19. AMOUNT DUE TO AN ASSOCIATE

The amount arose from a loan obtained by an associate which was on-lent to a subsidiary for plantation development purposes. The loan is repayable by way of a bullet repayment 7 years from the first drawdown date of 25 October 1999 and carries interest at a fixed rate of 9.95% (2001: 9.95%) per annum. Certain long term leasehold plantation land and development expenditure of the Group have been charged as security for the loan (Note 23(d)).

20. TRADE PAYABLE

This represents the outstanding purchase consideration arising from acquisition of land for property development by a subsidiary, repayable over the duration of the development, which is unsecured and interest free.

	THE GROUP	
	2002 RM'000	2001 RM'000
Total balance outstanding	12,000	13,138
Amount payable within 12 months (Note 36)	-	(1,138)
Amount payable after 12 months	12,000	12,000

21. RETIREMENT BENEFITS

	THE GROUP		THE COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
At 1 January	1,514	1,673	936	1,032
Charged to the income statement	1,088	208	-	-
Utilised during the year	(340)	(367)	(65)	(96)
At 31 December	2,262	1,514	871	936

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 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 2002.

22. DEFERRED INCOME

Deferred income represents the excess of sales proceeds over the carrying value of property, plant and equipment arising from the sale and leaseback arrangements which resulted in finance leases.

23. PROPERTY, PLANT AND EQUIPMENT

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

THE GROUP 2002

	Land				
	Freehold	Long term leasehold	Long term leasehold	Short term leasehold	Long term leasehold plantation land & development expenditure
	At Cost RM'000	At Cost RM'000	At Valuation RM'000	At Cost RM'000	At Cost RM'000
Net book value					
At 1 January 2002	2,458	38,936	941	4,723	176,164
Acquisition of subsidiaries	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-
Additions	10,449	224	-	642	32,979
Disposals	-	-	-	-	-
Written off	-	-	-	-	-
Depreciation charges for the year	-	(332)	-	(268)	(632)
Transfers / reclassifications	-	(132)	367	1,676	4,700
At 31 December 2002	12,907	38,696	1,308	6,773	213,211
At 31 December 2002					
Cost	12,907	42,275	-	7,827	214,475
Valuation	-	-	1,308	-	-
Accumulated depreciation	-	(3,579)	-	(1,054)	(1,264)
Net book value	12,907	38,696	1,308	6,773	213,211
At 31 December 2001					
Cost	2,458	42,151	-	5,509	176,796
Valuation	-	-	955	-	-
Accumulated depreciation	-	(3,215)	(14)	(786)	(632)
Net book value	2,458	38,936	941	4,723	176,164

Long term leasehold plantation land & development expenditure At Valuation RM'000	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
146,680	49,078	6,492	98,556	7,409	54,570	586,007
-	-	-	657	13	-	670
-	(261)	-	(144)	(4)	-	(409)
-	4,022	-	45,462	1,732	34,709	130,219
-	(95)	-	(7,272)	(298)	-	(7,665)
-	(15)	-	(206)	(8)	(8)	(237)
-	(2,977)	(862)	(26,682)	(2,614)	-	(34,367)
-	19,940	-	25,822	1,151	(53,524)	-
146,680	69,692	5,630	136,193	7,381	35,747	674,218
-	85,898	-	239,490	17,838	35,747	656,457
146,948	-	9,130	-	-	-	157,386
(268)	(16,206)	(3,500)	(103,297)	(10,457)	-	(139,625)
146,680	69,692	5,630	136,193	7,381	35,747	674,218
-	62,416	-	180,217	16,261	54,570	540,378
146,948	-	9,130	-	-	-	157,033
(268)	(13,338)	(2,638)	(81,661)	(8,852)	-	(111,404)
146,680	49,078	6,492	98,556	7,409	54,570	586,007

23. PROPERTY, PLANT AND EQUIPMENT (Continued)

THE COMPANY 2002

	Long term leasehold land	Buildings	Plant, machinery, equipment, & vehicles	Office equipment, furniture & fittings & renovations	Total
	At Cost RM'000	At Cost RM'000	At Cost RM'000	At Cost RM'000	RM'000
Net book value					
At 1 January 2002	9,310	7,807	1,949	571	19,637
Additions	-	-	-	380	380
Disposals	-	-	(116)	(23)	(139)
Depreciation charge for the year	(137)	(156)	(488)	(279)	(1,060)
At 31 December 2002	9,173	7,651	1,345	649	18,818
At 31 December 2002					
Cost	11,500	8,321	5,255	2,076	27,152
Accumulated depreciation	(2,327)	(670)	(3,910)	(1,427)	(8,334)
Net book value	9,173	7,651	1,345	649	18,818
At 31 December 2001					
Cost	11,500	8,321	6,418	1,827	28,066
Accumulated depreciation	(2,190)	(514)	(4,469)	(1,256)	(8,429)
Net book value	9,310	7,807	1,949	571	19,637

(a) Valuation

The buildings, long term leasehold land, long term leasehold plantation land and development expenditure of certain plantation subsidiaries were last revalued in 1997 on an open market value basis by a firm of independent professional valuers.

The net book values of the revalued land, buildings and plantation development expenditure had these assets been carried at cost less accumulated depreciation: -

	THE GROUP	
	2002 RM'000	2001 RM'000
Long term leasehold land	12,293	12,438
Long term leasehold plantation land and development expenditure	47,787	47,787
Buildings	3,701	4,133
	63,781	64,358

(b) Plantation development expenditure

The expenses incurred during the financial year which have been capitalised in the Group's plantation development expenditure include depreciation charge amounting to RM3,223,458 (2001: RM3,367,000) and interest expense amounting to RM2,004,000 (2001: RM4,692,000).

(c) 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	
	2002 RM'000	2001 RM'000
Plant, machinery, equipment and vehicles	35,772	44,993

(d) Certain long term leasehold plantation land and development expenditure of the Group, at a net book value of RM158,851,170 (2001: RM121,120,344) have been charged as security for a loan of an associate referred to in Note 19 to the financial statements.

(e) As at 31 December 2002, there was no property, plant and equipment which was pledged as securities for borrowings. As at 31 December 2001, the net book values of property, plant and equipment assets pledged as securities for term loan facilities (Note 16) and interest bearing bank borrowings (Note 37) are as follows: -

	THE GROUP 2001 RM'000
Leasehold land	366
Buildings	747
Plant and machinery and vehicles	144
Furniture and fittings	4
	1,261

24. SUBSIDIARIES

	THE COMPANY	
	2002 RM'000	2001 RM'000
Unquoted shares, at cost		
- in Malaysia	272,406	261,396
- outside Malaysia	5,363	5,363
	277,769	266,759
Less: Accumulated impairment losses	(173)	(173)
	277,596	266,586

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.

25. ASSOCIATES

	THE GROUP		THE COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
At cost: -				
Quoted shares: -				
- in Malaysia	46,476	46,476	46,476	46,476
- outside Malaysia	38,080	38,080	38,080	38,080
	84,556	84,556	84,556	84,556
Unquoted shares: -				
- in Malaysia	67,046	70,986	33,852	38,062
- outside Malaysia	158,064	112,584	52,979	52,979
	309,666	268,126	171,387	175,597
Share of post-acquisition retained profits	74,250	46,057	-	-
Share of post-acquisition reserves	11,566	11,591	-	-
	395,482	325,774	171,387	175,597
Less: Accumulated impairment losses	(75,398)	(64,598)	(65,970)	(55,170)
	320,084	261,176	105,417	120,427
Represented by: -				
Group's share of net assets	313,929	248,642		
Group's share of goodwill	1,085	1,339		
Goodwill on acquisition	5,070	11,195		
	320,084	261,176		
Market value of: -				
Quoted shares:				
- in Malaysia	50,900	42,456	50,900	42,456
- outside Malaysia	8,451	27,124	8,451	27,124
	59,351	69,580	59,351	69,580

- (a) 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.
- (b) Included in the share of results of associates for the year is the Group's share of exceptional gain of a 20.1% associate in Argentina, Grupo Concesionario del Oeste S.A (Grupo), amounting to RM25.9million (2001:Nil). Pursuant to the Presidential Decree N° 214 in Argentina, certain loans of Grupo denominated in US dollars were converted into peso at the rate of 1 US Dollar to 1 Peso and adjusted by a Reference Stabilisation Rate (CER), a rate which measures daily changes and is calculated on the basis of the monthly changes in the Consumer Price Index published by the Instituto Nacional de Estadística y Censos, of approximately 40.5% in 2002 whilst interest is capped at 8% per annum. Certain assets and liabilities of Grupo were also concurrently adjusted by an inflationary index of approximately 118%. Grupo's net gain resulting from these inflation adjustments amounted to approximately Peso 114.2 million (RM128.8 million).

The impact on Grupo's financial statements from the various measures adopted by the Argentine Government was recognised in accordance with evaluations and estimates made by Grupo's management at the date of preparing the financial statements. Future results could differ as the outcome of the following could not be determined as at the date of these financial statements: -

- (i) The presidential decrees are still being supplemented by regulations issued by various supervisory authorities. These regulations could have material impact on the financial statements of Grupo.
- (ii) At the date of issuing the financial statements, the Argentine Government had started the renegotiation of the Concession Agreement entered into with Grupo. The impact of the outcome on the financial statements could only be determined when the renegotiation is concluded.
- (iii) Grupo is also in the process of renegotiating the terms of its credit facilities with its principal financiers.

In addition, the market value of Grupo's quoted shares as at 31 December 2002 was also below the Group's carrying value of the investments.

However, the Directors have assessed the carrying value of Grupo of RM73.7 million as at 31 December 2002 based on the Group's share of the net present value of future cash flows and are of the opinion that the investment in Grupo is not impaired.

- (c) Certain losses of associates of the Group are not recognised when they exceed the Group's costs of investments and advances, as the Group has no further obligation beyond these amounts. The Group's share of such losses is as follows: -

	THE GROUP	
	2002 RM'000	2001 RM'000
Current year share of losses	1,695	11,061
Cumulative share of losses	23,188	21,493

26. LONG TERM INVESTMENTS

	THE GROUP		THE COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
At cost: -				
Quoted shares: -				
- in Malaysia	48,911	48,911	48,911	48,911
- outside Malaysia	10,612	11,679	-	54
	59,523	60,590	48,911	48,965
Unquoted shares: -				
- in Malaysia	21,459	7,953	6,500	6,500
- outside Malaysia	260	387	260	260
	21,719	8,340	6,760	6,760
Unquoted unit trusts: -				
- outside Malaysia	1,742	1,742	-	-
	82,984	70,672	55,671	55,725
Less: Allowance for diminution in value	(16,346)	(9,685)	(4,710)	(4,710)
	66,638	60,987	50,961	51,015
Market value of: -				
Quoted shares: -				
- in Malaysia	31,723	27,703	31,723	27,703
- outside Malaysia	159	9,354	-	141
	31,882	37,057	31,723	27,844

26. LONG TERM INVESTMENTS (Continued)

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

	THE GROUP 2002 RM'000	THE COMPANY 2002 RM'000
Singapore Dollar	260	260
Australian Dollar	12,354	-
	<hr/> 12,614	<hr/> 260

Although at balance sheet date, the costs of the Group's quoted long-term investments exceeded their market values, these investee companies are profitable and their attributable net tangible assets are above the costs of the Group. As such, the Directors are of the opinion that an allowance for diminution in value of investments is not necessary.

27. LONG TERM RECEIVABLES

	THE GROUP	
	2002 RM'000	2001 RM'000
(a) Receivable for construction of the Kementerian Kerja Raya Office Blocks	58,696	65,860
(b) Receivable for disposal of a development property	2,169	26,922
	<hr/> 60,865	<hr/> 92,782
Less:		
Amount receivable within 12 months (included in trade receivables - Note 31)	(7,164)	(7,164)
	<hr/> 53,701	<hr/> 85,618

(a) The cost of construction of the Kementerian Kerja Raya Office Blocks by a subsidiary is reimbursable upon completion 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 15(a) to the financial statements.

(b) The proceeds from the disposal of a development property by a subsidiary is receivable progressively over a period of 5 years commencing December 2001.

28. INTANGIBLE ASSETS

		THE GROUP	
		2002 RM'000	2001 RM'000
(a) Goodwill on consolidation		6,848	3,383
(b) Deferred expenditure		4,870	2,431
		11,718	5,814
(a) Goodwill on consolidation			
At cost: -			
At 1 January		10,060	9,439
Arising from the acquisition of subsidiaries / additional equity interest in subsidiaries		3,872	621
At 31 December		13,932	10,060
Less : Accumulated amortisation			
At 1 January		6,677	6,342
Current amortisation		407	335
At 31 December		7,084	6,677
		6,848	3,383
(b) Deferred expenditure			
Expenses incurred on the development of quarry face		15,150	10,944
Less: Accumulated amortisation		(10,280)	(8,513)
		4,870	2,431

29. DEVELOPMENT PROPERTIES

		THE GROUP		THE COMPANY	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
At valuation:					
Freehold land and development expenditure		7,104	6,715	-	-
At cost:					
Freehold land and development expenditure		232,353	244,137	281	281
Leasehold land and development expenditure		227,075	285,128	-	-
		466,532	535,980	281	281
Add: Attributable profits less recognised losses		51,770	44,637	-	-
		518,302	580,617	281	281
Less: Progress billings		(167,289)	(362,721)	-	-
		351,013	217,896	281	281

30. INVENTORIES

	THE GROUP		THE COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
At cost: -				
Raw materials :-				
- Construction materials	1,176	1,729	483	183
- Other raw materials	660	801	-	-
Finished goods :-				
- Crude palm oil	2,877	414	-	-
- Palm kernel	693	102	-	-
- Completed buildings	12,785	26,365	6,101	6,486
- Quarry and manufactured products	9,115	7,560	-	-
Stores, spares & consumables	6,731	6,051	-	-
Oil palm nurseries	2,465	2,837	-	-
Fertilisers and chemicals	2,176	1,404	-	-
Work-in-progress	96	117	-	-
	38,774	47,380	6,584	6,669
At net realisable value: -				
Finished goods :-				
- Completed buildings	8,615	-	-	-
- Quarry and manufactured products	103	-	-	-
	8,718	-	-	-
	47,492	47,380	6,584	6,669

31. TRADE AND OTHER RECEIVABLES

	Note	THE GROUP		THE COMPANY	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Trade receivables		506,154	382,634	127,733	79,217
Less: Allowance for doubtful debts		(22,971)	(25,272)	(11,692)	(11,693)
		483,183	357,362	116,041	67,524
Trade and tender deposits		6,694	17,124	602	7,685
Trade advances		23,758	51,607	12,401	13,117
Less: Allowance for doubtful debts		(3,536)	-	(3,536)	-
		20,222	51,607	8,865	13,117
Other debtors, deposits and prepayments		35,121	29,796	3,841	3,061
Less: Allowance for doubtful debts		(6,260)	-	-	-
		28,861	29,796	3,841	3,061
Amounts due from customers on construction contracts	39	21,065	40,999	4,558	-
Amounts owing by subsidiaries		-	-	599,835	404,940
Amounts owing by associates		169,871	191,763	75,165	110,485
Less: Allowance for doubtful debts		(7,409)	(5,007)	(4,412)	(2,010)
		162,462	186,756	70,753	108,475
Amounts owing by jointly controlled entities	35	104,212	92,673	38,948	38,455
		826,699	776,317	843,443	643,257

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

	THE GROUP 2002 RM'000	THE COMPANY 2002 RM'000
Ringgit Malaysia	702,664	843,443
Indian Rupee	32,857	-
Hongkong Dollar	4,636	-
Australian Dollar	75,711	-
US Dollar	10,831	-
	<hr/>	<hr/>
	826,699	843,443

Credit terms of trade receivables range from payment in advance to 90 days.

The amounts owing by subsidiaries and associates are unsecured, bear interest ranging from 4.0% to 8.4% (2001: 5.0% to 8.7%) per annum and have no fixed terms of repayment.

32. SHORT TERM INVESTMENTS

	THE GROUP		THE COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
At cost: -				
Quoted shares - In Malaysia	21,045	20,806	19,601	19,526
- Outside Malaysia	24,604	24,604	-	-
Unquoted shares outside Malaysia	49,071	47,745	-	-
Quoted warrants in Malaysia	402	402	402	402
Quoted debentures in Malaysia	16,575	466	175	245
	<hr/>	<hr/>	<hr/>	<hr/>
	111,697	94,023	20,178	20,173
Less : Allowance for diminution in value of investments	(10,649)	(10,014)	(10,125)	(9,485)
	<hr/>	<hr/>	<hr/>	<hr/>
	101,048	84,009	10,053	10,688
Market value:-				
Quoted shares: -				
- In Malaysia	9,287	9,573	8,322	8,628
- Outside Malaysia	28,520	37,995	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	37,807	47,568	8,322	8,628
Quoted warrants in Malaysia	1,686	1,991	1,686	1,991
Quoted debentures in Malaysia	16,418	96	45	69
	<hr/>	<hr/>	<hr/>	<hr/>
	55,911	49,655	10,053	10,688

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

	THE GROUP 2002 RM'000	THE COMPANY 2002 RM'000
Hongkong Dollar	24,604	-
Chinese Renminbi	47,745	-
Australian Dollar	1,326	-
	<hr/>	<hr/>
	73,675	-

33. DEPOSITS WITH LICENSED BANKS

	THE GROUP		THE COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Short term deposits with licensed banks	40,451	42,125	20,020	9,005
Fixed deposits with licensed banks	47,254	99,770	39,242	64,292
	87,705	141,895	59,262	73,297

Included in short term deposits with licensed banks are the deposits of a subsidiary amounting RM12,612,000 (2001: RM19,987,000) which 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 referred to in Note 15(a) to the financial statements. The short term deposits are maintained by the trustee for 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.

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

	THE GROUP 2002 RM'000	THE COMPANY 2002 RM'000
Ringgit Malaysia	80,610	59,262
US Dollar	6,276	-
Australian Dollar	819	-
	87,705	59,262

During the year, the interest rates for the deposits denominated in US Dollar ranged from 1.15% to 1.73% (2001: 1.62% to 3.63%) per annum while the interest rates for the other deposits ranged from 2.15% to 4.75% (2001: 3.10% to 4.7%) per annum. As at 31 December 2002, the effective interest rate for the deposits denominated in US Dollar was at 1.15% per annum while the effective interest rates for other deposits ranged from 2.15% to 4.75% per annum.

Fixed deposits with licensed banks have a maturity of between 30 days to 1 year (2001 : 30 days to 1 year).

34. CASH AND BANK BALANCES

Cash and bank balances include balances amounting to RM6,272,014 (2001: RM2,273,150) 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.

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

	THE GROUP 2002 RM'000	THE COMPANY 2002 RM'000
Ringgit Malaysia	39,895	6,921
Indian Rupee	6,593	-
Hongkong Dollar	16	-
Singapore Dollar	94	94
Australian Dollar	30	-
US Dollar	2,944	-
	49,572	7,015

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

35. AMOUNTS OWING BY / (TO) JOINTLY CONTROLLED ENTITIES

	Note	THE GROUP		THE COMPANY	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
(a) Amounts owing by jointly controlled entities		93,725	84,005	38,948	38,455
Share of results		10,487	8,668	-	-
	31	104,212	92,673	38,948	38,455
Amount owing to jointly controlled entities		(13,327)	(7,728)	(5,889)	(6,388)
Share of results		997	-	-	-
	36	(12,330)	(7,728)	(5,889)	(6,388)
		91,882	84,945	33,059	32,067

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

	Group's effective interest in jointly controlled entities		Principal activity
	2002	2001	
Dywidag-IJM Joint Venture	49%	49%	Dormant
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-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
IJMP – Mewah Kota Joint Venture	70%	70%	Property development
IJM Properties – Danau Lumayan Joint Venture	60%	60%	Property development
IJM Management Services			Project management
- Giat Bernas Joint Venture	70%	70%	services

(c) The Group's share of assets, liabilities, revenue and profits less losses before taxation of the jointly controlled entities is as follows: -

	THE GROUP	
	2002 RM'000	2001 RM'000
Property, plant and equipment	3,788	11,413
Current assets	85,462	69,136
Current liabilities	65,569	64,151
Revenue	120,984	83,379
Profits less losses before taxation	3,838	12,966

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

36. TRADE AND OTHER PAYABLES

	Note	THE GROUP		THE COMPANY	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Trade payables		354,205	218,147	55,145	27,136
Amounts due to customers on construction contracts	39	139,373	108,989	114,966	73,769
Amounts owing to subsidiaries		-	-	74,052	60,928
Amounts owing to associates		28,699	33,796	5,547	4,067
Amounts owing to jointly controlled entities	35	12,330	7,728	5,889	6,388
Hire purchase and lease creditors	17	18,027	19,640	-	-
Trade accruals		21,037	27,392	16,192	16,257
Other payables and accruals		52,839	36,435	17,146	12,228
Dividend payable		104	121	104	121
		626,614	452,248	289,041	200,894

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

	THE GROUP 2002 RM'000	THE COMPANY 2002 RM'000
Ringgit Malaysia	431,134	289,035
Indian Rupee	82,353	-
Hongkong Dollar	19,086	-
Singapore Dollar	6	6
Australian Dollar	93,935	-
US Dollar	100	-
	626,614	289,041

Credit terms of trade and other payables range 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 4.0% to 5.0% (2001: 5.0% to 7.7%) per annum and have no fixed terms of repayment.

Included in the trade payables is the current portion of outstanding purchase consideration arising from acquisition of land for property development by a subsidiary (Note 20).

37. INTEREST BEARING BANK BORROWINGS

	Note	THE GROUP		THE COMPANY	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Secured: -					
Term loans	16	-	58	-	-
Unsecured: -					
Term loans	16	-	2,159	-	-
Revolving credits		-	20,200	-	19,000
Bankers' acceptances		68,246	38,624	66,446	35,703
		68,246	60,983	66,446	54,703
		68,246	61,041	66,446	54,703

As at 31 December 2002, all the above bank borrowings were denominated in Ringgit Malaysia.

The bankers' acceptances and revolving credits are unsecured and bear interest at rates ranging from 2.9% to 3.1% (2001: 3.10% to 4.7%) per annum during the year. As at 31 December 2002, the effective interest rates for the bankers' acceptances ranged from 2.98% to 3.02% per annum.

38. BANK OVERDRAFTS (UNSECURED)

During the year, the bank overdrafts bore interest at rates ranging from 6.90 % to 7.65% (2001: 6.90% to 8.05%) per annum. As at 31 December 2002, the effective interest rates ranged from 6.90% to 7.65% per annum.

As at 31 December 2002, all the bank overdrafts were denominated in Ringgit Malaysia.

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

	THE GROUP		THE COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Aggregate costs incurred to date	1,900,789	1,402,646	452,576	330,487
Attributable profits less recognised losses	194,463	120,986	65,649	13,888
	2,095,252	1,523,632	518,225	344,375
Less: Progress billings on contracts	(2,213,560)	(1,591,622)	(628,633)	(418,144)
	(118,308)	(67,990)	(110,408)	(73,769)
Amounts due from customers on contracts (included in trade and other receivables - Note 31)	21,065	40,999	4,558	-
Amounts due to customers on contracts (included in trade and other payables - Note 36)	(139,373)	(108,989)	(114,966)	(73,769)
	(118,308)	(67,990)	(110,408)	(73,769)
Advances received on contracts (included in trade payables)	39,040	33,392	19,095	20,380
Retention sums on contracts (included in trade receivables)	33,965	11,786	9,441	11,786

During the year, depreciation charge amounting to RM1,597,000 (2001: RM1,813,000) has been included in the contract work-in-progress.

40. ACQUISITION OF SUBSIDIARIES

During the financial year, the Group/Company acquired the following new subsidiaries :

- (i) A wholly-owned subsidiary, Malaysian Rock Products Sdn Bhd, acquired the remaining 50% equity interest in Kuang Rock Products Sdn Bhd thereby increasing its stake from 50% to 100%.
- (ii) The Company acquired the remaining 50% equity interest in Jelutong Development Sdn Bhd thereby increasing its stake from 50% to 100%.
- (iii) A wholly-owned subsidiary, IJM Construction Sdn Bhd, acquired the remaining 50% equity interest in Kami Builders Sdn Bhd thereby increasing its stake from 50% to 100%.

40. ACQUISITION OF SUBSIDIARIES (Continued)

The effect of this acquisition on the financial results of the Group is as follows: -

	2002 RM'000	2001 RM'000
Operating revenue	3,755	-
Cost of sales	(3,832)	-
Gross loss	(77)	-
Expenses	-	-
Finance cost	-	-
Operating loss	(77)	-
Share of results of associates	-	(94)
Share of results of jointly controlled entities	-	-
Loss from ordinary activities before taxation	(77)	(94)
Taxation	-	-
Loss from ordinary activities after taxation	(77)	(94)
Less: Group's share of profit had the Group not acquired the additional equity interest	38	-
Net loss for the year	(39)	(94)

The effect of the acquisition on the financial position of the Group as at 31 December 2002 is follows:-

	2002 RM'000
Cash and bank balances	942
Property, plant and equipment	588
Deferred expenditure	1,389
Development expenditure	32,732
Inventories	1,269
Receivables	49,976
Payables	(78,764)
	8,132
Amount accounted for as associates	(4,790)
Group's share of profit had the Group not acquired the additional equity interest	38
Increase in Group net assets	3,380

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

	2002 RM'000
Cash and bank balances	341
Property, plant and equipment	670
Deferred expenditure	1,566
Development expenditure	82,990
Inventories	1,299
Receivables	6,432
Payables	(17,671)
Amount owing to shareholders	(66,581)
Group's share of net assets	9,046
Less: Amount accounted for as associates	(4,790)
Goodwill	3,687
Post acquisition losses	326
Cost of acquisition	8,269
Purchase consideration discharged by cash	8,269
Less: Cash and cash equivalents of subsidiaries acquired	(341)
Cash outflow on acquisition	7,928

41. DISPOSAL OF SUBSIDIARIES

- (a) During the financial year, a 55% subsidiary, Kemena Industries Sdn Bhd, disposed of its entire 51% equity interest in Kipal Industries Sdn Bhd for RM586,500 and a wholly-owned subsidiary, IJM International Ltd, Hong Kong, disposed its entire 62.5% equity interest in Park-Lee Construction Ltd, a dormant company incorporated in Hong Kong for RM1.00.

The effect of the disposal on the financial position of the Group was as follows:-

	2002 RM'000	2001 RM'000
Cash and bank balances	(86)	221
Property, plant and equipment	409	571
Inventories	85	99
Receivables	1,716	1,531
Payables	(1,575)	(1,339)
Minority interest	549 (461)	1,083
Net assets disposed of	88	
Net disposal proceeds	586	
Net gain on disposal	498	
Total proceeds from disposal – cash consideration	586	
Cash and cash equivalents of subsidiary disposed	86	
Net cash inflow on disposal	672	

41. DISPOSAL OF SUBSIDIARIES (Continued)

The effect of the disposal on the results of the Group for the financial year is as follows:-

	2002 RM'000	2001 RM'000
Sales	* -	3,797
Operating costs	* -	(3,888)
Loss from operations	* -	(91)
Other operating income	* -	131
Taxation	* -	(17)
Profit from ordinary activities after taxation	* -	23

*Less than RM1,000.

- (b) During the preceding financial year, the Company disposed of certain subsidiaries to other subsidiaries within the Group as part of its internal restructuring. The restructuring exercise was to rationalise the corporate structure to further improve operational efficiencies within the Group. These disposals had no financial effect on the Group's financial statements.

42. NON-CASH TRANSACTIONS

There was no significant non-cash financing or investing transaction during the year. The principal non-cash transaction during the preceding financial year was the subscription of additional shares in certain subsidiaries by way of capitalisation of amount owing by those subsidiaries amounting to RM60,000,000.

43. CASH AND CASH EQUIVALENTS

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

	THE GROUP		THE COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Deposits with licensed banks (Note 33)	87,705	141,895	59,262	73,297
Cash and bank balances	49,572	22,823	7,015	2,272
Bank overdrafts (Note 38)				
- Unsecured	(880)	(1,686)	(5)	(164)
	136,397	163,032	66,272	75,405
Less:				
Restricted deposits with licensed banks (Note 33)	(12,612)	(19,987)	-	-
	123,785	143,045	66,272	75,405

44. 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.

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 the measure of fair values. However, for a significant portion of the Group's and 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 December 2002, the settlement dates on the open contracts ranged between 1 to 4 months. The Group's outstanding contracts in relation to future purchase of equipments are as follows:-

Maturity	Currency	Amount in foreign currency	Contractual rate	RM'000 equivalents	Unrecognised Gain RM'000
Within 1 month	Euro	759,624	3.7080	2,817	208
Within 4 months	Euro	340,000	3.7197	1,265	89

The fair value of the above outstanding forward contracts, determined using forward exchange market rates at the balance sheet date, was a favourable position of RM297,000.

The net unrecognised gains at 31 December 2002 on open contracts of RM297,000 are deferred until the related receipts or payments occur, at which time they are included in the measurement of such receipts or payments.

(b) On balance sheet financial instruments

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

		The Group		The Company	
	Note	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
<u>Financial Assets</u>					
(i) Long term investments	26				
- Quoted shares		49,099	31,882	48,911	31,723 (aa)
- Unquoted shares		15,797	Note (bb)	2,050	Note (bb) (bb)
- Unquoted unit trust		1,742	Note (bb)	-	- (bb)
(ii) Short term investments	32				
- Quoted shares		33,892	37,807	-	-
- Unquoted shares		49,071	58,786	-	- (cc)
- Quoted debentures		16,399	16,418	-	-
(iii) Long term receivables	27	53,701	59,272	-	-

44. FAIR VALUES OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES (Continued)

(b) On balance sheet financial instruments (Continued)

- (aa) As mentioned in Note 26 to the financial statements, the Directors are of the opinion that an allowance for diminution in value of the long term quoted investments is not necessary.
- (bb) 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.
- (cc) For unquoted investments in foreign-held legal person shares (unquoted shares) in Guangdong Provincial Expressway Development Co. Ltd (GPED) at a carrying value of RM47.7 million included under short term investments in unquoted shares, estimates of its fair values have been made by reference to the market price of the quoted "B" shares of GPED, with an estimated discount for lack of marketability.

Financial liabilities

		The Group		The Company	
	Note	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
(i) Bonds	15	246,671	259,679	150,000	145,937
(ii) Amount due to an associate	19	36,956	40,858	-	-
(iii) Trade payables (Non-current)	20	12,000	8,977	-	-

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.

45. 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 29 April 2002 for Recurrent Related Party Transactions with the following related parties:-

- (i) Industrial Concrete Products Bhd and its subsidiaries (ICP Group)
- (ii) Syn Tai Hung Sdn Bhd (STHSB)
- (iii) Minconsult Sdn Bhd (MSB)

- (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.

	2002 RM'000	2001 RM'000
(aa) Associates: -		
(i) Sales / progress billings in respect of :-		
<u>Construction contract</u>		
- THB-IJM Joint Venture Sdn Bhd	2,970	11,645
- Worldwide Ventures Sdn Bhd	4,614	1,615
- Jelutong Development Sdn Bhd	-	40,606

	2002 RM'000	2001 RM'000
<u>Management fee</u>		
- Grupo Concesionario del Oeste S.A.	-	1,596
<u>Quarry products</u>		
- ICP Group	1,718	2,166
(ii) Purchases in respect of :-		
<u>Building materials</u>		
- ICP Group	24,864	12,843
<u>Agricultural fertilisers and chemicals</u>		
- Loongsyn Sdn Bhd	4,628	8,027
(iii) Interest charged to: -		
- Worldwide Ventures Sdn Bhd	4,128	3,831
- Jelutong Development Sdn Bhd	-	2,610
(iv) Advances / repayments to: -		
- OSW Properties Pty Ltd	10,854	42,413
- Reliance – OSW Investment Trust	10,546	-
- CIDB Inventures Sdn. Bhd.	9,907	3,229
- Worldwide Ventures Sdn Bhd	5,469	-
- THB-IJM Joint Venture Sdn Bhd	3,385	5,050
- Jelutong Development Sdn Bhd	-	33,315
- Reliance – OSW (Nominees) Pty. Ltd.	-	9,110
- Avillion Hotels International (Sydney) Pty. Ltd.	-	2,521
- Gautami Power Limited	-	1,138
- Ever Mark (M) Sdn. Bhd.	-	1,362
(v) Advances / repayments from: -		
- Gautami Power Limited	4,750	-
- Avillion Hotels International (Sydney) Pty Ltd	3,435	-
- JWS Projects Sdn Bhd	1,838	3,039
- Emas Utilities Corporation Sdn Bhd	1,822	-
- Nekadsatu Jaya Sdn Bhd	196	5,227
- Hexacon Construction Pte Ltd	-	1,060
- Highway Master Sdn Bhd	-	6,501
(bb)Jointly controlled entities: -		
(i) <u>Progress billings in respect of construction contract to:</u>		
- IJM Properties – JA Manan Joint Venture	202	13,415
(ii) <u>Progress billings in respect of construction contract by:</u>		
- IJM Construction – Perkasa Sutera Joint Venture	13,488	16,968
(cc)IJM Retirement Scheme:		
- Contribution to the Scheme	2,568	2,332
(dd)Purchase of building materials from a company related to major shareholders: -		
	2002 RM'000	2001 RM'000
- STHSB *	2,795	2,094

* Related to Dato' Tan Chin Nam and Robert Tan Chung Meng who are deemed major shareholders of Syn Tai Hung Sdn Bhd via corporations in which they have more than 15% shareholding.

45. SIGNIFICANT RELATED PARTY DISCLOSURES (Continued)

(ee) Professional fees paid to a company in which a Director of the Company has an interest and a company in which a Director of a subsidiary has an interest, which are based on commercial terms and conditions mutually agreed by the parties, are as follows:

	2002 RM'000	2001 RM'000
(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	1,837	3,950
(ii) Emir Enterprise Sdn Bhd, a company in which a Director of a subsidiary, Dato' Haji Moehamad Izat, has an interest	48	48

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

<u>Related party</u>	<u>Type of transaction</u>	2002 RM'000	2001 RM'000
Receivables: -			
- OSW Properties Pty Ltd	Advances	10,854	42,413
- Reliance – OSW Investment Trust	Advances	10,546	-
- CIDB Inventures Sdn. Bhd.	Advances	9,907	3,229
- Worldwide Ventures Sdn Bhd	Advances	5,469	-
- THB-IJM Joint Venture Sdn Bhd	Advances	3,385	5,050
- Jelutong Development Sdn Bhd	Advances	-	33,315
- Gautami Power Limited	Advances	-	1,138
- Reliance – OSW (Nominees) Pty Ltd	Advances	-	9,110
- Avillion Hotels International (Sydney) Pty Ltd	Advances	-	2,521
- Ever Mark (M) Sdn. Bhd.	Advances	-	1,362
Payables:			
- Emas Utilities Corporation Sdn Bhd	Advances	1,822	-

46. PRIOR YEAR ADJUSTMENT

For the preceding financial year, the Group changed its accounting policy with respect to the recognition of proposed dividends as liabilities due to the early adoption of the new MASB Standard 19 "Events After the Balance Sheet Date". In the previous years, dividends were accrued as liabilities when proposed by the Directors. The Group had changed this accounting policy to recognise dividends in shareholders' equity in the period in which the obligation to pay is established in accordance with MASB 19. Therefore, the proposed final dividends for 2001 was only accrued as liabilities in 2002 after approval by shareholders at the Annual General Meeting.

This change in accounting policy has been accounted for retrospectively.

47. CAPITAL COMMITMENTS

	THE GROUP	
	2002 RM'000	2001 RM'000
Approved and contracted for	49,561	72,700
Approved but not contracted for	34,753	7,542
	84,314	80,242
Analysed as follows: -		
Property, plant and equipment	41,314	8,354
Development land	43,000	71,888
	84,314	80,242

48. CONTINGENT LIABILITIES (UNSECURED)

	THE GROUP		THE COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Bank borrowings of subsidiaries guaranteed by the Company	-	-	11,345	21,121
Bank borrowings of associates guaranteed by the Company	76,995	70,702	76,995	70,702
	76,995	70,702	88,340	91,823

49. SIGNIFICANT EVENT DURING THE YEAR

On 29 April 2002, the Company announced the signing of a Transfer of Listing Agreement between the Special Administrators of Rahman Hydraulic Tin Berhad ("RHTB"), the Company and IJM Plantations Sdn Bhd (IJMP), a wholly-owned subsidiary of the Company, for the proposed acquisition of the listing status of RHTB to enable the listing of IJMP. Details of the Scheme were announced on 28 June 2002 as follows:

- (a) The par value of IJMP shares be split from one (1) ordinary share of RM1.00 each into two (2) ordinary shares of RM0.50 each;
- (b) Up to RM150,000,000 of "inter-company" advances from the Company to IJMP be capitalised in the following manner:
 - (i) Up to RM130,000,000 of the advances will be capitalised, whereby up to 260,000,000 new IJMP Shares will be issued; and
 - (ii) Any remaining balance not capitalised in (b)(i) above will be converted into Redeemable Convertible Unsecured Loan Stocks, subject to a maximum of RM50,000,000;
- (c) IJMP will acquire the remaining 65% equity in Minat Teguh Sdn Bhd and the remaining 40% equity in Desa Talisai Sdn Bhd, of which the consideration will be satisfied in the form of new IJMP shares to be issued;
- (d) The stockholders of RHTB will be paid in the form of 2,430,804 IJMP shares and RHTB will be paid a total cash consideration of RM25,000,000;
- (e) the Company will distribute up to 2 million IJMP shares to entitled employees of the Company and its subsidiaries (including IJMP) as part of the employees annual bonus; and
- (f) the Company will distribute up to 176.93 million IJMP shares to shareholders of the Company on the basis of two (2) IJMP Shares for every five (5) ordinary shares of RM1.00 each held in the Company.

Except the approval from the High Court, approvals have subsequently been obtained from the Securities Commission, Ministry of International Trade and Industry, Foreign Investment Committee as well as the shareholders.

The listing of IJMP on the Main Board of the KLSE is expected to be completed by May 2003. Thereafter, IJMP shall become a 49% associate of the Group.

The Scheme has no material impact for financial year ended 2002.

50. LIST OF SUBSIDIARIES AND ASSOCIATES

as at 31 December 2002

Name	Country of incorporation	Effective equity interest		Principal activities
		2002 %	2001 %	
<u>SUBSIDIARIES</u>				
GR Commerce Sdn Bhd	Malaysia	72	72	Production and supply of ready- mixed concrete
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 Plantations Sdn Bhd	Malaysia	100	100	Cultivation of oil palm 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 ##	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
Jelutong Development Sdn Bhd	Malaysia	100	50	Civil construction and property development
Kamad Quarry Sdn Bhd	Malaysia	100	100	Quarrying, manufacture and sale of premix products and road pavement construction
Malaysian Rock Products Sdn Bhd	Malaysia	100	100	Quarrying, sale of rock products and investment holding
Nilai Cipta Sdn Bhd *	Malaysia	70	70	Office complex concession holder
Styrobilt Sdn Bhd	Malaysia	100	100	Dormant
Torsco Berhad *	Malaysia	100	90	Engineering, fabrication and construction
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	50	Civil construction and property development
Prebore Piling & Engineering Sdn Bhd *	Malaysia	79.9	70	Piling, engineering and other construction works

Name	Country of incorporation	Effective equity interest		Principal activities
		2002 %	2001 %	
Held by IJM Properties Sdn Bhd				
BDA-Kidurong Development Sdn Bhd *	Malaysia	53	53	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
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	100	Property development
Suria Bistari Development Sdn Bhd	Malaysia	51	51	Property development
Sinaran Intisari (M) Sdn Bhd	Malaysia	51	51	Property development
Wedec Sdn Bhd	Malaysia	100	100	Interior fit-out services, upgrades and renovation works
Xylocorp (M) Sdn Bhd	Malaysia	100	100	Property development
Held by Malaysian Rock Products Sdn Bhd				
Aggregate Marketing Sdn Bhd	Malaysia	51	51	Sale of rock products
Azam Ekuiti Sdn Bhd	Malaysia	100	100	Quarry owner
Bohayan Industries Sdn Bhd	Malaysia	70	70	Quarrying, sale of quarry products, production and sale of ready-mixed concrete
Damansara Rock Products Sdn Bhd	Malaysia	100	100	Quarrying, road pavement construction, manufacture and sale of premix products
Global Rock Marketing Sdn Bhd	Malaysia	100	100	Sale of rock products
Kemena Industries Sdn Bhd *	Malaysia	55	55	Manufacture of ready-mixed concrete and reinforced concrete products
Kuang Rock Products Sdn Bhd	Malaysia	100	50	Quarrying and sale of rock products
Mowtas Bulkurs Sdn Bhd (formerly known as Masello (M) Sdn Bhd)	Malaysia	100	100	Multi-user bulking terminal
Oriental Empire Sdn Bhd	Malaysia	100	100	Quarry owner
Scaffold Master Sdn Bhd	Malaysia	100	100	Sale and rental of steel scaffolding
Strong Mixed Concrete Sdn Bhd	Malaysia	100	100	Production and supply of ready-mixed concrete
Held by IJM Plantations Sdn Bhd				
Berakan Maju Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
Desa Talisai Sdn Bhd	Malaysia	60	60	Cultivation of oil palm
Dynasive Enterprise Sdn Bhd	Malaysia	100	100	Cultivation of oil palm

50. LIST OF SUBSIDIARIES AND ASSOCIATES (Continued)

as at 31 December 2002

Name	Country of incorporation	Effective equity interest		Principal activities
		2002 %	2001 %	
Excellent Challenger (M) Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
Gunaria Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
IJM Agri Services Sdn Bhd	Malaysia	100	70	Provision of agricultural management services to plantations
IJM Edible Oils Sdn Bhd (formerly known as Regal Glamour Sdn Bhd) @	Malaysia	100	100	Palm kernel milling
Rakanan Jaya Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
Ratus Sempurna Sdn Bhd	Malaysia	100	100	Property holding
Sabang Mills Sdn Bhd	Malaysia	100	100	Palm oil milling
Sijas Plantations Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
Held by IJM International Limited				
Park-Lee Construction Limited #	Hong Kong	-	62.5	Dormant
Held by IJM Investments (M) Limited				
IEMCEE Infra (Mauritius) Limited ##	Mauritius	100	100	Investment holding
IJMII (Mauritius) Limited ##	Mauritius	100	100	Investment holding
IJM Rewa (Mauritius) Limited ##	Mauritius	100	-	Investment holding
Held by IJMII (Mauritius) Limited				
IJM (India) Infrastructure Limited *	India	70	70	Construction
Held by IJM Rewa (Mauritius) Limited				
Rewa Tollway Private Limited *	India	100	-	Construction
Held by IJM Australia Pty Limited				
Billmex Pty Limited +	Australia	100	100	Property development
Held by Desa Talisai Sdn Bhd				
Cahaya Adil Sdn Bhd	Malaysia	60	60	Property letting
Desa Talisai Palm Oil Mill Sdn Bhd	Malaysia	60	60	Palm oil milling
Firdana Corporation Sdn Bhd	Malaysia	60	60	Property letting
Gerbang Selasih Sdn Bhd	Malaysia	60	60	Property letting
Sihat Maju Sdn Bhd	Malaysia	60	60	Property letting
Held by Excellent Challenger (M) Sdn Bhd				
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

Name	Country of incorporation	Effective equity interest		Principal activities
		2002 %	2001 %	
Macmillion Group Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
Rantajasa Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
Sri Kilau Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
Held by Rakanan Jaya Sdn Bhd				
Isu Mutiara Sdn Bhd	Malaysia	100	100	Cultivation of oil palm
Held by Kemena Industries Sdn Bhd				
Kipal Industries Sdn Bhd *	Malaysia	-	51	Sale of ready-mixed concrete and manufacture of cement bricks
Held by Torsco Berhad				
Torsco Overseas 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
<u>ASSOCIATES</u>				
CIDB Inventures Sdn Bhd	Malaysia	24.9	23	Infrastructure investment
Cofreth (M) Sdn Bhd *	Malaysia	20	20	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	20.1	20.1	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
Industrial Concrete Products Berhad *	Malaysia	21.5	21.5	Manufacture of precast concrete products
Inversiones e Inmobiliaria Sur-Sur S.A. *	Chile	25	25	Property Development
JWS Projects Sdn Bhd	Malaysia	50	50	Investment holding
Macroland Holdings Sdn Bhd	Malaysia	30	30	Under members' voluntary liquidation
MASSCORP-Chile Sdn Bhd	Malaysia	31.4	31.4	Investment holding
Precast Products Sdn Bhd *	Malaysia	25	25	Dormant
Precast Property Sdn Bhd *	Malaysia	50	50	Dormant
Precast Technology Sdn Bhd *	Malaysia	50	50	Dormant

50. LIST OF SUBSIDIARIES AND ASSOCIATES (Continued)

as at 31 December 2002

Name	Country of incorporation	Effective equity interest		Principal activities
		2002 %	2001 %	
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
Held by IJM Australia Pty Limited				
Quay Link Enterprises Pty Limited +	Australia	50	50	Property development
Held by IJM Construction Sdn Bhd				
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
Held by IJM International (BVI) Pty Ltd				
Avillion Hotels International (Sydney) Pty Limited *	Australia	49	49	Hotel operator
Reliance-OSW (Nominees) Pty Limited *	Australia	49	49	Trustee company
Held by IJM International Limited				
Amcol Pacific Infrastructure Pte Limited *	Singapore	20	20	Dormant
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 Limited @@	India	36	36	Power generation
Held by IJMII (Mauritius) Limited				
Swarna Tollway Pte Ltd *	India	32.5	-	Construction

Name	Country of incorporation	Effective equity interest		Principal activities
		2002 %	2001 %	
Held by IJM Overseas Ventures Sdn Bhd				
Earning Edge Sdn Bhd	Malaysia	20	20	Property development
MASSCORP-Namibia Sdn Bhd	Malaysia	40	40	Investment holding
Meaga Corporation Sdn Bhd *	Malaysia	25	25	In members' voluntary liquidation
Held by IJM Plantations Sdn Bhd				
Cekap Tropikal Sdn Bhd*	Malaysia	60 43 ⁽¹⁾	60 43 ⁽¹⁾	Special purpose vehicle for financing
Loongsyn Sdn Bhd *	Malaysia	50	50	Trading in agricultural fertilizers and chemicals
Minat Teguh Sdn Bhd	Malaysia	35	35	Cultivation of oil palm
Mowtas Multi-User Jetty Sdn Bhd (formerly known as Groupwell Jaya Sdn Bhd)	Malaysia	45	45	Provision of jetty services
Trunkline Plantations Sdn Bhd	Malaysia	50	50	Cultivation of oil palm
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	40	40	Leaseholder of quarry land
DML-MRP Resources (M) Sdn Bhd	Malaysia	50	50	Dormant
Pulai Maju Sdn Bhd	Malaysia	50	50	Leaseholder of quarry land

- ^ Audited by PricewaterhouseCoopers, Singapore
 # Audited by PricewaterhouseCoopers, Hong Kong
 + Audited by PricewaterhouseCoopers, Australia
 ~ Audited by PricewaterhouseCoopers, Argentina
 ## Audited by PricewaterhouseCoopers, Mauritius
 * Not audited by PricewaterhouseCoopers
 @ Held by IJM Corporation Berhad in 2001
 @@ Held by IJM Investments (M) Limited in 2001
 (1) Voting power held

Statutory Declaration

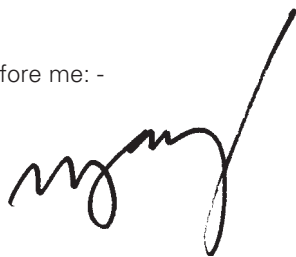
I, Loy Boon Chen, being the officer primarily responsible for the financial management of IJM Corporation Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 78 to 137 are correct and I make this solemn declaration conscientiously 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 27 February, 2003.



LOY BOON CHEN

Before me: -



G. VIJAYAN BASKARAN PPN
Commissioner for Oaths
Petaling Jaya



**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 78 to 137. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements 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 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.

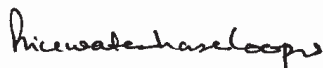
In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable 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 Company as at 31 December 2002 and of the results and cash flows of the Group and 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
27 February 2003



SHIRLEY GOH
(1778/08/04(J))
Partner

List of Properties

as at 31 December 2002

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revalua- tion (R)/ Acquisition (A)	Net Book Value as at 31 December 2002 RM'000
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FIXED ASSETS

JOHOR

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.)	-	6	A:1996	2,227
Lot Nos. 810, 811 and MLO 23, GM 66, 68 & H.S. (M) 937 Mukim Sedenak, Air Bembau, 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	-	4	A:1999	233
E-2-6, 3-2, 3-5 Block Mawar, Anjung Seri Condominium Jalan Persiaran Seri Alam 81750 Masai	Condominium	0.027	Freehold	Residential (Vacant)	-	4	A:1999	500

NEGERI SEMBILAN

H.S. (D) 77335, P.T. 6322 Mukim Labu, Daerah Seremban	Industrial land	14.164	Leasehold	Quarrying	2053	-	A:1993	1,104
H.S. (D) 75235, P.T. 6054 Mukim Labu, Daerah Seremban	Industrial land	16.997	Leasehold	Quarrying	2053	-	A:1993	3,200

PENANG

Parcel No. M/0/05/20 & M/0/05/21, Pusat Perdagangan Tanjung	Office	0.05	Leasehold	Office (548 sq.m.)	2089	7	A:1994	685
PT 35, No HS (D) 11743, Seksyen 4, Daerah Timur Laut, Bandar Jelutong	Industrial land	6.423	Freehold	Vacant; for future development	-	-	A:2001	10,449

PERAK

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	24	R:1981	1,587
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 (6.93 sq.m.)	2087	9	R:1993	3,710
Lot I1, Mukim Lumut, Daerah Manjung	Industrial land & building	2.497	Leasehold	Plant 2B, Workshop (3,600 sq.m.)	2094	3	A: 1995	3,629
				Plant 2E, (1,800 sq.m.)	2094	1	A: 2002	1,053
Lot D-2, Mukim Lumut, Daerah Manjung	Industrial land & building	5.075	Leasehold	Plant 3, Office building, workshop & jetty (4,480 sq.m.)	2093	2	A:1996	11,389

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revalua- tion (R)/ Acquisition (A)	Net Book Value as at 31 December 2002 RM'000
SARAWAK								
Lot 1176 Block 32, Kemena Crossing, Bintulu	Industrial Land & Building	3.71	Leasehold	Office & workshop (1,734 sq. m.)	2050	16	A:1987	522
Lot 2945, Block 32 Kemena Land District Bintulu	Industrial land & Building	2.676	Title yet to be issued	Vacant for future development	-	9	A:1996	1,124
Lot 1402, Block 31, Kemena Land District Jalan Tanjung Batu 97000 Bintulu	Commercial Land & Building	0.016	Leasehold	Shop-office (154 sq.m.)	2048	13	A:1996	1,314
Lot 3822, Block 31, Kemena Land District Jalan Tanjung Batu 97000 Bintulu	Building	0.034	Leasehold	Residential (333 sq.m.)	2056	7	A:1995	172
SELANGOR								
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	22	A: 1985	16,824
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	8	A: 1996	660
Workshop 3.5KM, Jalan Kampung Jawa Klang	Workshop	0.02	Rented	Workshop	-	2	A:2000	28
EMR 5364, Lot 2775 District of Klang	Workshop	0.037	Rented	For repair & maintenance of steel scaffolding	-	3	A:1999	85
Lot No 197, Mukim Rawang, Daerah Gombak, Kundang Industrial Park	Industrial land	0.185	Freehold	Vacant; for future development	-	-	A:2000	459
P.T 29651, H.S. (D) 97465, Mukim Sungai Buluh, Daerah Petaling	Commercial land & building	5.459	Leasehold	22 units of shoplex of which 19 are tenanted	2090	6	A:1997	2,785
Lot 6497 Sungai Puloh Estate Off 6th Mile Jalan Kapar 42100 Kapar, Klang	Land & building	5.75	Freehold	Office, Store, Workshop & Workers' Quarters	-	2	A:2001	3,025
Lot No 52177, Mukim Batu Daerah Gombak, KM 15 Jalan Rawang	Land & Building	0.013	Leasehold	Store	2089	11	A:1992	108
Lot No M45 Unit M45-2A & 2B Block 6 Seremban	Land & Building	0.013	Freehold	Vacant	-	4	A:1999	129
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	1	A:2002	290
WILAYAH PERSEKUTUAN								
B7-6 Puncak Prima Condo Sri Hartamas	Condominium	0.009	Freehold	Residential	-	5	A:2001	340
Golden City Condominium No: 19-05, 19th Floor Jalan Ipoh, 51200	Condominium	0.01	Freehold	Residential	-	7	A:1995	200

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revalua- -tion (R)/ Acquisition (A)	Net Book Value as at 31 December 2002 RM'000
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DEVELOPMENT PROPERTIES

JOHOR

Lot 13904-13980, 14007-14060 and 14067 & 19215 Kampung Muafakat Jalan Tun Abdul Razak	Commercial & Residential	16.35	Title yet to be issued	Under development	-	-	A:1992	1,471
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Part of Lot 1896 Kampung Serantau Jalan Dato' Jaafar Larkin	Commercial & Residential	9.224	Leasehold	Under development	2101	-	A:1992	36,908
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NEGERI SEMBILAN

HS (D) 109551, PT 888, Pekan Bukit Kepayang, Daerah Seremban	Commercial	1.902	Leasehold	Under development	2096	-	A:2001	4,605
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PENANG

Lots 14, 17, 372, 374, 376 & 492, Section 19, Georgetown, North East District	Commercial land	0.546	Freehold	Vacant; for future development	-	-	A:1992	10,710
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Lots 397 and 343, Section 2, Town of Batu Ferringhi, North East District	Residential land	2.587	Freehold	Vacant; for future development	-	-	A:1992	3,161
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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	9,480
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Lots 37, 38 and 139, Seksyen 1, Bandar Butterworth, Daerah Seberang Prai Utara	Commercial and residential land	3.256	Freehold	Vacant; for future development	-	-	A:1992	-
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Lots 104, 105, 106, 262, 1253, 2870 and 2871, Seksyen 3, Bandar Butterworth, Daerah Seberang Prai Utara	Residential land	2.036	Freehold	Vacant; for future development	-	-	A:1992	3,364
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Lots 395 & 396, Mukim 1, Pulau Betong, Daerah Barat Daya	Agriculture land	2.104	Freehold	Vacant; for future development	-	-	A:1992	1,306
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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	1,220
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Holding No. 299, 300 & 304, Mukim 14, Seberang Prai Selatan	Commercial and residential land	25.71	Freehold	Under development	-	-	A:1994	16,289
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Lot No. 501, Mukim 14, Seberang Prai Selatan (comprised in Geran No. 38943)	Commercial and residential land	7.899	Freehold	Under development	-	-	A:1994	6,369
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Lot No. 502, Mukim 14, Seberang Prai Selatan (comprised in Geran Mukim No. 102)	Commercial and residential land	0.486	Freehold	Under development	-	-	A:1994	308
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Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revalua- tion (R)/ Acquisition (A)	Net Book Value as at 31 December 2002 RM'000
Lot No. 862, Mukim 14, Seberang Prai Selatan (comprised in No. Pendaftaran 3754)	Commercial and residential land	2.226	Freehold	Vacant; for future development	-	-	A:1994	3,214
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	713
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	10,315
Lot No. 591, No. GM 168, Mukim 14, Seberang Prai Tengah	Commercial and residential land	2.635	Freehold	Vacant; for future development	-	-	A:1994	1,292
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	5,470
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	1,461
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	59
Lot Nos. 1686 & 1729 Mukim 14, Seberang Prai Tengah	Agriculture land	5.233	Freehold	Vacant; for future development	-	-	A:1995	3,394
Lot No. 1627, Mukim 14, Seberang Prai Tengah	Agriculture land	7.282	Leasehold	Vacant; for future development	2876	-	A:1995	3,506
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	4,556
Parcel C3, Daerah Timur Laut Bandar Georgetown	Industrial	6.07	Leasehold	Under development	2100	-	A:2001	8,973
Parcel A3 Jalan Udini	Mixed Development	12.141	Freehold	Under development	-	-	A:2001	45,682
PERAK								
Parcel No. 1 Lot No. 78 Mukim of Gunong Semanggol, Daerah Kerian	Residential land	0.093	Leasehold	Vacant; for future development	2093	-	A:1995	273
SABAH								
CL 075477584, District of Sandakan, 6th North Road	Residential	134.7	Leasehold	Under development	2081	-	A:1998	24,414
SARAWAK								
Lot 7978, Section 65 KTLD, (Balance of Lot 5238, Section 65 KTLD, Kuching)	Agricultural	11.338	Leasehold	Under development	2024	-	A:1991	6,319

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revalua- tion (R)/ Acquisition (A)	Net Book Value as at 31 December 2002 RM'000
Lot 5536, Section 65 KTLD, Kuching	Agricultural	2.752	Leasehold	Under conversion to residential	2038	-	A:1996	2,459
SELANGOR								
Lot 4446, Mukim Kapar, 41400 Kelang	Agriculture land	1.214	Freehold	Vacant; for future development	-	-	A:1984	300
Grant No 5051 Lot 240 Mukim of Klang	Agricultural	40.052	Freehold	Under development	-	-	A:1994	19,502
P.T. 29651, H.S.(D) 97465 Mukim Sungai Buluh, Daerah Petaling	Residential land	5.459	Leasehold	Under development	2090	-	A:1993	18,137
H.S. (D) 45120, P.T. 23728 Mukim Kapar, Daerah Klang	Industrial land	7.79	Freehold	Vacant; for future development	-	-	A:1989	18,538
Lot 6497 C.T. 26645 Mukim Kapar, Daerah Klang	Industrial land	5.969	Freehold	Vacant; for future development	-	-	A:1996	8,855
PLANTATIONS								
SABAH								
Wisma IJM Plantations	Commercial land & building	0.575	Leasehold	1 Office Building	2081	1-2	A:2000	7,301
LA 78080114 (CL085321535) District of Labuk/ Sugut, Sandakan	Agriculture land & building	1,011	Leasehold	Oil palm cultivation & research and training centre	2087	6-10	R:1997	25,068
District of Labuk/ Sugut Country Lease No. 085330141	Agriculture land & buildings	4,032.28	Leasehold	Oil palm cultivation	2082	3-16	R:1997	104,553
District of Labuk/Sugut Part of Country Lease No. 085330150	Industrial land & building	40	Leasehold	Palm oil mill & ancillary building	2082	5-10	R:1997	8,028
District of Labuk/Sugut Country Lease No. 085322881	Agriculture land & buildings	1,944	Leasehold	Oil palm cultivation	2087	3-5	R:1997	47,707
District of Sandakan Country Lease No. 075165774	Residential	3.17	Leasehold	Vacant; for future development	2892	-	A:1996	1,050
District of Sandakan Sungai Segaluid/ Pangantin	Agriculture land	120.94	Leasehold	Vacant; for future development	2077- 2096	-	A:1996& 2000	486
District of Labuk & Sugut Kampung Ensuan	Agriculture land	38.37	Leasehold	Vacant; for future development	2097	-	A:1998	119
District of Sandakan Sungai Mowtas	Industrial land	8.49	Leasehold	Vacant; for future development	2022	-	1997	3,444
District of Labuk/Sugut	Agriculture land & building	19,759	Leasehold	Oil palm cultivation & palm oil mill	2078- 2098	1-5	A:1998- 2001	242,531
District of Beluran Country Lease No. 085331559, 085331568, 085330098, 085333875, 085334738, 085334729	Agriculture land, staff quarters & office	986.69	Leasehold	Oil palm cultivation	2095- 2099	1-2	A:2001	10,063

Location	Description	Area (Hectares)	Tenure	Existing Use	Expiry Date	Age of Building (years)	Date of Revalua- -tion (R)/ Acquisition (A)	Net Book Value as at 31 December 2002 RM'000
District of Beluran Country Lease No. 085331488	Agriculture land	248.6	Leasehold	Oil palm cultivation	2097	-	A:2000	1,072
District of Labuk/ Sugut Country Lease No. 085328310	Agriculture land	12.87	Leasehold	Vacant for future development	2094	-	A:1999	81
District of Sandakan Sungai Mowtas	Industrial land & building	14.19	Leasehold	Palm kernel crushing plant	2038 & 2094	-	A:1996- 97	9,947
District of Sugut Country Lease No. 085333973	Agriculture land	2,945.28	Leasehold	Oil palm cultivation	2098	-	A:1998- 2001	23,809
District of Labuk/ Sugut 083171180, 083171153, 083171162, 083171171	Agriculture land	12.59	Leasehold	Vacant, for future development	2031	-	A:2002	37
Sabang Jetty	Forest reserve	4.185	Leasehold	Jetty	2019	-	Completed in 2002	2,598

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 19th 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, 21 May 2003, at 4.00 p.m. to transact the following matters:-

1. To receive the audited financial statements together with the reports of the Directors and Auditors for the year ended 31 December 2002. (Resolution 1)
2. To elect retiring Directors as follows:-
 - a) Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor (Resolution 2)
 - b) Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman Bin Wan Yaacob (Resolution 3)
 - c) Dato' Goh Chye Keat (Resolution 4)
3. To reappoint PricewaterhouseCoopers as Auditors and to authorize 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 RM221,125 for the year ended 31 December 2002 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 authorized, 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 authorized 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
29 April 2003

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 authorized. 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 2, if approved, will authorize 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 authorize 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 authorization 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 authorization, unless in pursuance of offers, agreements or options granted by the Directors while the approval is in force, will expire at the next AGM.

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 19th Annual General Meeting (AGM) of IJM CORPORATION BERHAD (104131-A) to be held on Wednesday, 21 May 2003, at 4.00 p.m. and, at any adjournment thereof, in the manner indicated below:

No.	Resolutions	For	Against
1.	To receive the audited financial statements together with the reports of the Directors and Auditors for the year ended 31 December 2002		
2.	To reappoint Tan Sri Dato' (Dr) Haji Murad Bin Mohamad Noor as Director to hold office until the next AGM		
3.	To reappoint Tan Sri Dato' Ir. (Dr) Wan Abdul Rahman Bin Wan Yaacob as Director		
4.	To reappoint Dato' Goh Chye Keat as Director		
5.	To reappoint PricewaterhouseCoopers as Auditors and to authorize the Directors to fix their remuneration		
6.	To approve the payment of Directors' fees of RM221,125		
7.	To authorize 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. 2003

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 authorized. 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>.

Stamp

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



IJM CORPORATION BERHAD (104131-A)

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VIETNAM

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Share Registrars

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Auditors

PricewaterhouseCoopers
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Wisma Sime Darby
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Malaysia

Principal Bankers

- ABN AMRO Bank Berhad
- HSBC Bank Malaysia Berhad
- Malayan Banking Berhad
- RHB Bank Berhad
- United Overseas Bank (Malaysia) Berhad

Stock Exchange Listing

Main Board of Kuala Lumpur
Stock Exchange since
29 September 1986
KLSE Code : 3336
Reuters Code : IJMS.KL
Bloomberg Code : IJM MK

DIVISIONAL OFFICES

CONSTRUCTION

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INDUSTRIES

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PLANTATIONS

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